

Approved *Ginger Barr*
February 13, 1990 Date

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Representative Ginger Barr at
Chairperson

1:30 ~~a.m.~~ p.m. on January 30, 1990 in room 526-S of the Capitol.

All members were present except:

Representatives Jenkins - Excused
Peterson
Wagnon - Excused

Committee staff present:

Mary Galligan, Kansas Department of Legislative Research
Mary Torrence, Revisor of Statutes' Office
Juel Bennewitz, Secretary to the Committee

Conferees appearing before the committee:

Ed Van Petten, Deputy Attorney General, Criminal Division
Galen Davis, Special Assistant on Drug Abuse, Governor's Office
Jerry Simpson, Executive Director, Kansas Lottery
Jim Edwards, Director Chamber and Association Relations, Kansas Chamber of
Commerce and Industry (KCCI)
Roger Kroh, Vice-President, Kansas Industrial Developers Association (KIDA)
Charles Warren, President, Kansas, Inc.
Kenneth W. Hicks, Bishop, United Methodist Church of Kansas
Reverend Richard Taylor, Kansans for Life at Its Best
Mark Marling, President, Ed Marling Stores, Topeka, Kansas
Frances Wood, President, Capital City Women's Christian Temperance Union (WCTU)

Ed Van Petten requested the introduction of a bill concerning an addition to those acts which would preclude diversion agreements for those who refuse to submit to a breath or blood alcohol test at the time of arrest, Attachment No.1.

Representative Aylward moved to introduce the bill as a committee bill, seconded by Representative Ramirez. The motion was adopted.

Galen Davis submitted a request for bill introduction regarding drug free school zones, Attachment No. 2. Representative Bryant made a motion to introduce the bill as a committee bill, seconded by Representative Jones. The motion carried.

Chairman Barr requested the committee read the interim report on parimutuel wagering as preparation to discuss upcoming bills relating to that subject.

HCR 5038

Jerry Simpson spoke in support of continuation of the lottery, Attachment No. 3.

Committee discussion:

1. The lottery has received no complaints from spouses regarding a negative impact due to lottery participation.
2. The lottery plans to expand its player base through advertising and product presentation.
3. One member noted the public's lack of knowledge as to the disbursement of lottery revenues. Mr. Simpson noted a forthcoming study in conjunction with the Department of Commerce detailing disbursement of EDIF funds, available in approximately two weeks.
4. The comparison of lottery revenues to state sales tax revenue was not known.
5. There is current research to determine the player base and provide a player profile. The survey will first be done by a random telephone survey followed up by groups doing a perception analysis.
6. It was not known if the player base has expanded or decreased.
7. There seems to be no discernable impact on lottery participation in those areas which also have parimutuel racing.
8. It is difficult to compare administrative costs to other states as factors such as contracted services are not known. Compared to lotteries of similar size, Kansas' administrative costs appear rather high.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Federal and State Affairs,
room 526-S, Statehouse, at 1:30 ~~xxx~~ p.m. on January 30, 1990

9. Minority employment at the lottery is approximately 7-8%. The director signed an affirmative action statement at the time of his employment.
10. The lottery maturity period appears to occur between the third and fifth years of existence. Based on other lotteries, there appears to be a steady sales increase and in most instances, administrative costs are reduced. Advertising costs may not decrease.
11. Oversight of Lotto America is controlled by a board of directors comprised of the member states and Washington, D.C. If the Kansas lottery is not renewed, Kansas would no longer be a participant in Lotto America.

Jim Edwards testified in support of HCR 5038 citing programs developed with lottery revenues, Attachment No. 4. Attachment No. 4A contains figures for EDIF expenditures.

Committee discussion:

1. One member's questions suggested the lottery has a 55% tax and costs a dollar for each dollar raised.
2. Mr. Edwards agreed with another member that the lottery is a voluntary tax.
3. Prior to the 1986 vote on the lottery, KCCI was part of an informal coalition that explained division of the lottery revenues.
4. EDIF funds are allocated on the basis of the recommendations of the governor and legislature.
5. Amounts and recipients of lottery revenues are determined by statute.
6. Administrative costs of the lottery were studied by the KCCI as an issue rather than a problem.

Roger Kroh was a proponent of HCR 5038 highlighting programs brought to the state by lottery funds, Attachment No. 5.

Committee discussion:

1. One member explained that the lottery revenues dedicated to reappraisal and the state corrections building fund provide tax relief in that those monies did not come from some other taxing source.
2. The adverse impact of raising the sales tax 1/10 of 1% would probably be most noticed in areas bordering other states.

Charles Warren presented the board of director's January 11, 1990, policy recommendation that the lottery be continued, Attachment No. 6. Through HCR 5038 Kansas, Inc. oversees the formulation and recommendations to the legislature on the expenditures of EDIF funds. This funding goes through the regular appropriations process.

Committee discussion:

1. There is a survey in progress to determine how Kansas compares with other states on a program basis. It should be available in a month.
2. Lottery funds are tracked as follows: to the treasury where they are designated to the Gaming Revenues Fund; then they are reallocated 60%, 30%, 10% and all go through the regular appropriations process as to state general funds.
3. The Trade Fair Assistance Program was begun last year for small businesses to travel to overseas trade shows. Secretary Priddle reported that for each dollar invested in that program, \$63 was returned to the Kansas economy.
4. Attachment No. 6A is a table identifying EDIF expenditures for 1990 and recommendations for 1991. EDIF funds are appropriated within an agency's budget. Dollar amounts may not represent the total funding for each program as there is intermingling with state general funds (SGF).
5. HCR 5033 provided three criteria for EDIF funds:
 - a. they not be used for salaries of permanent personnel, state employees;
 - b. they be used as enhancement funds and not become part of SGF;
 - c. (couldn't be remembered)
6. EDIF recisions for 1991 are Small Business Fund (\$1 million); Partnership Fund (almost "zeroed out") and Kansas Technology Enterprise Fund (KTEC) budget.
7. One member noted an additional confusion regarding EDIF funds lies in not knowing the difference between the Margin of Excellence and Centers for Excellence.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Federal and State Affairs,

room 526-S, Statehouse, at 1:30 ~~xxx~~ p.m. on January 30, 1990.

Bishop Kenneth Hicks opposed the resolution presenting the position of the Methodist Church and urged no action on HCR 5038, Attachment No. 7.

Committee discussion:

1. There was not statistical breakdown of those referred to Gambler's Anonymous as a result of playing the lottery.
2. Any type of gambling leading to addictive behavior would be cause for referral to Gambler's Anonymous.

Reverend Richard Taylor spoke against the lottery as a state owned gambling activity, Attachment No. 8.

Committee discussion:

There was brief discussion on whether the present statutory language could be interpreted to permit casino gambling. Carl Anderson, Assistant Attorney General affirmed that possibility. Staff was directed to review the language and draft new language, if necessary. Reverend Taylor contended it would be a constitutional rather than statutory change.

Mark Marling spoke against HCR 5038, particularly as a voluntary tax, Attachment No. 9.

Frances Wood opposed the resolution as a state run activity and on several other bases, Attachment No. 10.

Staff presented bill drafts from the governor regarding abortion, Attachment No. 11 and parental notification, Attachment No. 12. Representative Cates moved to introduce the bills, seconded by Representative Ramirez. The motion was adopted.

Representative Douville made a motion to approve minutes of the January 16, 1990, meeting, seconded by Representative Cates. The motion carried.

Tim Benton, Garnett, Kansas requested permission to submit a written statement in opposition to HCR 5038.

The meeting adjourned at 3:26 p.m. The next meeting of the committee will be February 6, 1990, 1:30 p.m. in Room 526-S.

GUEST LIST

FEDERAL & STATE AFFAIRS COMMITTEE

DATE January 30, 1990

(PLEASE PRINT)

NAME	ADDRESS	WHO YOU REPRESENT
Daniel E. Jueg	5130 Paulen Rd Berrington	
Mayoue E. Jueg	5130 Paulen Rd Berrington	
Jessie Brunton	203 3036 SW Mulvane, Topeka	Citizen
Alice A. Bullock	3438 SE 53, Berrington	Concerned citizen
Virginia Nordstrom	813 S.W. Oakley	" "
Richard W. Owen	2410 FAIRLAWN CT Topeka 66614	Concerned Citizen
Robert Bacon	4316 SW 17 th TERR TOPEKA 66604	Concerned Citizen
Alice Bacon	4316 SW 17 th Terr Topeka	" "
Clifford Jueg	4930 S.E. ^{Berrington} Paulen Rd.	
Mary Louise Taylor	4831 S.E. 61st Berrington	Capital City W.C.T.U.
James Wood	4724 SE 37 th	✓ ✓ ✓
Eldon E Wood	✓ ✓	✓ ✓ ✓
Wilma Perry	1133 Winfield	Topeka, " "
Earl Ogden	" "	" "
LeRoy Taylor	2915 Lincoln Topeka	self-
Th. E. Slips	3901 Col. Dr Topeka	Self
Tim Benton	Rt 2 Garnett 66037	Private Citizen
Richard Taylor	Topeka	Life at 16 Best
Kenneth Hicks	Topeka	United Methodist Church
Mark Marling	Topeka	Ed Marling Store Inc
Jim Edwards	Topeka	KCCI
Pat Loresley	Lawrence	Page
Jane Sundell	"	"
Sybil Gibbs	LAWRENCE	
Barbara Remert	Topeka	League of Women Voters
Dena Wallace	"	Lottery
Jury Swinson	"	"

ATTORNEY GENERAL PROPOSAL

DUI Diversions - Amend K.S.A. 22-2908(2)(a) by adding a section iv and amend K.S.A. 12-4415(b) by adding a subsection (4), which would preclude diversion agreements for individuals refusing to submit to a breath or blood alcohol test (BAT).

22-2908(2)(a)

(iv) refused to submit to testing for alcohol and drugs pursuant to K.S.A. 8-1001(a).

12-4415 (b)

(4) refused to submit to testing for alcohol and drugs pursuant to K.S.A. 8-1001(a), or the municipal ordinance which makes the same requirements as that statute.

11/13/90

BILL NO. _____

AN ACT concerning controlled substances; relating to drug free school zones; amending K.S.A. 1989 Supp. 65-4127a and 65-4127b and repealing the existing sections.

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

Section 1. K.S.A. 1989 Supp. 65-4127a is hereby amended to read as follows: 65-4127a. (a) Except as authorized by the uniform controlled substances act, it shall be unlawful for any person to manufacture, possess, have under such person's control, possess with intent to sell, offer for sale, sell, prescribe, administer, deliver, distribute, dispense or compound any opiates, opium or narcotic drugs. Any person who violates this section shall be guilty of a class C felony, except that, upon conviction for the second offense, such person shall be guilty of a class B felony, and upon conviction for a third or subsequent offense, such person shall be guilty of a class A felony, and the punishment shall be life imprisonment.

(b) Upon conviction of any person pursuant to subsection (a) in which (1) the substances involved were equal to or greater than the amounts for such substances as specified in K.S.A. 1988 1989 Supp. 65-4127e, and amendments thereto, or (2) the substances involved, regardless of amounts, were possessed with intent to sell, sold or offered for sale to a child under 18 years of age, there shall be at sentencing a presumption that the defendant be sentenced to imprisonment and not granted probation, assignment to a community correctional services program or suspension of sentence.

(c) Notwithstanding any other provision of law, upon conviction of any person pursuant to subsection (a) in which the substances involved were possessed with intent to sell, sold or

offered for sale in or on, or within 1,000 feet of any school property upon which is located a structure used by a unified school district for student instruction or extracurricular activities, or both, such person shall be guilty of a class B felony.

Sec. 2. K.S.A. 1989 Supp. 65-4127b is hereby amended to read as follows: 65-4127b. (a) Except as authorized by the uniform controlled substances act, it shall be unlawful for any person to possess or have under such person's control:

(1) Any depressant designated in subsection (e) of K.S.A. 65-4105, subsection (e) of K.S.A. 65-4107, subsection (b) or (c) of K.S.A. 65-4109 or subsection (b) of K.S.A. 65-4111, and amendments thereto;

(2) any stimulant designated in subsection (f) of K.S.A. 65-4105, subsection (d) or (f) of K.S.A. 65-4107 or subsection (e) of K.S.A. 65-4109, and amendments thereto;

(3) any hallucinogenic drug designated in subsection (d) of K.S.A. 65-4105 and amendments thereto or designated in subsection (g) of K.S.A. 65-4107 and amendments thereto;

(4) any substance designated in subsection (c), (d), (e), (f) or (g) of K.S.A. 65-4111 and amendments thereto; or

(5) any anabolic steroids as defined in subsection (h) of K.S.A. 65-4111 and amendments thereto.

Any person who violates this subsection shall be guilty of a class A misdemeanor, except that such person shall be guilty of a class D felony upon conviction for a second or subsequent offense.

(b) Except as authorized by the uniform controlled substances act, it shall be unlawful for any person to sell, offer for sale or have in such person's possession with the intent to sell, manufacture, prescribe, administer, deliver, distribute, dispense or compound:

(1) Any depressant designated in subsection (e) of K.S.A. 65-4105, subsection (e) of K.S.A. 65-4107, subsection (b) or (c) of K.S.A. 65-4109 or subsection (b) of K.S.A. 65-4111, and

FSA
2-2
1-30-90

amendments thereto;

(2) any stimulant designated in subsection (f) of K.S.A. 65-4105, subsection (d) or (f) of K.S.A. 65-4107 or subsection (e) of K.S.A. 65-4109, and amendments thereto;

(3) any hallucinogenic drug designated in subsection (d) of K.S.A. 65-4105, and amendments thereto or designated in subsection (g) of K.S.A. 65-4107 and amendments thereto;

(4) any substance designated in subsection (c), (d), (e), (f) or (g) of K.S.A. 65-4111, and amendments thereto; or

(5) any anabolic steroids as defined in subsection (h) of K.S.A. 65-4111 and amendments thereto.

Any person who violates this subsection shall be guilty of a class C felony.

(c) Except as authorized by the uniform controlled substances act, it shall be unlawful for any person to manufacture, possess, have under such person's control, prescribe, administer, deliver, distribute, dispense, compound, sell, offer for sale or have in such person's possession with intent to sell any controlled substance designated in K.S.A. 65-4113 and amendments thereto. Any person who violates this subsection shall be guilty of a class A misdemeanor, except that such person shall be guilty of a class D felony if the substance was prescribed for or administered, delivered, distributed, dispensed, sold, offered for sale or possessed with intent to sell to a child under 18 years of age.

(d) Upon conviction of any person pursuant to subsection (a), (b) or (c) in which (1) the substances involved were equal to or greater than the amounts for such substance as specified in K.S.A. ~~1988~~ 1989 Supp. 65-4127e and amendments thereto, or (2) the substances involved, regardless of amounts, were possessed with intent to sell, sold or offered for sale to a child under 18 years of age, there shall be at sentencing a presumption that the defendant be sentenced to imprisonment and not granted probation, assignment to a community correctional services program or suspension of sentence.

FSH
2-3
1-30-90

(e) Notwithstanding any other provision of law, upon conviction of any person pursuant to subsection (b) in which the substances involved were possessed with intent to sell, sold or offered for sale in or on, or within 1,000 feet of any school property upon which is located a structure used by a unified school district for student instruction or extracurricular activities, or both, such person shall be guilty of a class B felony.

Sec. 3. K.S.A. 1989 Supp. 65-4127a and 65-4127b are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

January 30, 1990

FEDERAL AND STATE AFFAIRS COMMITTEE MEMBERS:

A Constitutional Amendment authorizing a state lottery, was approved by 63% of Kansas voters in November of 1986. During the 1987 Legislative Session, the Kansas Lottery Act was adopted, implementing a lottery in the State of Kansas. The Lottery is in its third year of operation and continues to provide its players with a variety of products which offer prize returns as well as revenues to the State of Kansas.

Thirty per cent of Lottery receipts are transferred to the State Gaming Revenues fund. Moneys from the State Gaming Revenues fund are used to finance projects in Corrections and Economic Development, as well as to fund the statewide reappraisal of real property. Current law provides that in FY 1991 90% of Gaming Revenues funds must be used in projects funded by the Economic Development Initiatives fund with the remaining 10% to be used to finance Corrections projects.

Federal & State Affairs
Attachment No. 3
January 30, 1990

The first six months of FY 1990 generated total revenues of \$34,726,514. This is broken down into \$16,211,005 for prizes paid to winners and operating costs of \$7,099,437, which includes retailer and vendor commissions. The transfer to the State Gaming Revenue fund for the six month period was \$10,432,206. This, added to previous transfers in FY 1988 and FY 1989 of \$35,844,271, creates a grand total transferred to State Gaming Revenue fund and County Reappraisal fund of \$46,276,477.

At present, 2,326 retailers are selling Lottery products. Of these, 928 also sell on-line tickets and an additional 292 sell pull tab games. Commissions paid to retailers since the start-up of the Lottery total \$9,017,308.

We believe the Kansas Lottery has maintained a high level of integrity, accountability and security and would support the adoption of HCR 5038.

FSA
3-2
1-30-90

LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

500 Bank IV Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321



A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

January 30, 1990

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Federal and State Affairs Committee

by

Jim Edwards

Director of Chamber and Association Relations

Madam Chairman and members of the Committee:

My name is Jim Edwards, director of chamber and association relations for the Kansas Chamber of Commerce and Industry.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

In 1985 and 1986, the Kansas Legislature was in the midst of reviewing its current economic development programs as well as mapping out plans for new efforts and programs such as Kansas Inc. and KTEC. At this same time, the state was faced with either stable or declining revenues and there was a realization that if these new efforts and programs

were going to become reality, new sources of revenue must be created. It was upon this basis that the legislature approved, and the Kansas voters ratified, a state-operated lottery for Kansas.

KCCI became a strong advocate of the creation of the lottery in 1986. Our position was based on a great deal of research and polling of our membership throughout the state. Over 75% of our membership supported the lottery at that time. The issue was ratified by approximately 64% of the persons voting in the 1986 State General election.

Now this issue is once again before you as the lottery sunsets on June 30, 1990. We have polled our membership once again and we find that 84% of all our members across the state would like to see the lottery continued. There is a strong feeling that the efforts and programs developed in 1985 and 1986, and helping Kansas in 1987-1990, would have never been anything more than dreams if it weren't for the proceeds of the Kansas Lottery. We urge you to approve this measure to continue the progress to date.

On two related issues, our members supported: 1) the allocation of a specific amount of sales receipts to be used for promotion and advertising to ensure the continued successful operation of the Kansas Lottery; and 2) the continued use of the funds generated for economic development efforts with more emphasis being placed on matching grants to cities and counties. When these issues, and others dealing with lottery proceeds are discussed, we will be present to add our input.

We appreciate the opportunity to share our testimony. Thank you for your consideration and I would be pleased to answer any questions you might have.

FSH
4-2
1-30-90

EXPENDITURES

ECONOMIC
DEVELOPMENT
INITIATIVES
FUND

Source
Kansas Inc.
1989

PROJECT

TOTAL FUNDING EDIF PORTION

Entrepreneurial Environment

Small Business Development Centers	\$275,000	\$100,000
Trade Fair Assistance	\$100,000	\$100,000
Agriculture Domestic Marketing	\$549,641	\$180,000
Main Street Program	\$51,000	\$51,000
Reappraisal Study	\$50,000	\$50,000

Capital Availability

Certified Development Companies	\$425,000	\$100,000
Export Loan Program	\$750,000	\$750,000
Small Business Loan Fund	\$1,000,000	\$1,000,000

Human Capital

Kansas Industrial Training	\$2,750,000	\$1,425,000
Kanwork Self-Employment	\$50,000	\$50,000

Infrastructure

State Water Plan	\$3,901,250	\$3,051,250
Partnership Fund	\$3,417,703	\$3,417,703

Technology

Seed Capital Fund	\$440,000	\$440,000
Research Equipment Grants	\$650,000	\$650,000
Research Matching Grants	\$850,000	\$850,000
SBIR Matching Grants	\$150,000	\$150,000
Industrial Liaison Program	\$328,000	\$328,000
Centers of Excellence	\$2,450,000	\$2,055,380
Special Projects	\$150,000	\$150,000
Operations (KTEC)	\$253,929	\$153,930
Data Base Development	\$72,000	\$72,000
Agriculture Value-Added Center	\$460,000	\$210,000
Rehabilitation Engineering Center	\$100,000	\$100,000

Quality of Life

Kansas Arts Commission	\$1,225,694	\$450,000
Eisenhower Centennial	\$125,000	\$62,500
KOOD Grant	\$30,000	\$30,000

Commerce Department OOE

\$1,107,811	\$481,027
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\$21,712,028	\$16,457,790
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January 30, 1990
Attachment No. 4A
Federal & State Affairs



TESTIMONY TO

HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

January 30, 1990

On Behalf Of The
Kansas Industrial Development Association
By Roger Kroh, Vice President

Chairperson Barr and Committee Members:

I am Director of the Lenexa Economic Development Council and, in 1990, am the Vice President of the Kansas Industrial Development Association. Our organization, which represents professional economic developers from across Kansas, worked extremely hard to obtain the voters' approval of the lottery, and wholeheartedly urge its continuation at this time.

The voters of Kansas authorized the lottery for several purposes, but primarily to create jobs and investment throughout the State of Kansas. Consequently, it is incumbent upon us to follow through with our contract with the voters to continue to use the funds primarily for economic development as promised.

To date we have used lottery funds to support Small Business Development Centers, to establish the Kansas Partnership Fund and more than thirty companies across Kansas have received Kansas Industrial Training Funds as an incentive to locate or expand in Kansas--several examples being ASI Marketing, which brought 300 jobs to Great Bend; Uarco, which initially brought 75 jobs to Lawrence and will be adding 80 more; and Superior Wheels which is bringing a \$50 million investment and 300 jobs to Pittsburg.

Let me close by saying that without the lottery, Kansas would not have been able to develop our comprehensive economic development program which was needed to be competitive with other midwestern states. Now, however, the budgetary realities of the State are such that our economic development package cannot be continued without the lottery. We urge you to reenact the lottery so that we can keep our promise to the voters to aggressively pursue new jobs and investment for our state.

KANSAS inc.

**BOARD OF DIRECTORS'
POLICY RECOMMENDATIONS**

1990 LEGISLATIVE SESSION

January 11, 1990

Federal & State Affairs
Attachment No. 6
January 30, 1990

BOARD OF DIRECTORS' 1990 POLICY RECOMMENDATIONS

On January 11, 1990, the Kansas Inc. Board of Directors met to discuss the organization's legislative policy agenda for the 1990 legislative session. The following recommendations are those which the Board approved. Following these policy statements are brief background notes which were prepared by Kansas Inc. staff and presented to the Directors for their information. These recommendations are presented to the Governor and the Legislature as a guide to the successful implementation of the state's economic development goals.

James Braden
Speaker of the House
Clay Center

Paul "Bud" Burke
President of the Senate
Leawood

Tom Clevenger
President
Fourth Financial Corporation

Governor Mike Hayden
Co-Chairman
Topeka

Henry Helgerson
State Representative
Wichita

Eric Thor Jager, Co-Chairman
President
Wincrest Investment Management

Michael Johnston
Senate Minority Leader
Parsons

Don Landoll
President
Landoll Corporation

Bill Moore
Business Representative
Teamsters Union

Dick Nichols
President & Chairman
Home State Bank and Trust

Harland Priddle
Secretary
Department of Commerce

Ladd Seaberg
President
Midwest Grain Products

John Walsh
Chief Scientist
Boeing Military Airplanes

Bill Wohlford
Executive Vice President
Slawson Company Oil Producers

KANSAS INC. POLICY RECOMMENDATIONS

1. STRATEGIC PLANNING GRANTS/GRANT REPORTING SYSTEM

a) The Board of Directors of Kansas Inc. recommends that the Legislature establish a Community Strategic Planning Grant program, as proposed by Kansas Inc. staff and adopted by the Joint Committee on Economic Development.

b) The Board of Directors of Kansas Inc. recommends that the Legislature establish an economic development grant reporting system, as proposed by Kansas Inc. staff and adopted by the Joint Committee on Economic Development.

2. RURAL DEVELOPMENT ISSUES

a) The Board of Directors of Kansas Inc. recommends that uniform regions of state-funded economic development organizations be established to increase the effective delivery of community and business assistance.

b) The Board of Directors of Kansas Inc. recommends that in conjunction with uniform state regions, the regional and field offices of state-funded economic development agencies should collocate as much as possible.

c) The Board of Directors of Kansas Inc. recommends that a strategic planning data base be established to monitor the economic and demographic conditions of rural counties and communities in Kansas.

3. WORK FORCE TRAINING

The Board of Directors of Kansas Inc. recommends that the appropriate legislative committees consider the policy options on workforce training proposed in the Kansas Inc. report, Work Force Training: The Challenge for Kansas, to develop and implement a more responsive training and retraining system.

4. MARGIN OF EXCELLENCE

The Board of Directors of Kansas Inc. recommends that the Legislature, in setting its budget priorities, give strong consideration to funding for the third year of the Margin of Excellence.

5. STATE UNIVERSITY ADMISSION STANDARDS

The Board of Directors of Kansas Inc. recommends that the Legislature implement qualified admissions to the State's higher education institutions as proposed by the Kansas Board of Regents.

6. INTERSTATE AND BRANCH BANKING

a) In January 1989, the Board of Directors of Kansas Inc. adopted a policy position "to encourage the Legislature to begin the process of instituting interstate banking in Kansas." The Board of Directors of Kansas Inc. urges the Legislature to go beyond reviewing the process, and for 1990, to adopt interstate banking.

b) The Board of Directors of Kansas Inc. reaffirms its policy position recommending the removal of all geographic restrictions on branch banking.

7. KANSAS LOTTERY SUNSET

The Board of Directors of Kansas Inc. recommends that the 1990 Legislature introduce and adopt a concurrent resolution providing for the continued operation of the Kansas Lottery.

Strategic Planning Grants/Grant Reporting System

Background

In March, 1989, Senator Dave Kerr requested Kansas Inc., on behalf of the Senate Economic Development Committee, to “*review all the reports issued recently by state agencies and task forces on rural development, synthesize the findings of those reports and other information, as needed, and present recommendations to the Joint Committee on Economic Development...*” Kansas Inc. presented this report to the Joint Committee on August 22, 1989.

The report includes four basic sections. They are an introduction to the problems of rural Kansas, a statistical profile of all counties in Kansas, a discussion of several policy issues related to rural development, and a set of recommendations developed by Kansas Inc. staff.

From the statistical analysis and other related information, Kansas Inc. staff developed several policy recommendations. The primary recommendation was the development of a community strategic planning grant program. This program would be designed to assist Kansas’ non-metropolitan counties in developing effective and realistic strategic economic development plans. This recommendation flowed from the data analysis but also from interviews with numerous individuals closely involved in rural development. These individuals noted that the most fundamental shortcoming in non-metropolitan counties was the lack of overall strategic plans for community economic development.

The first stage of the program, which would last three years, would provide \$50,000 grants, with a local match requirement, to 60 non-metropolitan counties or combination of counties. The funds would be used for obtaining professional services from universities, private consultants or other technical providers; purchasing necessary equipment; and, other related activities. Regional economic development organizations in the state’s six regions would also be provided \$50,000 grants during the first phase. The second phase would provide \$100,000 grants to each region to develop a regional economic development strategy which would combine the various county-level strategies.

This program would provide an opportunity for smaller communities to become involved in their own development plans instead of being directed by either regional or state organizations.

Two bills, H.B. 2602 and 2603, have been introduced by the Joint Committee on Economic Development this session to implement this program.

The second proposal (1b) proposed by Kansas Inc. staff and adopted by the Joint Committee on Economic Development would provide a mechanism to receive complete and accurate information on the various economic development grants awarded by state agencies and departments. This information would be collected by Kansas Inc. for transmittal to the Governor and the Legislature.

It is presumed that state funds for economic development are directed primarily to eastern and urban areas of the state. Concern cannot be adequately addressed without accurate data on program delivery and funding by region and size of community. Some economic development programs naturally provide greater benefit to communities in metropolitan areas because of the diversity in the scale and nature of urban economic activity and demographics.

A bill has been introduced in the Senate, S.B. 436, which will require agencies to submit an annual report to Kansas Inc.

Rural Development Issues

Background

a) Over several years, various operating regions have been designated by economic development agencies and departments. The lack of consistency between these regional boundaries is considered a major barrier to the coordinated and integrated delivery of services to communities and businesses. While some of these boundaries are set in part by federal agencies, the state should make every effort to develop consistent boundaries among the Department of Commerce regions served by its field offices, the Small Business Development Centers and the Certified Development Companies. In the case of certified development companies serving the urban counties of Johnson, Wyandotte, Douglas, Leavenworth and Shawnee, the existing boundaries would remain as is.

The regional systems for these three organizations are very different. The Commerce Department has six regions, the SBDCs have eight regions, and the CDCs have 14 regions. The only regional conformity in these three organizations exists in the western portion of the state.

b) In conjunction with establishing uniform regions, the regional and field offices of DOC, SBDCs and CDCs should be co-located. This change will ease the process for individuals wishing to obtain business assistance and program information. To the extent possible, other state agencies such as KDOT and regional organizations (Economic Development Districts and regional planning organizations) should be co-located following the highly successful model of co-location adopted for southeast Kansas at Pittsburg State University. Co-location should also be strongly encouraged for newly created regional offices such as those proposed under the KTEC industrial liaison program for Regional Technical Service Centers.

c) Comprehensive, accurate and timely data on conditions in rural Kansas are required for use by state and local policy makers, planners, and economic development officials to evaluate programs and determine whether local economies are improving or

worsening. Kansas Inc. and the Institute for Public Policy and Business Research, University of Kansas, developed a strategic planning data base during Fiscal Year 1989. This data base will be refined and updated in Fiscal Year 1990 in cooperation with the Kansas economic development districts. Eventually, this information from the data base can be made available in hard copy or on diskette to community agencies for planning purposes.

Only modest investment has been made in development of the strategic planning data base to date. Additional resources will be required but this can be minimized, if a cooperative effort is undertaken by Kansas Inc., regional agencies, university research centers, and state agencies. The data base will be coordinated with the Geographical Information System (GIS) being developed by the Kansas Water Office and the Kansas Department of Health and Environment.

Kansas Inc., in cooperation with the Kansas Bar Association, has developed a proposal to create a non-profit entity to manage a public/private information network to provide private sector access to state agency electronic data bases. The strategic planning data base can be made available on this network as well as data now contained in the Department of Commerce on industrial sites and buildings.

Work Force Training

Background

The most critical element to the future growth of Kansas is the availability of skilled workers. Without a strong market of workers, the state's businesses will not be able to compete with those in other states and other countries.

The importance of this topic was recognized when Kansas Inc. and the Kansas Department of Education contracted with the Institute for Public Policy and Business Research at the University of Kansas to conduct a study of the State's workforce training system and to present policy options on ways in which the system can be improved to facilitate the development of a strong labor force in Kansas.

The report's introduction highlights the importance an efficient vocational-technical training system has on the effective response to new economic challenges. The report states that:

First, products and processes are changing rapidly in an era of innovation based on science and technology. Experts predict a shift from homogeneous product, assembly-line mass production to customized, job batch, human capital intensive processes. Second, increasing internationalization of the U.S. economy and intense global competition places a high premium on productivity growth. Third, in the context of a relative, though not absolute,

decline in manufacturing employment, remaining manufacturing jobs require greater skills and higher levels of basic education and training.

The report concludes with 56 policy options which cover numerous subjects. The subject areas discussed are:

- 1) basic academic skills,
- 2) secondary technical skills,
- 3) postsecondary technological and technical skill training,
- 4) coordination of technical education programs across training institutions,
- 5) coordination of technical education and training programs across agencies,
- 6) program funding,
- 7) equipment funding,
- 8) customized training,
- 9) innovative technical programs,
- 10) program information and evaluation,
- 11) faculty/staff development,
- 12) Job Training Partnership Act (JTPA)
- 13) planning for training programs, and
- 14) business commitment and partnership

The report was presented to the Joint Committee on Economic Development and the Legislative Educational Planning Committee during November. Both committees have requested further information from various state agencies and will be holding hearings throughout the 1990 legislative session.

The report was presented to the public during a conference at the Kansas Expo centre on December 1, 1989. In four concurrent sessions, leaders of business, government and education discussed the merit and feasibility of each of these policy options. In speaking with conference participants, there was a virtual unanimity on the usefulness of the presentations and discussions and merit of the proposed policy choices.

Copies of the executive report have been sent to each community college, vocational-technical school, school district superintendent, and legislator.

Margin of Excellence

Background

In 1988, the Legislature initiated a three-year program proposed by the Kansas Board of Regents to attract high quality professors to Kansas universities and to enhance mission-related programs. This program, the Margin of Excellence, has seen tremendous success.

Funding for the first year of the program was set at \$11.9 million. The 1989 Legislature endorsed second year funding through \$16.7 million in appropriations. The Board of Regents is requesting \$16,690,000 for FY1991.

The Board of Directors unanimously supported first and second year funding of the Margin of Excellence on January 7, 1988 and January 12, 1989. This is a reaffirmation of support for the program.

State University Admission Standards

Background

The admission standards under which the Kansas Regents universities operate is specified in K.S.A. 72-116 which states that:

Any person who shall complete a four-year course of study in any high school accredited by the state board of education shall be entitled to admission to the freshman class of any state educational institution under the control and supervision of the state board of regents.

This statute is in direct contradiction to the principle in K.S.A. 76-717 which states that:

The board of regents may adopt rules and regulations for the admission of students at the state educational institutions.

This limitation placed on the Board of Regents and state universities allows them to restrict only out-of-state students, which some institutions do in a limited way.

The Kansas Board of Regents proposed for the 1989 Legislature that new admission standards requiring minimum level of academic achievement in high school be adopted. The Board of Regents recommended that:

1. Entering freshmen should have a "C" average on a college preparatory curriculum, or score 23 on the ACT, or rank in the top third of their high school's graduating class.
2. Recommendation will not be implemented until four years after adoption.
3. Recommendations be included for transferring students from Kansas community colleges and independent institutions.
4. Allow a certain number of exceptions to be administered by individual regent institutions, and

5. Applicants 21 or over or who have earned the GED at a minimum level may receive unconditional enrollment.

The Board of Regents believes that open admissions is detrimental to achieving academic success in Kansas. Two symptoms of this policy are that students must share classrooms with those who have a far lower level of preparation, and faculty must lower academic expectations and instruction to accommodate a greater number of students.

Stanley Koplík, executive director of the Kansas Board of Regents, wrote in an editorial in the December 21, 1988 edition of the Wichita Eagle-Beacon that the implementation of a qualified admission standard would, “...go a long way toward addressing the difficulties our state is experiencing in remaining competitive and meeting the academic and economic challenges of the future.”

In 1988, only two other states, New Mexico and Louisiana, had open admission policies for their state universities. In 1989, both of these states adopted qualified admissions. According to Board of Regents’ staff, Kansas now is the only state which provides, by statute, that all graduates of home state high schools are entitled to unconditional admissions to state universities.

Interstate and Branch Banking

Background

In 1989, Kansas Inc. published a report reviewing the issues related to the banking industry and the availability of capital in Kansas. The study’s conclusion is that consideration needed to be given to the “implementation of policies that help ensure the reduction and eventual elimination of barriers to growth in the State’s banking industry.” This conclusions stemmed from the study’s findings that Kansas:

- 1) had more total banks and that on average these banks contain less deposits than banks nationally, and within a five-state region only Nebraska had a smaller average deposit per bank; and,
- 2) was below the nation in the ratio of loans-to-deposits and that the smaller the bank the more likely it would be lending at rates significantly lower than the national average;

Data available after the Kansas Inc. report was published reveal that the trend among Kansas banks to have loan-to-deposit ratios lower than the nation’s has continued. In addition, the State’s larger banks are increasingly lending a larger percent share of their deposits. In 1988 banks with assets over \$100 million had a loan-to-deposit ratio just under 70 percent while the loan-to-deposit ratio for all other banks was 54 percent.

Besides the continued trend to bank consolidation, national policy and judicial decisions beyond the control of Kansas regulators have been made that impact the industry. These changes have the potential to put Kansas banks at a competitive disadvantage with out-of-state banks.

The first change involves a ruling by the Comptroller of the Currency allowing Peoples National Bank and Trust of Ottawa to open an office in Stillwell. The branching was permitted by the Comptroller because federal laws permit federally chartered banks to compete equally with state-chartered savings and loans. Basically this ruling allows federally chartered banks both in and out of state to no longer be restricted by Kansas' limited branching laws.

A second regulatory change resulted from the passage by Congress of a savings and loans bailout plan. One provision of the act allows banks to purchase ailing or healthy thrifts with such purchases not restricted by state boundaries.

Another matter related to interstate banking is that this fall the governing board of the Kansas Bankers Association (KBA) developed a position directing KBA staff to promote an interstate banking bill during the 1990 Legislature.

Both data analysis which demonstrates Kansas trends toward larger banks, and national legislation and court rulings suggest that Kansas can no longer manage bank activity in a way that prevents outside competition. These activities coupled with the endorsement by the KBA governing board only solidify the policy position of the Kansas Inc. Board of Directors and should impress on policy-makers the need to act quickly to prevent further erosion of the competitiveness of Kansas banks.

Kansas Lottery Sunset

Background

The voters of Kansas approved a constitutional amendment [Article 15, section 3c] in 1986 which provided the Legislature the authority to establish a state-owned and operated lottery. During the 1987 legislative session, the Kansas Lottery Act [K.S.A. 1987 Supp. 74-8701 through 74-8721] was passed creating the Kansas Lottery.

The profits from the Lottery are deposited in the State Gaming Revenues Fund. This fund has been used for county reappraisal, corrections and economic development. The Lottery has been very successful and has provided over \$30 million to the Economic Development Initiatives Fund (EDIF) over its three years.

In the constitutional amendment, a sunset provision was included which requires that a concurrent resolution be adopted by a majority of both houses during the 1990 legislative session to allow the lottery to continue operating after June 30, 1990.

KANSAS INC.
Capitol Towers Building
400 S.W. 8th Street, Suite 113
Topeka, Kansas 66603
(913) 296-1460

Economic Development Initiatives Fund

Approved and Recommended Amounts

	FY 1990 <u>Approved</u>	FY 1990 <u>Adjusted</u>	FY 1991 <u>Recommended</u>
Anticipated Revenues			
Lottery	\$12,600,000	\$12,600,000	\$18,900,000
Racing	2,811,264	2,209,348	2,602,601
Interest	15,043	212,869	177,051
Carry Forward Balance	<u>1,198,503</u>	<u>921,097</u>	<u>693,547</u>
Total Available Resources	\$16,624,810	\$15,943,314	\$22,373,199
Transfers/Expenditures			
NATURAL RESOURCE PROJECTS			
Hillsdale State Park	\$1,000,000	\$1,000,000	\$0
Jetmore - Multipurpose	451,250	451,250	0
Salt Water Contamination	1,500,000	1,500,000	0
Superfund	100,000	100,000	0
Recreation Access - Program	0	0	1,250,000
State Waste Fund	<u>0</u>	<u>0</u>	<u>2,600,000</u>
Subtotal Natural Resources	3,051,250	3,051,250	3,250,000
KANSAS TECHNOLOGY ENTERPRISE CORPORATION			
Research Matching Grants	850,000	850,000	0
Business Innovative Research	150,000	(248,128)	50,000
Research Equipment	650,000	650,000	0
Industry Liaison	328,000	0	0
Centers of Excellence	2,055,380	2,055,380	2,450,000
Seed Capital Investments	440,000	440,000	0
Special Projects	150,000	150,000	0
Data Base Development	72,000	72,000	0
Value Added Processing Center	175,000	175,000	296,155
White Wheat Project	35,000	35,000	35,000
Operations	<u>153,930</u>	<u>153,930</u>	<u>227,879</u>
Subtotal KTEC	5,059,310	4,333,182	3,059,034
COMMERCE			
Small Business Development Centers	100,000	100,000	275,000
Certified Development Companies	100,000	100,000	425,000
Kansas Industrial Training	1,425,000	1,425,000	2,750,000
Trade Show Promotion	100,000	100,000	150,000
Kansas Partnership Program	3,437,088	325,000	500,000
Undesignated OOE	110,775	0	0
Rural Development - OOE	0	62,912	0
Main Street Program	75,000	75,000	75,000
Tourism Promotion	185,000	232,863	910,000
Eisenhower Centennial Promotion	62,500	62,500	0
Industrial Marketing	0	0	425,000
Kansas Partnership - OOE	0	14,560	7,630
Export Finance - Capitalization	750,000	750,000	0
Export Finance - OOE	110,867	25,500	0
Film Commission	<u>31,000</u>	<u>31,000</u>	<u>35,000</u>
Subtotal Commerce	6,487,230	3,305,335	5,552,630
AGRICULTURE MARKET PROMOTION			
KAN WORK (SRS)	180,000	180,000	180,000
KDFA	50,000	50,000	0
STATE FAIR	1,000,000	0	0
KANSAS, INC.	0	100,000	100,000
PUBLIC BROADCASTING	50,000	50,000	0
SCHOOL FOR VISUALLY HANDICAPPED	30,000	30,000	0
ARTS COMMISSION	0	0	75,000
Arts Programming Grants	450,000	450,000	450,000
HISTORICAL SOCIETY			
Folk Arts Programming	0	0	20,000
WICHITA STATE UNIVERSITY	100,000	100,000	0
CIRCUIT BREAKER FINANCING	0	3,600,000	9,555,000
Total Appropriations	\$16,457,790	\$15,249,767	\$22,241,664
Ending Balance	\$167,020	\$693,547	\$131,535

Federal & State Affairs
Attachment No. 6A
January 30, 1990

HOUSE FEDERAL & STATE AFFAIRS COMMITTEE
HCR-5038

ISSUE: LOTTERY

The United Methodist position on gambling in general is as follows: "Gambling is a menace to society, deadly to the best interests of moral, social, economic, and spiritual life, and destructive of good government. As an act of faith and love, Christians should abstain from gambling and should strive to minister to those victimized by the practice. Where gambling has become addictive, the Church will encourage such individuals to receive therapeutic assistance so that the individual's energies may be redirected into positive and constructive ends. Community standards and personal life styles should be such as would make unnecessary and undesirable the resort to commercial gambling, including public lotteries, as a recreation, as an escape, or as a means of producing public revenue or funds for support of charities or government."

"Gambling, as a means of keeping material gain only by chance and at the neighbor's expense, is a menace to personal character and social morality. Gambling fosters greed and stimulates the fatalistic faith in chance.

We deplore the establishment of state lotteries and their use as a means of raising public revenues. The constant promotion and wide advertising of lotteries have encouraged large numbers of persons to gamble for the first time."

As I am sure you are aware, 160 million consumer dollars must be spent for lottery tickets on home town main street in order to produce 40 million dollars of revenue for the causes for which support is intended by the legislature. That is 120 million dollars that have come out of the pockets of people for which no return to the consumer or the state has been realized.

I ask you, is there a clue here as to why the burden on SRS budgeting has increased? The gambling laws are taking 120 million dollars from our people and returning only 40 million for state use. It follows that the number of working poor are increasing, that housing needs, medical needs are increasing.

I have been in the ministry forty-five years. More effort than ever before is going into providing ministry and assistance to clean up after the fallout of our flawed legislation in various sectors which impacts especially the poor and the children.

The poor are the most inclined to squander money they need for food and shelter. The desperate coals of poverty become the flames of a poor person's dream.

As for the ¹⁴⁴~~160~~ million dollars taken from people to produce ³⁶~~40~~ million dollars of revenue (which are figures I have used for illustrative purposes), I believe you will find that 1/10 of a cent sales tax will produce the net revenue now realized, leaving the remainder which goes to the various overhead items intact in the consumer's pocket.

Please note the article by columnist Carl Rowan attached to my statement. His article concludes by asking, "Can we afford the lotteries, considering the fact that Gambler's Anonymous says five to eight million Americans have lost control and become compulsive gamblers....?"

Or consider the editorial attached from The Olathe Daily News as it states "The lottery preys on the uniquely human dream to hit it rich, quick and easy....."

Let us give legitimacy to the resourcing of our state's needs. Let us give our state the dignity appropriate to our history and our values. Let us eliminate this unfair, unrighteous, unjust mode of using our people. Let us provide a system by which our citizens can be participants in state affairs, not victims. Let us withdraw our support of the lottery!

Op-Ed Page

BLACK DILEMMA

Juan Williams
Washington Post

There is something disturbing about the way the black community is debating journalism. Of course, debate among whites about the role of journalists is often bitter and rancorous, too. Journalists of all races are regularly challenged on the accuracy of their reporting and their allegedly liber-

al or conservative biases.

But while most of the general debate over the media is ultimately linked to issues, among blacks a disconcerting proportion of this exchange becomes personal. A black reporter who examines blacks and the issues of importance to them could well have his or her credentials challenged by some black readers; credentials not only as a journalist, but as a black as well.

LOTTERY BLUES

Carl Rowan
North America Syndicate

If you don't have the guts to tax the people who have big money, then sucker nickels and dimes away from the masses who only dream of having money.

That seems to be the theme song of officials in 28 states and the District of Columbia who have established official lotteries that pay out news-making millions on occasion to a very few lucky people while taking billions daily from those who

still think there's a pot of gold at the end of every rainbow. ...

Is it worth it when we see that gambling becomes perhaps the most regressive, unfair system of taxation on the American landscape? It means ripping off the poor, who are most inclined to squander money they need for food and shelter, to chase that fortune at the end of the rainbow.

Can we afford the lotteries, considering the fact that Gambler's Anonymous says five to eight million Americans have lost control and become compulsive gamblers — in state lotteries and the casinos and card games that proliferate wildly?

NEW REVOLUTION

Rena Pederson
Dallas Morning News

The truth is, we need a revolution, or at least a "perestroika," right here in the United States to reform our own government. The problem with the Reagan revolution is that it fizzled out in the second term. Mikhail Gorbachev has the right idea: Take away the limos, reduce the number of party-controlled bosses in make-work jobs and put more bureaucrats to work in the private sector.

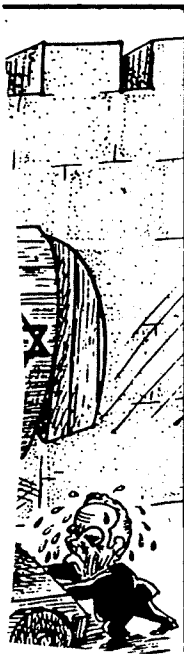
Rather than take away the mortgage deduction, our leaders need to start cleaning house, or see themselves increasingly isolated from an increasingly alienated electorate. ...

QUAYLE QUALMS

Dan Rodricks
Baltimore Evening Sun

The lower your expectations the better. Look at how these words of wisdom are serving Dan Quayle and, in a way, the nation.

Most Americans doubted ...



1-30-00
7-2
FSA

Opinions

Page 4A

Tuesday, December 19, 1989

Bah humbug

Holiday greeting cards are one of the best things about this season.

In brightly colored envelopes, cards arrive that show winter far more picturesquely than the slush outside. In a grand style, messages from friends, family and loved ones are conveyed to brighten our homes and offices.

But this office recently received a card that elicited a different response than the usual.

It's not the picture that bothered us. Neither was it the message. In fact, the depiction of trees in winter was original, unusual and among the prettiest received. And not even the biggest Christmas grinch can be offended by "season's greetings."

What then was the problem?

It was the signature — a capital "I" on a yellow and blue background that is the trademark of the Kansas Lottery, one of the most ill-conceived government ideas of this decade.

The problem-laden lottery has oft been the target of criticism in this very space. The people in charge of the lottery's operation have changed more quickly than the latest fad in kids' toys. And when reports were issued criticizing the lottery's organization as well as accounting procedures, they were met with glee here.

That doesn't necessarily mean we wish ill on the people at the Kansas Lottery. It's not them.

It's their job we don't like.

The lottery preys on the uniquely human dream to hit it rich quick and easy. The lottery uses that dream to prey on people with the least hope, the least money and the least able to understand that the odds of winning the lottery's million dollar bait are about the same as being struck by a falling meteor.

So, Kansas Lottery, thanks for the greetings. But next year, instead of sending a card here, why not send one to the family where someone has spent the money set aside for presents — or food — on a few ill-fated chances to win a million.



FSA
7-3
1-30-90

January 30, 1990
Hearing on HCR 5038
House Federal & State Affairs Committee

The Kansas Lottery
Rev. Richard Taylor
KANSANS FOR LIFE AT ITS BEST!

A state owned and operated gambling activity is the issue before this committee.

Organized crime has always promoted gambling to raise revenue. Persons concerned for conduct of legislators and ethics in government think Kansas should not be like organized crime.

The Wall Street Journal explained it this way. There would seem to be an inconsistency in demands for consumer protection agencies, coupled with demands for legalized gambling. As professor Irving Kristol pointed out on this page several months ago, gambling is "technically a swindle: the payoffs on bets must be less than fair, and the overwhelming majority of the 'investors' must eventually lose their money, if the gambling enterprise is to survive and prosper." Therefore, he noted, the case for legalized gambling is "simply an argument in favor of the government raising revenues by swindling its citizens rather than by taxing them."

GAMBLING PROMOTERS SAY - Concerned citizens respond

FARMING IS A GAMBLE, LIFE IS A GAMBLE, SO WHAT IS WRONG WITH LOTTERY GAMBLING?

People who say that are ignorant of the difference between risk, chance, and gamble. The motive for shoplifting and for buying a lottery ticket is the same. Gambling is an attempt to enrich yourself by taking wealth from others. The farmer takes a risk when he tills the land, buys the seed, and hopes for a good harvest. He knows there is a chance that rain will not come, hail may hit, or insects destroy his crop. But he works hard to feed the world and earn a profit. He does not seek financial gain based on the losses of others. He does not gamble.

THE LOTTERY IS A CLEAN OPERATION THAT PRODUCES REVENUE FOR GOOD CAUSES.

Legal cocaine could be a clean operation and produce revenue for good causes. Legal prostitution could be a clean operation and produce revenue for good causes. The Kansas lottery is a clean operation of a dirty business. Revenue is not the issue. The issue is gambling or drugs or prostitution.

WHAT WILL WE DO ABOUT PROGRAMS NOW RECEIVING LOTTERY REVENUE?

If those programs are worthy of continued state support, the small amount of revenue lottery produces can be replaced with dependable revenue from other sources. Groups supported by the lottery ought to support this switch.

I WILL VOTE FOR THE LOTTERY BECAUSE IT IS HARMLESS RECREATION AND IS NO DIFFERENT THAN TV GAME SHOWS AND PUBLISHER'S CLEARING HOUSE AND AMERICAN FAMILY SWEEPSTAKES.

Lawmakers who claim the lottery is no different are saying all tickets should be given away. By law, three elements are present in gambling - payment, chance, and prize. Because payment is not required, no one squanders grocery, rent, or utility money to be on a TV game show or to enter the various sweepstakes and other advertising promotions. Those are non-gambling activities because payment is not required.

THE LOTTERY IS A PAINLESS AND VOLUNTARY TAX.

If it is voluntary, why does it require so much advertising and arm twisting promotion? It is not voluntary. People must be seduced into buying tickets. And for the poor who spend grocery, rent, and utility money at the corner gambling establishment, it is not painless.

Promoters make a big deal about the "average" lottery gambler. Averages can be deceptive. Last week I came across the average temperatures in Kansas.

It surprised me that during our hottest months of July and August, our average is 79 and 80 degrees. THAT'S COMFORTABLE. But days of 105 and 110 hurt! Our December average is 34.5 degrees. That is not bad, but two nights of 22 and 26 below hurt!

The average lottery gambler may have a few dollars to throw away, but lottery gambling hurts the poorest, those with food stamps who dig out a few dollars for tickets. Tax payers are subsidizing this rotten business that makes G-Tech rich!

People who go to Las Vegas can probably afford to lose what they lose. But many Kansas people who gamble at the grocery store or corner quick shop can not afford to lose what they lose.

State owned and promoted gambling sends the wrong message to youth, telling them a good education is not needed. Why work hard to earn money with physical and mental effort? Just keep buying lottery tickets until you strike it rich!

Friends across Kansas have been sending me copies of your letters to them. Many of you plan to end the lottery. Those of you who plan to vote YES give two reasons. Kansas needs the revenue and my District voted YES.

According to a professional survey, 76% of your people who voted YES said they believed lottery gambling would bring in lots of revenue that would help pay teacher salaries, build highways, and reduce property taxes. Lottery revenue is nothing more than a one-tenth cent sales tax. Has it helped teacher salaries, built highways, and reduced property taxes? The people voted YES because they believed a big lie.

If you vote YES because a majority of lottery supporters in your District believed the big lie, your support of the lottery is based on the same false assumption. And there is a second fallacy in basing your vote on the 1986 vote of your District.

I asked speaker Braden the purpose of a sunset provision. He said it forces the legislature to evaluate the activity, to justify it being continued.

When considering a bill which comes to the time for sunset, does any lawmaker say, "Because this legislation received a majority vote of members of the Senate and the House when it was passed, I must vote to continue it." That would make the sunset provision a big joke.

Informed persons know a sunset provision requires lawmakers to take a hard look at the issue under consideration. Lawmakers who believe lottery gambling is good for Kansas should vote YES. Lawmakers who love Kansas more than they love gambling revenue and who want more consumer dollars for home town merchants will vote NO.

It required a majority vote of the people in 1986 to win approval of the lottery amendment. If lawmakers from Districts that approved the amendment are required to vote YES in 1990, the lottery will automatically continue. That would make the sunset provision a cheap trick used by gambling promoters to win legislative approval of the amendment after the legislature killed it time and time again, year after year.

Because public opinion is important, I work hard and spend much time presenting facts and truth to people so they can develop intelligent opinions. Every lawmaker should listen to the people back home.

But every lawmaker should also think through every issue. Edmund Burke said it well, "Your representative owes you, not his industry only, but his judgement; and he betrays instead of serving you if he sacrifices it to your opinion." FSA 8-2 1-30-90

Please use good judgement and ask, "If people back home had all the information I have, how would they want me to vote?"

Surveys taken by lawmakers are important, but no lawmaker wants to be like a computer terminal in the Statehouse that would simply vote for or against legislation based on public opinion punched into it by people back home.

If persons back home had all the information you have on lottery gambling, how would they respond to this survey question?

"TO RAISE AN EQUAL AMOUNT OF REVENUE FOR GOOD CAUSES DURING THE NEXT TWO YEARS, SHOULD I VOTE TO CONTINUE LOTTERY GAMBLING OR SHOULD I VOTE TO MAKE THE PUBLIC RICHER WITH 120 MILLION CONSUMER DOLLARS TO SPEND ON HOME TOWN MAIN STREET?"

If revenue raised by the lottery is truly important, end the lottery and raise that revenue with an honest tax. Don't swindle your people as explained by the Wall Street Journal. This is an election year and some have said a voting record in support of a one-tenth cent sales tax to replace lottery revenue would beat them at election time. Many of you already have a voting record for a one-fourth cent sales tax to build highways, and that vote did not make the home town public richer with 120 million additional consumer dollars!

The Kansas lottery dollar is divided this way: 30% for the state, 25% for lottery gambling promoters, 45% player prizes. For Kansas to receive \$30 million gross revenue, 100 million consumer dollars must be spent for lottery tickets.

State sales tax is 4½ cents. Cities and counties may each add 1 cent. Therefore a person may pay from 4½ to 6½ cent sales tax on every dollar. Because sales tax is not collected, when 100 million consumer dollars are spent for lottery tickets, there is a sales tax loss of 4½ to 6½ million dollars. If that loss is rounded off to \$5 million, the net revenue gain from lottery is \$25 million for each \$100 million in ticket sales.

\$100 million in ticket sales also means 25% or \$25 million for lottery expenses. Lawmakers who vote to continue the lottery are voting to allow gambling promoters to pocket \$1 for every \$1 revenue produced. When the news media proclaims millions of dollars lottery revenue has been raised for good causes, remember an equal number of millions of dollars has been pocketed by gambling promoters.

Lawmakers who vote for lottery will also want to vote for legislation that will allow merchants to pocket \$1 and turn in \$1 for each \$2 collected in sales tax.

Lottery Director Jerry Simpson said lottery sales this year should be around 70 million dollars. Because sales tax is not collected, about \$25 million net revenue is received from \$100 million in lottery ticket sales. \$70 million consumer dollars gambled away on the lottery will bring in some \$17.5 million net revenue. According to legislative research, a one-tenth cent sales tax will bring in slightly more than \$20 million revenue a year. A sales tax is many times less regressive than a lottery tax.

For the lottery to produce \$20 million net revenue, \$80 million consumer dollars will be taken from the public for lottery tickets and sent to Topeka. For a one-tenth cent sales tax to produce \$20 million net revenue, \$20 million consumer dollars will be taken from the public and sent to Topeka.

Without lottery the home town public will be richer by 60 million consumer dollars every year to spend in normal channels of trade for items on main street other than lottery tickets. With lottery, for one person to become rich, millions must become poorer.

A VOTE OF THE PEOPLE DETERMINED WHAT THE LAST TWO YEARS HAVE BEEN.
YOUR VOTE WILL DETERMINE WHAT THE NEXT TWO YEARS WILL BE.

FSA
8-3
1-30-90

page

The voters did not understand that lottery gambling revenue would be such a piddling little amount, no more than a one-tenth cent sales tax.

With property taxes totaling \$1.8 billion a year, they did not know how little relief \$20 million would be if all lottery revenue were used for such.

With over \$2 billion a year going for education, they did not know how little help it would be if all lottery revenue were used for such.

They did not know you would hit them with the largest tax increase in Kansas history to fund highways when they voted for lottery revenue to help build roads.

They did not know 144 million consumer dollars would be taken off main street and sent to Topeka in order to produce \$36 million additional revenue during the first two years.

They did not know they were voting to allow the legislature to legalize any and all forms of gambling, if it is state owned and operated.

Voters did not know they were voting for Lotto America, the multi-state gambling activity now promoted by the state of Kansas.

In an effort to get Kansas out of Lotto America, Representative Snowbarger asked for an Attorney General's opinion. The opinion said the Kansas Supreme court has ruled that our Constitutional prohibition of "lotteries" included any and all sorts of gambling. Therefore a state owned and operated lottery included any and all sorts of gambling. If that is the case, a simple vote of the legislature may establish casino gambling anywhere in Kansas, if it is state owned and operated.

The voters did not know they were voting for Kansas casinos.

The voters did not understand what reappraisal and classification would do. They voted YES. You will spend this session trying to solve the problems caused by that YES vote of the people.

Voters did not understand what the lottery gambling amendment would do. They voted YES. You can solve that problem by not taking action on HCR 5038. Recently I was present when President Bush said, "choices have consequences." Here are the consequences if you choose to let HCR 5038 lay in Committee.

You will help the poor.

You will help businessmen on every home town main street in Kansas.

You will make Kansas the first state this century to get out of this legalized criminal activity.

You will prevent many Kansans from becoming compulsive gamblers.

You will keep casinos and additional forms of gambling out of Kansas.

You will save valuable legislative time that is needed to deal with important issues.

You will spare Democrats and Republicans the problem of trying to explain a gambling promoting vote at their next election.

Of course there will be no more campaign gifts from G-Tech and others who have a vested interest in gambling, but that is a small price to pay for benefits to be enjoyed.

May you have the courage and strength to let the lottery die a quiet, unmourned death in committee.

When Kansas was admitted into the Union on January 29, 1861, our constitution stated "Lotteries and the sale of lottery tickets are forever prohibited." Our founding fathers knew this dirty gambling business hurt people in other states. Lotteries ended in this nation when Louisiana abolished theirs in 1892. Kansas would gain a touch of class by being the first state this century to end this tacky and highly unreliable method of meeting budget responsibilities.

After this session, it would require 27 Senators and 84 Representatives to approve a constitutional amendment to end the lottery. This session, only 63 Representatives or 20 Senators are needed to bring freedom from lottery gambling to Kansas. Will you be one of 63 who love Kansas more than gambling revenue? This is one of the most important votes you will make this session.

750
8-4
1-30-90

Statewide Survey, January 1990

Summary of Lottery Results

Capital Research Services Inc. conducted a survey of registered voters in Kansas between the 5th and 10th of January. Interviews were completed with approximately 600 registered voters across the state. As a part of this survey, respondents were asked how they had voted on the 1986 constitutional amendment to establish a state lottery and why they had voted the way they did. The primary purpose of this research was to find out why Kansans voted for the lottery.

In order to avoid leading respondents, an open ended question was used to elicit the voters' rationale for their vote, i.e, respondents were asked to use their own words to explain why they voted the way they did.

The responses of those who voted for the amendment fell into 8 major categories. These are:

- 51% Would generate additional revenue for the state
- 15% Revenue would help to fund education, build highways and reduce property tax
- 9% Would promote economic development
- 1% A voluntary tax to generate revenue

- 12% For freedom to gamble, for the opportunity to win big money, for recreation & fun
- 6% To keep money for lottery tickets from going out of state
- 4% Nothing wrong with it, am not against it, not sure
- 2% To be like other states, help the image of Kansas

The first four categories all deal with the economics of the lottery. Seventy-six percent (76%) voted to authorize a lottery for economic reasons while the remaining 24% voted for it for non-economic (social or political) reasons. This means that support for the lottery was strongly tied to its ability to generate income for the state.

The results obtained in this survey suggest that many voters do not have strong feelings one way or the other about the lottery. For legislators, this means they are unlikely to feel strong pressure from constituents to vote for or against the continuation of the lottery. They will have an opportunity to consider the lottery on its own merits and make a reasoned decision without having to fear the electoral consequences of their decision.

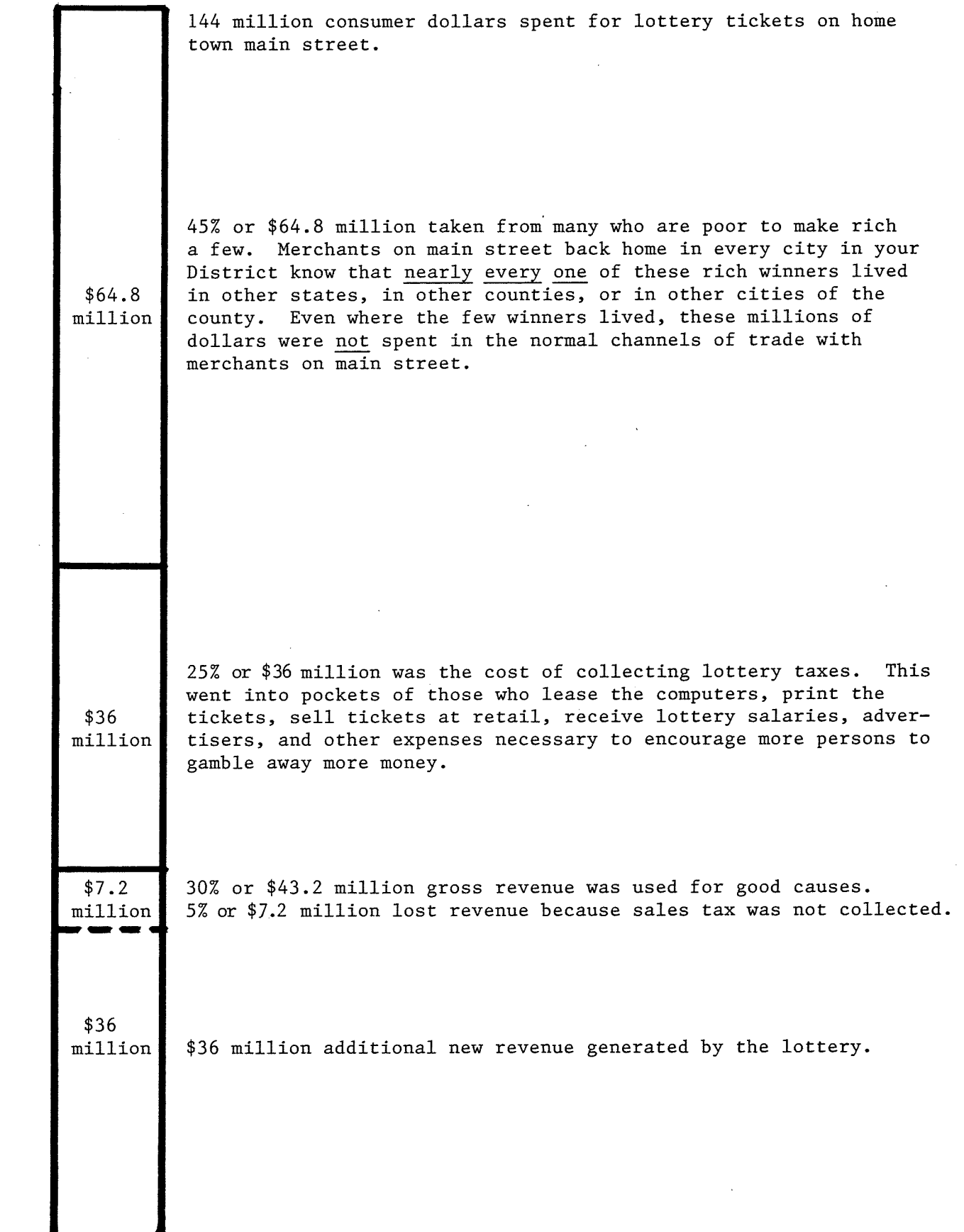
Dr. John A. Shoemaker
President
Capital Research Services Inc.

FSN
8-5
1-30-90

A VOTE OF THE PEOPLE DETERMINED WHAT THE LAST TWO YEARS HAVE BEEN.

November 1987 - 1989

FOR THE FIRST TIME IN HISTORY, KANSAS HAS BEEN COMPETING FOR THE CONSUMER DOLLAR AGAINST MERCHANTS ON EVERY HOME TOWN MAIN STREET IN YOUR DISTRICT. KANSAS OPERATES A GAMBLING ENTERPRISE, A CRIMINAL ACTIVITY EXCEPT WHERE LEGALIZED. HERE ARE THE RESULTS OF THE FIRST TWO YEARS WITH KANSAS IN THE BOOKIE BUSINESS.



All the good that lottery revenue has done, could have been done with a one-tenth cent sales tax, and the home town public would have been richer with an additional 108 million consumer dollars. (144 less 36)
Why does the Kansas Chamber of Commerce & Industry support lottery gambling when they know it robs main street merchants of millions and millions of consumer dollars?

YOUR VOTE WILL DETERMINE WHAT THE NEXT TWO YEARS WILL BE.

HEADLINES IN KANSAS NEWSPAPERS HAVE PROCLAIMED THE BENEFITS OF THE FIRST TWO YEARS OF LOTTERY, SAYING \$43.2 MILLION HAS BEEN RETURNED TO THE STATE. A ONE-TENTH CENT SALES TAX WILL RETURN \$40 MILLION ADDITIONAL REVENUE TO THE STATE DURING THE NEXT TWO YEARS. IF THE LOTTERY WERE TO RAISE AN EQUAL AMOUNT, HERE IS THE DISTRIBUTION OF CONSUMER DOLLARS, BASED ON GENERAL PERCENTAGES. IF THE LOTTERY IS CONTINUED, IT SHOULD DO A BETTER JOB IN RETURNING MONEY TO THE STATE AND TO THE WINNERS. BUT PROMOTION OF GAMBLING IS THE ISSUE AND LOTTERY WOULD CONTINUE TO BE AN INEFFICIENT AND INEQUITABLE WAY TO RAISE REVENUE.

<p>\$72 million</p>	<p>160 million consumer dollars spent for lottery tickets on home town main street.</p> <p>CONTINUE THE LOTTERY</p> <p>45% or \$72 million will be taken from many who are poor to make rich a few. Merchants on main street back home in every city in your District know that <u>nearly every one</u> of these rich winners will live in other states, in other counties, and in other cities of the county. Even in places where the few winners live, these millions of dollars will <u>not</u> be spent in the normal channels of trade with merchants on home town main street.</p>	<p>\$120 million</p>	<p>160 million consumer dollars on home town main street of which <u>only \$40 million</u> are sent to Topeka.</p> <p>LET THE LOTTERY DIE</p> <p>120 million additional consumer dollars in pockets of the home town public to spend for items other than gambling tickets. (A small part of this may go to Missouri for lottery tickets, but most people from Wichita will not drive that far to gamble.)</p>
<p>\$40 million</p>	<p>25% or \$40 million will be the cost of collecting lottery taxes. This goes into pockets of those who lease the computers, print the tickets, sell tickets at retail, receive lottery salaries, advertisers, and other expenses necessary to encourage more persons to gamble away more money.</p>		<p>GET KANSAS OUT OF THE GAMBLING BUSINESS.</p> <p>CITIZENS GIVE KANSAS ONE PENNY ON A TEN DOLLAR PURCHASE.</p> <p>REVENUE RECEIVED WILL DO ALL THE GOOD THINGS LOTTERY REVENUE WOULD DO.</p> <p>AND THE HOME TOWN PUBLIC WILL BE RICHER BY 120 MILLION CONSUMER DOLLARS!</p>
<p>\$8 million</p>	<p>30% or \$48 million gross revenue 5% or \$8 million lost revenue because sales tax is not collected</p>		<p>(\$0 million cost of collection)</p>
<p>\$40 million</p>	<p>\$40 million additional revenue to use for good causes.</p>	<p>\$40 million</p>	<p>\$40 million additional revenue to use for good causes, raised with any kind of tax, will take <u>only \$40 million</u> from the public because the cost of collecting that tax is already being paid.</p>

Will you vote for the home town public to spend 160 million consumer dollars on main street for lottery tickets? That will please those who lease the computers, print the tickets, receive lottery salaries, sell advertising, and others who make money promoting gambling.
OR

Will you vote to make the home town public richer with 120 million additional consumer dollars to spend on main street in the normal channels of trade for items other than gambling tickets? That will please citizens who want Kansas out of the gambling business and merchants who want to keep 120 million consumer dollars from going to Topeka. Retailers who sell tickets will benefit by ending the lottery because items they sell have a larger markup than the 5% they now receive on lottery ticket sales.

TO RAISE AN EQUAL AMOUNT OF ADDITIONAL REVENUE, THE CHOICE IS YOURS.

FSA
8-7
1-30-90

HCR 5038

Today I would like to give you several of my thoughts concerning the Kansas Lottery. I will address the voluntary tax issue. I will address the economic or good business issue. I will not address the need for economic development funds.

If the lottery is a voluntary tax, why aren't tickets sold as tax contributions and not as a chance to win large cash prizes? If people are really in paying a voluntary tax, why not have a voluntary contribution line on the income tax forms? Didn't the Federal government recently try to solicit a voluntary tax contribution? How successful were they? People are not going to Missouri to buying Lottery tickets to make a tax contribution. They are going to gamble. Also, just because Missouri has a lottery doesn't make it morally right for Kansas to have one. Lets not deceive ourselves, this is not a voluntary tax.

Comparing my business, Ed Marling Stores, Inc., to the Kansas Lottery I would make this comparison from the customers viewpoint, Every time a refrigerator purchase is made the customer receives a refrigerator. Not every other time, or every thousandth. You wouldn't allow it! My refrigerator cost 75% of remittance, your prize cost 45%, with the majority of ticket holders receiving nothing at all. My operating expenses are 21%, yours are 25% My profit is about 4%, yours is 30%. Lottery tickets are a poor purchase from the customer stand point. And a costly tax to administer from yours. From a strictly selfish point of view, I would rather see the millions of dollars lost gambling on false hopes be spent on real goods and services from Kansas merchants.

You know who buys the Lottery tickets. You have the purchaser demographics. They are the same people who are least able to afford to waste their money. The people you would try to protect from a regressive income tax. Please end this deception. Let the Kansas Lottery expire.

Mark Marling, President, Ed Marling Stores, Inc.

Federal & State Affairs
Attachment No. 9
January 30, 1990

My name is Frances Wood, Topeka, President of the Capital City Woman's Christian Temperance Union (WCTU). I am speaking in opposition to HCR 5038 - continuation of the lottery.

I hope you will be able to see that there is more involved than revenue in the continuation of the lottery. Family values are involved. John McCormally of the Harris News Service quoted a New York Times article. "this new legitimacy of once illegal forms of betting is undermining traditional attitudes toward work and play, saving and investing, even right and wrong."

Ophrah Winfrey had a program last fall in which she interviewed compulsive gamblers. They became that way through the state lottery. It was brought out on the show that people think playing the lottery is okay because the state promotes it. It is your civic responsibility. If you buy your lottery tickets all these wonderful worthwhile causes will be funded. Housewives who never before gambled find themselves being involved and sometimes being addicted. One of the attachments I am giving you contains a quote from a psychologist at the National Council on Compulsive Gambling. "We used to see nothing but middle-aged, middle-class, white business men. But the compulsive gambler no longer fits into a nice, neat category. Since the lotteries started, we are seeing more women, blacks and teenagers. Now gambling is truly democratic."

Last week a young carry-out man at Dillons told his young cashier wife, "I just bought 2 lottery tickets and won \$10.00. We do not know how many other non-winning tickets he had bought in the past - nor do we know where the encouragement of that \$8.00 win will lead him. The addict gets started by winning early on.

Last summer Pete Rose's gambling came to the attention of the public eye. If it is wrong for Pete Rose, why is it right for Kansas? I am upset by the lottery ads on the KU basketball game broadcasts. My 10 year old granddaughter knows very little about gambling but the state is trying to educate her into thinking gambling is all right. I am glad there is an age limit on purchasing lottery tickets, but doesn't that in itself indicate the activity is something less than wholesome.

The state, through action of the legislators, is trying to make gamblers out of us, our children, our grandchildren. Is that what you really want - for your family - for your neighbors family? I do not. If you vote yes to continue the lottery you are in effect saying " I consider revenue more important than family values." You in this committee have the power to uphold those family values by voting no to passing HCR5038 out of committee.

Federal & State Affairs
Attachment No. 10
January 30, 1990

Studies estimate women comprise a third of compulsive gamblers

New York Times

New York, N.Y.

About a third of the nation's 12 million compulsive gamblers are women, according to Arnold Wexler, vice president of the National Council on Compulsive Gambling. Studies published recently indicate that by the year 2000, women may account for half of the Americans with the affliction.

The studies were published by Dr. Robert Custer, a Veterans Administration psychiatrist and the founder of the National Foundation for the Study and Treatment of Pathological Gambling, a research and treatment

center in Baltimore.

Custer said 600 male and female gamblers were studied over 13 years and the results were published in his recent book, "When Luck Runs Out."

Although only 1 percent of those seeking treatment and joining Gamblers Anonymous five years ago were women, Wexler said, the proportion has risen to 20 percent now.

"We used to see nothing but middle-aged, middle-class white businessmen," said Valerie Lorenz, a psychologist at the foundation in Baltimore. "But the compulsive gambler no longer fits into a nice, neat category. Since the lotteries started, we are seeing more women, blacks and teen-agers. Now gambling is truly democratic."

Lorenz said women with gambling problems were from all social classes, vocations and age groups.

One member of Gamblers Anonymous, Joy, can still remember when, as a young woman in New Orleans, she lost entire paychecks.

"I was working 40 hours a week and making \$35 after taxes," said Joy, 47 years old and now a resident of Connecticut. "I was gambling once a week, and when I lost my entire paycheck I would take a streetcar or bus instead of a taxi. I would buy one chicken and cut it up into four parts or eat hot dogs for the week."

What started as a social pastime soon turned into a 30-year compulsion that cost Joy thousands of dollars.

Experts cited several reasons for the surge in the proportion of gamblers who are women, including greater accessibility of gambling, the chang-

ing social role of women and the increasing availability of credit.

"There has been a change in the amount of risk-taking by women," said Carol Nagy Jackline, a professor of psychology at the University of Southern California and chairman of the Program for Study of Women and Men. "It has to do with having higher status."

While gambling is very visible nationwide — in casinos, off-track betting parlors and lottery games — compulsive gambling is dubbed the invisible disease.

"You are a junkie, but there are no signs," said Carol, another member of Gamblers Anonymous, who lost more than \$200,000, her business and her children's trust funds at Atlantic City casinos. "With an alcoholic you can tell, but with gambling there are no telltale signs. When my straight friends found out, they couldn't believe it. I am a rational person when it comes to money, but when I walked into the casinos money didn't mean anything. It was the thrill of playing."

Many gamblers cite the excitement of making a bet, not the potential windfall, as their driving force. "The feeling that comes with gambling is better than love, sex, your husband and children," Joy said.

In 1980, the American Psychiatric Association designated compulsive gambling a psychiatric disorder. The group defines a compulsive gambler as one who is "chronically and progressively unable to resist impulses to gamble" and for whom "gambling compromises, disrupts or damages family, vocation and personal pursuits."

FSA
10-2
1-30-90

Real tragedy is state gambling, not Pete Rose's

I confess I was never a fan of Pete Rose of the Cincinnati Reds even before he became baseball's bad boy by allegedly gambling on the game in violation of hallowed baseball rules. Not that I had anything against Rose personally. It was just part of my disadvantaged youth not to grow up a baseball fan.

As what you might call a lay (that is, non-fan) observer, it looks to me as if they've got the goods on him. If he broke the game's rules, he'll have to pay the game's penalty, which could mean banishment for life, which seems pretty harsh. But Reagan banned those air traffic controllers from their jobs for life, for making the mistake of going on strike, so in comparison, Rose's prospective penalty doesn't seem so cruel, and he's probably got it coming to him.

But it sounds pretty strange — downright sickening — all this holier-than-thou hue and cry against gambling coming from a country which has gone stark, raving crazy for gambling of all kinds. I've seen editorials deploring Rose's conduct in papers that have been campaigning all-out for lotteries, horse-race betting and river-boat gambling in their communities, praising to the skies the social benefits of the conduct they condemn in Rose.

States not only tolerate gambling, they promote it. At last count, 29 states and the District of Columbia operate lotteries. They are a popular substitute for taxes because they spare the politicians the responsibility of persuading citizens of the need for taxes; and because they assess the burden of supporting government disproportionately on the poor —



John McCormally

HARRIS NEWS SERVICE

which is in keeping with the modern trend toward regressive taxation and sparing the rich.

But because it costs states up to 75 cents to raise one dollar through a lottery (compared to one or two cents per dollar of tax revenues) the states have to go all out in promoting their lotteries — in persuading more people to gamble. And once stoked by a supposedly harmless lottery, the gambling fever requires new outlets and ever more suckers.

Take my home state of Iowa, which barely a generation ago made you buy a license before you could buy a bottle of liquor, and which busted village priests for running church bingo games. Now you can buy your booze along with your bread at the grocery store, while you're buying your lottery ticket. First they legalized bingo. Then the state lottery. Then pari-mutuel betting at dog and horse tracks. Now they're scared Illinois might get its riverboat gamblers on the Mississippi before we do.

Poor Iowa, to paraphrase an old Mexican saying, so far from God and so close to Illinois.

And up at Des Moines, they're afraid the

grand new horse betting track is going to go bust, and the taxpayers will have to bail it out, if they can't persuade more people to gamble.

Legislatures approve all this for the public good and welfare. But a recent New York Times article reported growing concern that "this new legitimacy of once illegal forms of betting is undermining traditional attitudes toward work and play, saving and investing, even right and wrong."

A California survey showed that the percentage of high school students who participated in any form of gambling increased by 40 per cent since the state lottery began in 1985. Various studies agree that most people who take part in lotteries are those who can least afford it.

None of this excuses Rose for violating baseball's rules. But it does cast doubt that any lesson for youth to be learned from the Rose case will be very effective, when society increasingly is teaching the opposite lesson that gambling is acceptable.

If the figures for his betting activities are accurate, Pete Rose is a sick man, and I hope he gets well, for his and his family's sake. The tragedy is that government, in this latter day passion for shirking equitable and necessary taxes is, with publicly sponsored gambling, exploiting that very sickness.

Quotation

How vain it is to sit down to write when you have not stood up to live.

— Henry David Thoreau

FSH
10-3
1-30-90

PROPOSED BILL NO. _____

By

AN ACT concerning abortion; defining and classifying the crime of criminal abortion; repealing K.S.A. 21-3407.

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

Section 1. (a) Criminal abortion is the termination of human pregnancy after 22 weeks, except as provided in subsection (b), with an intention other than to produce a live birth or to remove a dead embryo or fetus.

(b) A person licensed to practice medicine and surgery is justified in terminating a pregnancy if two persons licensed to practice medicine and surgery, after appropriate consultation, concur that: (1) A continuance of the pregnancy would endanger the health of the pregnant woman; (2) there is significant evidence that the fetus is compromised by genetic defect, infectious disease or severe developmental anomaly; or (3) the pregnancy resulted from rape or incest.

(c) Criminal abortion is a class D felony.

(d) If any provisions of this act or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provisions or application. To this end the provisions of this act are severable.

(e) This section shall be part of and supplemental to the Kansas criminal code.

Sec. 2. K.S.A. 21-3407 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

PROPOSED BILL NO. _____

By

AN ACT concerning abortion; requiring, under certain circumstances, notification of certain persons before performance of abortions on minors; prescribing procedures relating thereto; amending K.S.A. 1989 Supp. 65-2837 and repealing the existing section.

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

New Section 1. As used in sections 1 through 5:

(a) "Abortion" means the termination of human pregnancy with an intention other than to produce a live birth or to remove a dead embryo or fetus.

(b) "Actual notice" means the giving of notice directly, in person or by telephone.

(c) "Minor" means any person under 16 years of age who is not now nor has ever been married and who has not been declared as emancipated under federal law or Kansas law.

(d) "Parent" means a minor's natural or adoptive parent, a minor's guardian, a person standing in loco parentis to a minor or a court of competent jurisdiction if the minor is a ward of the court.

(e) "Physician" means a person licensed to practice medicine and surgery in this state.

New Sec. 2. (a) Except as otherwise provided by this act, no physician shall perform an abortion upon a minor unless the physician has given actual notice to one of the minor's parents of the physician's intention to perform the abortion or unless the physician has received a written statement or oral communication by another physician, hereinafter called the "referring physician," certifying that the referring physician has given such notice.

(b) If a minor objects to notice being given her parent under this section, the physician shall inform the minor of her right to petition any district court in this state for a waiver of the notice requirement of this section pursuant to the procedures of section 3. The physician shall refer the minor to the appropriate office of the department of social and rehabilitation services for further assistance.

New Sec. 3. (a) The department of social and rehabilitation services shall assign a social worker to the minor to provide counseling and assistance in exercising the minor's right to a hearing under this act. The social worker shall inform the minor that she has the right to court-appointed counsel and, if the minor wishes to have counsel, the social worker shall contact the appropriate court to make arrangements for such counsel. Upon the minor's request, the social worker shall cause a petition to be filed on behalf of the minor pursuant to this act within five court days after the minor's request. Thereafter, all time limitations shall be calculated according to court days.

(b) Court proceedings under this section shall be confidential and shall ensure the anonymity of the minor. The petition for waiver shall include either the initials of the minor or a pseudonym, the minor's age and the reasons why the minor seeks a waiver of notice. The minor may participate in court proceedings upon her own behalf. She may be represented by the social worker or by a court-appointed attorney.

(c) Proceedings under this section shall be given such precedence over other pending matters as is necessary to ensure that the court may reach a decision promptly but in no case shall the court fail to rule within two days after the time of application unless the two-day limitation is extended at the request of the minor.

(d) Notice shall be waived if the court finds that either:
(1) The minor is mature and well-informed enough to make the abortion decision on her own, or (2) notification would not be in the best interests of the minor.

(e) A court that conducts proceedings under this section shall issue written and specific factual findings and legal conclusions supporting its decision and shall order that a confidential record of the evidence be maintained. This record shall be sealed from the moment the petition is filed. The court shall also cause written notice of its denial or grant to be immediately dispatched to the minor and her social worker or court-appointed attorney.

(f) An expedited, confidential appeal shall be available to any minor to whom the court denies a waiver of notice. A notice of appeal shall be filed within three days of an entry of judgment denying the petition. The record shall be forwarded to the court of appeals within three days of filing of the notice of appeal. A hearing before the appellate court shall be held within seven days of the filing of the appeal and an order shall be issued within two days of the hearing unless a longer time is requested by the minor.

(g) The supreme court shall adopt such rules as necessary to ensure that proceedings under this act are handled in an expeditious and confidential manner.

(h) No filing fees or attorney fees shall be required of any minor who avails herself of the procedures provided by this section.

New Sec. 4. (a) If a physician in good faith reasonably believes that an abortion is immediately necessary to preserve the life or health of a minor, the physician may perform an abortion anywhere without first obtaining the minor's consent, if she is unable to consent for any reason, and without notification as provided by section 2.

(b) If a parent of a minor has been notified of the minor's intention to obtain an abortion and the parent either accompanies the minor to the place where the abortion is to be performed or submits a notarized statement indicating that the parent has been notified, the notice requirement of section 2 shall not apply.

(c) The notice requirement of section 2 shall be considered

ESB
12-3
1-30-90

waived if any court fails to comply with the time limitations set forth in this act.

New Sec. 5. Any physician, hospital or medical facility, or agent thereof, acting in good faith shall be justified in relying on the representations of a minor or of any other person providing the information required under this act. No physician or other person who furnishes professional services related to an act authorized or required by this act and who relies upon the information furnished pursuant to this act shall be criminally or civilly liable for such reliance so long as the physician or other person acted in good faith.

Sec. 6. K.S.A. 1989 Supp. 65-2837 is hereby amended to read as follows: 65-2837. As used in K.S.A. 65-2836 and amendments thereto and in this section:

(a) "Professional incompetency" means:

(1) One or more instances involving failure to adhere to the applicable standard of care to a degree which constitutes gross negligence, as determined by the board.

(2) Repeated instances involving failure to adhere to the applicable standard of care to a degree which constitutes ordinary negligence, as determined by the board.

(3) A pattern of practice or other behavior which demonstrates a manifest incapacity or incompetence to practice medicine.

(b) "Unprofessional conduct" means:

(1) Solicitation of professional patronage through the use of fraudulent or false advertisements, or profiting by the acts of those representing themselves to be agents of the licensee.

(2) Representing to a patient that a manifestly incurable disease, condition or injury can be permanently cured.

(3) Assisting in the care or treatment of a patient without the consent of the patient, the attending physician or the patient's legal representatives.

(4) The use of any letters, words, or terms, as an affix, on stationery, in advertisements, or otherwise indicating that such

person is entitled to practice a branch of the healing arts for which such person is not licensed.

(5) Performing, procuring or aiding and abetting in the performance or procurement of a criminal abortion or failing to comply with the provisions of sections 1 through 5.

(6) Willful betrayal of confidential information.

(7) Advertising professional superiority or the performance of professional services in a superior manner.

(8) Advertising to guarantee any professional service or to perform any operation painlessly.

(9) Participating in any action as a staff member of a medical care facility which is designed to exclude or which results in the exclusion of any person licensed to practice medicine and surgery from the medical staff of a nonprofit medical care facility licensed in this state because of the branch of the healing arts practiced by such person or without just cause.

(10) Failure to effectuate the declaration of a qualified patient as provided in subsection (a) of K.S.A. 65-28,107 and amendments thereto.

(11) Prescribing, ordering, dispensing, administering, selling, supplying or giving any amphetamines or sympathomimetic amines, except as authorized by K.S.A. 65-2837a and amendments thereto.

(12) Conduct likely to deceive, defraud or harm the public.

(13) Making a false or misleading statement regarding the licensee's skill or the efficacy or value of the drug, treatment or remedy prescribed by the licensee or at the licensee's direction in the treatment of any disease or other condition of the body or mind.

(14) Aiding or abetting the practice of the healing arts by an unlicensed, incompetent or impaired person.

(15) Allowing another person or organization to use the licensee's license to practice the healing arts.

(16) Commission of any act of sexual abuse, misconduct or

exploitation related to the licensee's professional practice.

(17) The use of any false, fraudulent or deceptive statement in any document connected with the practice of the healing arts.

(18) Obtaining any fee by fraud, deceit or misrepresentation.

(19) Directly or indirectly giving or receiving any fee, commission, rebate or other compensation for professional services not actually and personally rendered, other than through the legal functioning of lawful professional partnerships, corporations or associations.

(20) Failure to transfer medical records to another physician when requested to do so by the subject patient or by such patient's legally designated representative.

(21) Performing unnecessary tests, examinations or services which have no legitimate medical purpose.

(22) Charging an excessive fee for services rendered.

(23) Prescribing, dispensing, administering, distributing a prescription drug or substance, including a controlled substance, in an excessive, improper or inappropriate manner or quantity or not in the course of the licensee's professional practice.

(24) Repeated failure to practice healing arts with that level of care, skill and treatment which is recognized by a reasonably prudent similar practitioner as being acceptable under similar conditions and circumstances.

(25) Failure to keep written medical records which describe the services rendered to the patient, including patient histories, pertinent findings, examination results and test results.

(26) Delegating professional responsibilities to a person when the licensee knows or has reason to know that such person is not qualified by training, experience or licensure to perform them.

(27) Using experimental forms of therapy without proper informed patient consent, without conforming to generally accepted criteria or standard protocols, without keeping detailed

legible records or without having periodic analysis of the study and results reviewed by a committee or peers.

(28) Prescribing, dispensing, administering or distributing an anabolic steroid or human growth hormone for other than a valid medical purpose. Bodybuilding, muscle enhancement or increasing muscle bulk or strength through the use of an anabolic steroid or human growth hormone by a person who is in good health is not a valid medical purpose.

(c) "False advertisement" means any advertisement which is false, misleading or deceptive in a material respect. In determining whether any advertisement is misleading, there shall be taken into account not only representations made or suggested by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertisement fails to reveal facts material in the light of such representations made.

(d) "Advertisement" means all representations disseminated in any manner or by any means, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of professional services.

New Sec. 7. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provisions or application. To this end the provisions of this act are severable.

Sec. 8. K.S.A. 1989 Supp. 65-2837 is hereby repealed.

Sec. 9. This act shall take effect and be in force from and after its publication in the statute book.