

Approved March 2, 1990

Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE ROBERT D. MILLER at
Chairperson

1:35 a.m./p.m. on FEBRUARY 20, 1990 in room 521-S of the Capitol.

All members were present except:

Representative Williams, excused
Representative Krehbiel, excused

Committee staff present:

Mike Heim, Legislative Research Dept.
Theresa Kiernan, Revisor of Statutes
Connie Smith, Committee Secretary

Conferees appearing before the committee:

John Moir, Director of Finance, city of Wichita
Ernie Mosher, League of Kansas Municipalities
John Torbert, Kansas Association of Counties
Linton Bartlett, city of Kansas City, Kansas
Bill Curtis, Kansas Association of School Boards
Jim Maag, Kansas Bankers Association
Anderson Chandler, Chairman of Fidelity State Bank
Representative Anthony Hensley
Representative Joan Adam
Representative Donna Whiteman
Liz Oesterlin, Executive Director, Topeka Family Shelter
Ann Aponte, resident of temporary housing with the Topeka Family Shelter
Noell St. Clair, representing Kansas Chapter of Housing and Redevelopment
Ronald J. Zerrer Jr. of Manhattan, directs the Home Owners Maintenance and Energy Program
Frank McGrew, Board Member of Topeka Family Shelter
Terry Humphrey, Executive Director, Kansas Manufactured Housing Association
Mike Lechner, Executive Director of KDHR Commission on Disability Concerns
Karen France, Director of Governmental Affairs for Kansas Association of Realtors
Janet Stubbs, Executive Director of the Home Builders Association of Kansas

Chairman Miller called for hearings on HB 2969.

HB 2969 - Act concerning taxation; relating to the foreclosure and sale of property.

Chairman Miller recognized John Moir, Director of Finance, City of Wichita, who testified that HB 2969 would help relieve the pressure on the local general property tax without adversely impacting local economic conditions. Mr. Moir said the wording on the bill states that any delinquent special assessments shall be respread; he suggested the committee use the word "may" in lieu of "shall" for those jurisdictions that may have a problem with a mandate. (Attachment I) Discussion followed.

Vice-chairman Brown stated that Joseph O'Sullivan, Reno County Counselor, called and expressed opposition to the bill and will be sending written testimony. (Attachment II)

Chairman Miller closed the hearing on HB 2969.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,
room 521-S, Statehouse, at 1:35 a.m./p.m. on FEBRUARY 20, 1990

Chairman Miller turned the Committee's attention to HB 2984.

HB 2984 - Act concerning the investment of public moneys.

Chairman Miller recognized John Moir, Finance Director for the City of Wichita, who submitted written testimony and testified in support of HB 2984. (Attachment III)

Chairman Miller recognized Ernie Mosher, League of Kansas Municipalities, who testified in support of HB 2984 and provided written testimony. (Attachment IV)

Chairman Miller recognized John Torbert, Kansas Association of Counties, who testified in support of HB 2984 and stated the bill serves to provide more competition in the market place. (Attachment V)

Chairman Miller called on Linton Bartlett, City of Kansas City, Kansas, who expressed support for having broader authority to invest inactive funds of the City in order to increase investment earnings. (Attachment VI)

Chairman Miller recognized Bill Curtis, Kansas Association of School Boards, who stated that KASB supports the flexibility provided by HB 2984. The expanded list of investments might enhance the prospect of a greater return. (Attachment VII)

Representative Patrick requested information about the opportunity cost incurred by local governments under the current investment law. Chairman Miller stated this information will be disbursed to the Committee when the bill is worked.

Chairman Miller called on Jim Maag, Kansas Bankers Association, who expressed concerns about the amendment to the bill as bad public policy. (Attachment VIII)

Mr. Maag introduced Anderson Chandler, chairman of Fidelity State Bank of Topeka, who testified in opposition to HB 2984. Discussion followed. (No written testimony)

The Chairman closed the hearing on HB 2984.

Chairman Miller called for hearing on HB 2679.

HB 2679 - Act concerning municipalities; relating to the establishment of housing trust funds for repair, rehabilitation and improvement of residential housing; prescribing powers, duties and functions in relation thereto.

Chairman Miller recognized Representative Hensley, chief sponsor of HB 2679. Representative Hensley described the bill in detail and submitted a letter in support from the City Council of Topeka. (Attachment IX)

Representative Joan Adam, Atchison, testified in support of HB 2679. Representative Adam stated that 30 per cent of the housing in Atchison is substandard and stated one of the features that she liked about the bill is that local initiative is left up to the city to enact. (No written testimony)

Vice-chairman Brown recognized Representative Donna Whiteman who testified in support of HB 2679. (Attachment X)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,

room 521-S Statehouse, at 1:35 a.m./p.m. on FEBRUARY 20, 1990

Vice-chairman Brown recognized Liz Oesterlin, Executive Director of Topeka Family Shelter, Inc. Ms. Oesterlin testified in support of HB 2679 and submitted written testimony and stated that it is more cost effective to prevent homelessness than to remedy it. Ms. Oesterlin submitted written testimony from the following: Susan M. Wheatley, Executive Director, Shawnee County Community Assistance and Action, Inc.; Joseph Ledbetter, Construction Director, Topeka Family Shelter, Inc.; Don Karr, TILRC Independent Living Specialist; and from Children's Coalition. Ms. Oesterlin introduced Ann Aponte a potential beneficiary of the bill. Ms. Aponte stated her family was grateful for temporary housing with the Topeka Family Shelter. (Attachment XI)

Vice-chairman Brown recognized Noelle St. Clair, representing the Kansas Chapter of Housing and Redevelopment Officials, who testified in support of HB 2679 and provided written testimony. (Attachment XII)

Vice-chairman Brown recognized Ernie Mosher, League of Kansas Municipalities, who stated that HB 2679 does not authorize cities to do that which they are not already constitutionally powered to do. This may well be true in the case of statutory home rule for counties, but none the less we think it would be an important declaration of public policy to have on our statutes specific statutory authority for local governments to establish housing trust funds. We need to do a better job in housing of our state. We think this will help raise the visibility of housing. Mr. Mosher stated they had a number of minor amendments. For example, we would like to see a provision that would include gifts and grants, to clarify that any federal funds that might be available for this kind of purpose also could be put in a trust fund. (No written testimony)

Vice-chairman Brown recognized Ronald J. Zerrer Jr. of Manhattan who directs the Home Owners Maintenance and Energy Program. Mr. Zerrer stated it is imperative that the Housing Trust be administered at the local level of government. (Attachment XIII)

Frank McGrew, board member of Topeka Family Shelter, testified in support of HB 2679. (No written testimony)

Vice-chairman Brown recognized Terry Humphrey, Executive Director of Kansas Manufactured Housing Association, testified in support of HB 2679 and provided written testimony. (Attachment XIV)

Vice-chairman Brown recognized Mike Lechner, Executive Director, KDHR Commission on Disability Concerns testified in support of HB 2679 and offered amendments. (Attachment XV)

Discussion followed at the end of the testimony for proponents for HB 2679.

Vice-chairman Brown recognized Karen France, Director, Governmental Affairs for Kansas Association of Realtors, testified that the Kansas Association of Realtors have no problem with the bill if the language referring to the real estate escrow accounts is stricken. They requested that the amendment be made when the bill is worked. (Attachment XVI)

Vice-chairman Brown recognized Janet Stubbs, Executive Director of the Home Builders Association of Kansas, who appeared in opposition to portions of HB 2679. (Attachment XVII)

Vice-chairman Brown closed the hearing on HB 2679 since there were no questions from the committee.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,
room 521-S, Statehouse, at 1:35 a./m./p.m. on FEBRUARY 20, 19 90

Vice-chairman Brown called the Committee's attention to written testimony received in support from Myrna Stringer, League of Women Voters of Kansas; Richard Jackson, President of Kansas Association of Community Action Directors (KACAD, Inc.); Richard Jackson, Executive Director, Eckan, Inc.; and Harry "Butch" Felker, Mayor, City of Topeka. (Attachment XVIII)

The meeting adjourned at 3:10 p.m.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

DATE Feb. 20, 1990

NAME	ADDRESS	REPRESENTING
Conrad J. Zinner Jr.	1411 Claffin Cir. Manhattan	Housing Trust Fund.
Noelle St. Clair	1195 SW Buchanan	KS NAHRO
Ann C. Aporte	501 Fillmore	Topeka Family Shelter
Joyce E. Reed	1212 Muldrow	self
Liz Restulin	507 Fillmore Topeka	HTF 2679 - Topeka Family Shelter
S. Mary Beth Kelly	501 Buchanan	HTF 2679 Sisters of Charity of Leavenworth
Karen France	Topeka	KAR
Linton Bartlett	Kansas City, KS	City of Kansas City
John Moir	Wichita, KS	City of Wichita
Bill Curtis	Topeka	Ks. Assoc. of School Bds.
Jim Miller	"	KBA
Cathy Haldeman	Wichita	City of Wichita
Art Brown	K-C. mo	KS. Lumber Dealers
Mike Miller	Topeka	City of Topeka
Janet Stuhler	"	NBA of Ks.
Bob Corbin	Topeka	League of Cities
Garrey Ray	Abette	KS Communities
John A. Smith	Topeka	KAC
Don Kan	Topeka, KS	TILRC
Patti Schiefelbein	"	TILRC
Donald M. Crew	Topeka	Topeka Family Shelter

WICHITA

DEPARTMENT OF FINANCE
OFFICE OF DIRECTOR
1111 WEST FIFTEENTH ROAD
455 NORTH MAIN STREET
WICHITA, KANSAS 67202
316 268-4434

February 20, 1990

The Honorable Robert D. Miller, Chairperson
Committee on Local Government
House of Representatives
State Capitol
Topeka, Kansas 66612

Subject: House Bill No. 2969

Dear Mr. Miller:

House Bill No. 2969 amends K.S.A. 79-2804 to allow the respreading of delinquent special assessments. This means that special assessments that have been delinquent for as many as three years could be added to the original payoff schedule. The bill would allow Kansas municipalities to ultimately recover revenue that otherwise would have been lost at the time of tax foreclosure sales. The City of Wichita has a policy to assist residential housing and commercial development by organizing benefit districts and issuing general obligation bonds to pay for front and side street paving, storm and sanitary sewers, and water distribution systems. The debt service on the bonds is paid from annual special assessments against the benefited property. Any non-payment of special assessments are assumed by the general property taxpayers. Occasionally, development projects are premature relative to market conditions--lots remain undeveloped and the project fails. Under these conditions, the special assessments become delinquent and the property is sold at tax sale to the highest bid, which is generally well below the sum of the delinquent general taxes and special assessments. The general taxpayers subsidize this lost revenue, which totaled \$818,736 in 1989. House Bill No. 2969 would allow the City of Wichita to recover this subsidy by respreading the lost revenues at the end of the original special assessment schedule. Such an action will not adversely impact the economics of the purchase of undeveloped lots because it would not increase the annual cash outlays for the property in the near term. A number of developers and financial institutions' officers have indicated support for such a procedure.

House Bill No. 2969 would help relieve the pressure on the local general property tax without adversely impacting local economic conditions. The City of Wichita urges your favorable consideration of House Bill No. 2969.

Sincerely,

John Moir

John Moir
Director of Finance

JM/gf

LS
2-20-90
Attach. I

RAUH, THORNE, CHILDS,
O'SULLIVAN, MCCARVILLE & BROWN

FEB 28 1990

ATTORNEYS AT LAW

315 WEST FIRST STREET
P.O. BOX 2066
HUTCHINSON, KANSAS 67504-2066
(316) 662-0527

STEVEN P. CHILDS
JOSEPH P. O'SULLIVAN
JOSEPH L. MCCARVILLE III
DAVID L. BROWN

CHARLES E. RAUH (OF COUNSEL)
RALPH J. THORNE (1921-1980)

February 22, 1990

Representative Robert D. Miller
House Committee on Local Government
State Capitol
Topeka, Kansas 66612

Representative Robert E. Krehbiel
House Committee on Local Government
State Capitol
Topeka, Kansas 66612

Re: House Bill No. 2969

Dear Mr. Miller and Mr. Krehbiel:

I am writing in opposition to House Bill No. 2969, particularly the language appearing on Page 3 at Lines 3 through 9.

As the County Counselor for Reno County, I have prepared and filed seven real estate tax foreclosure suits in the last three years, involving over 1,400 parcels. Reno County and the City of Hutchinson have been hit hard by the loss of special assessment revenue resulting from the low sale prices received at Sheriff's sales. In the Lakewood area alone, lots are selling for \$50-\$800 (mostly \$50) to be applied on judgments of \$4,500 to \$6,000. So, we understand the purpose of the bill. Reno County simply does not believe the proposed solution is practical or effective and will be a technical disaster to implement.

Let me discuss my objections further. I intend to file suit next week on 173 parcels which have been delinquent from 1985. I will take judgment for five years of special assessments (1985 through 1989). Why limit the recapture provision to three years of special assessments? Why not include all liens for special assessments in existence at the time judgment is rendered?

LY
2-20-90
Attach. II

Representative Robert D. Miller
Representative Robert E. Krehbiel
February 22, 1990
Page 2

We require an abstracter to provide us an abstract of title certified to date on each parcel or tract involved in the foreclosure proceeding. This is required so that we can name as defendants every person or entity having some claim to the real estate, and provide them notice of the proceedings. The interests of all of these parties are severed as a result of the foreclosure proceeding. It takes abstracters here more than six months to provide us with 175 to 200 abstracts of title. As a result, seldom will a tract involved in a K.S.A. 79-2801 proceeding have only three years of taxes due. The redemption period in the statute, along with the abstracting and the time involved in preparing and prosecuting the lawsuit virtually mandate that at least four to five years of taxes will be due by judgment time.

The judgment includes the special assessment liens, principal plus interest at 18% from and after the due date (November 1). The interest rate was reduced to 12% for 1990 only. This bill doesn't address whether it is the unpaid principal, the accrued interest or both which will be divided and added to the end of the bond issue. Do those amounts continue to accrue interest until paid? What happens four to five years after the first sheriff's sale when the same properties are sold for taxes again? Are you going to add those unpaid specials to the end of the previous add on years or on top of them?

In our experience, these lots, delinquent for special assessments and taxes, are going to tax sale because their values do not justify paying the specials. Until such time as it becomes reasonably foreseeable for residences or improvements to be constructed on these lots, the specials and taxes will not be paid. The yearly payments added to the end of the bond issue will extend indefinitely, probably impede the development of the property, and ensure that ad valorem taxes along with specials will not be paid. Real estate taxes are not the individual responsibility of the property owner. Government can look only to the property for payment.

It is understandable why the City of Wichita or Johnson County might want this bill. It is foreseeable for their economies to support continued development in their subdivisions in the near future. But not so in Hutchinson or Reno County where we have thousands of improved lots (street, water and sewer) and no demand for new housing, and no end in sight. The only way

Representative Robert D. Miller
Representative Robert E. Krehbiel
February 22, 1990
Page 3

we are going to help the situation is to reduce the years in which the specials will run and thus encourage investment. Many of these lots have an annual ad valorem tax less than \$100 and annual special assessments exceeding \$500.

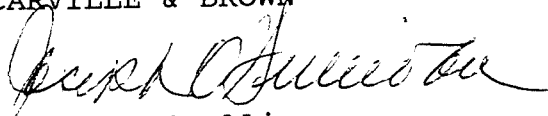
Local governments financed these improvements with General Obligation Bonds five to ten years ago without requiring any form of security from the developers. Reno County has changed its policies in that regard over the last several years and now requires the developer to post some form of security. Those who are promoting this legislation want the Legislature to bail them out from their own misjudgments. In most counties, this will not work. It will also cause the county assessor needless and complicated work, which, if mandated, will require the adding on of special assessments ad infinitum.

The Board of County Commissioners of Reno County has been able to cover for unpaid special assessments through bond refunding programs and through a bond and interest levy in the general fund. The Board of County Commissioners joins with me in the opinions expressed herein.

Very truly yours,

RAUH, THORNE, CHILDS, O'SULLIVAN,
McCARVILLE & BROWN

By:


Joseph O'Sullivan
Reno County Counselor

JO:deb

cc: Board of County Commissioners
of Reno County, Kansas

WICHITA

DEPARTMENT OF REVENUE
OFFICE OF DIRECTOR
STATE OF KANSAS
100 SOUTH MAIN STREET
TOPEKA, KANSAS 66612
TEL. 469-4444

February 20, 1990

The Honorable Robert D. Miller
Chairperson
Committee on Local Government
House of Representatives
State Capitol
Topeka, Kansas 66612

Subject: House Bill No. 2984

Dear Mr. Miller:

House Bill No. 2984 amends K.S.A. 12-1675 governing the investment of public funds to add investments authorized by K.S.A. 10-131 (investment of bond and note proceeds). In addition to the investments authorized by K.S.A. 12-1675, public funds could be invested as follows:

1. Direct obligations of the United States.
2. Obligations of federal agencies, which represent the full faith and credit of the United States.
3. Certificates of deposit secured by collateral in items 1 and 2 above.
4. Investments fully secured by federal deposit insurance.
5. Perfected repurchase agreements backed by collateral held by a trustee or the Federal Reserve Bank.
6. Money market funds comprised of securities in items 1 and 2 above.
7. Investment agreements or contracts representing the unconditional obligations of entities rated as investment grade quality.

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Attach. III

The Honorable Robert D. Miller, Chairperson
Committee on Local Government
Subject: House Bill No. 2984
February 20, 1990
Page 2

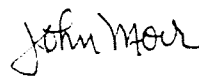
Since the enactment of K.S.A. 10-131 in 1987, the City of Wichita has entered into two investment agreements using a competitive bidding process. The agreements are with Salomon Brothers and Donaldson, Lufkin, and Jenrette. The investment agreements are fully collateralized with collateral held by a trustee bank located in Wichita. The trustee costs are paid by the investment banking firms. The City of Wichita has earned \$2,293,440.82 from these investment agreements. The earnings have been used to offset the interest costs on the bond and note proceeds and constitute a direct realized benefit to the taxpayers of Wichita.

House Bill No. 2984 would enable the City of Wichita to realize the highest quality rate of return on its investments while minimizing risk. The bill will permit the City to access national and regional money markets, avoiding localized risk factors associated with the failure of many local financial institutions. The benefits would be similar to selling bonds and notes at competitive sale and realizing lower interest cost bids from regional and national underwriting firms. Competition protects the taxpayers. The return on public funds could increase significantly with the enactment of House Bill No. 2984, while actually reducing risk (the financial condition of Kansas savings and loans were below the national average for the industry based on the September 1989 Sheshunoff Ratings even after taking Franklin Savings out of the statistics).

Self-serving special interests may argue that expanding local public funds investment authority increases risk because local officials lack the sophistication to administer such authority. Also, these same special interests may argue that keeping public funds invested at home helps the local economy. Both these arguments run counter to the established facts. The bill provides authority to exercise reasonable and conservative investment options. Local officials will use only those options that make sense in their jurisdictions--no changes in current investment practices are mandated by this bill. It is common knowledge that many Kansas financial institutions invest a portion of their resources out-of-state based on expected profits. House Bill No. 2984 is consistent with the investment standards recommended by the Government Finance Officers Association of the United States and Canada.

With the current pressure on the general property tax, local governments need tools to provide additional revenue from sources other than the property tax. This bill provides such a tool. The City of Wichita urges your favorable consideration of House Bill No. 2984.

Sincerely,



John Moir
Director of Finance

JM/gf



**League
of Kansas
Municipalities**

**Municipal
Legislative
Testimony**

An Instrumentality of its Member Kansas Cities. 112 West Seventh Street, Topeka, Kansas 66603 Area 913-354-9565

To: House Committee on Local Government
Re: HB 2984—Investment of Local Government Moneys
From: E.A. Mosher, Executive Director
Date: February 20, 1990

On behalf of the League and its member cities, I appear in support of HB 2984.

You will note that the bill simply adds one sentence to the general investment statute found in K.S.A. Supp. 12-1675. Adding this short sentence, however, would authorize local governments to invest their moneys not immediately needed in the same investments for which the proceeds of bonds and temporary notes may be invested under K.S.A. Supp. 10-131. Attached to my statement is a reprint of this section.

For the typical Kansas municipality, which invests comparatively small amounts, I doubt whether the new investment authority will be extensively used. If it used by smaller municipalities, it would probably be primarily by investment in U.S. treasury bills and notes or other direct obligations of the U.S. government, as authorized by clause (d) of K.S.A. 10-131. We suspect this will occur primarily when a municipality has inactive funds for investment for in excess of six months, and the local bank or S&L agrees to pay only the average yield for 91 day treasury bills.

I would remind you that municipalities may now invest in treasury bills under K.S.A. 12-1675, but for not exceeding six months, and may use this investment authority only if a local bank or S&L will not pay the 91 day bill rate. I think most local governments would prefer to invest in local banks and S&L's, rather than in treasury bills. I suspect the principal effect of the bill will be to encourage local financial institutions to pay at least the competitive treasury bill rate for the term for which the public money is to be invested.

The other investment alternatives now found in K.S.A. 10-131, but not in K.S.A. 12-1675, are essentially high-quality securities for which bond proceeds may now be invested. We doubt whether these will be extensively used except by larger municipalities with sophisticated financial management and for investment of significant amounts.

We urge your favorable reporting of HB 2984. We suggest the pressure on local units to find ways to reduce property taxes is probably now higher than for many years. We think the investment alternatives now authorized for bond proceeds are both safe and sound, and may sometimes be more productive in interest earnings than options now authorized by statute for non-bond moneys.

EM
2-20-90
Attach. IV

10-131. Investment of proceeds of bonds or temporary notes and certain funds authorized; disposition of interest received therefrom. The governing body of any municipality, as defined in K.S.A. 10-101, and amendments thereto, which has issued or may issue bonds or temporary notes for any purpose, is hereby authorized and empowered to invest any portion of the proceeds of such bonds, notes or funds held pursuant to the resolution or ordinance authorizing the issuance of such bonds or notes, which is not currently needed, in: (a) Investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein; (b) direct obligations of the United States government or any agency thereof; (c) the municipality's temporary notes issued pursuant to K.S.A. 10-123, and amendments thereto; (d) interest-bearing time deposits in commercial banks located in the county or counties in which the municipality is located; (e) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation; (f) repurchase agreements collateralized by securities described in (b) or (e) above; (g) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation; (h) investments in shares or units of a money market fund or trust the portfolio of which is comprised entirely of securities described in (b) or (e) above; (i) receipts evidencing ownership interests in securities or portions thereof described in (b) or (e) above; (j) municipal bonds or other obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same; or (k) bonds of any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (b) or (e) above. The interest received on any such investment shall upon receipt thereof be set aside and used for the purpose of paying interest on the bonds or notes issued or used for paying the cost of the project for which the bonds or notes were issued.

History: L. 1947, ch. 106, § 1; L. 1949, ch. 113, § 1; L. 1953, ch. 56, § 1; L. 1971, ch. 38, § 1; L. 1971, ch. 39, § 1; L. 1976, ch. 62, § 1; L. 1977, ch. 54, § 2; L. 1980, ch. 52, § 1; L. 1987, ch. 60, § 2; L. 1988, ch. 66, § 1; L. 1989, ch. 48, § 64; July 1.



"Service to County Government"

212 S.W. 7th Street
Topeka, Kansas 66603
(913) 233-2271
FAX (913) 233-4830

EXECUTIVE BOARD

President

Gary Hayzlett
Kearney County Commissioner
P.O. Box 66
Lakin, KS 67860
(316) 355-7060

Vice-President

Marjory Scheufler
Edwards County Commissioner
R.R. 1, Box 76
Belpre, KS 67519
(316) 995-3973

Past President

Winifred Kingman
Shawnee County Commissioner
(913) 291-4040
(913) 272-8948

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

Gary Post
Seward County Appraiser
(316) 624-0211

DIRECTORS

Leonard "Bud" Archer
Phillips County Commissioner
(913) 689-4685

Marion Cox
Wabaunsee County Sheriff
(913) 765-3323

John Delmont
Cherokee County Commissioner
(316) 848-3717

Keith Devenney
Geary County Commissioner
(913) 238-7894

Berneice "Bonnie" Gilmore
Wichita County Clerk
(316) 375-2731

Harry "Skip" Jones III
Smith County Treasurer
(913) 282-6838

Roy Patton
Harvey County Weed Director
(316) 283-1890

Thomas "Tom" Pickford, P.E.
Shawnee County Engineer
(913) 291-4132

NACo Representative

Joe McClure
Wabaunsee County Commissioner
(913) 499-5284

Executive Director

John T. Torbert

February 20, 1990

TESTIMONY

To: House Local Government Committee

From: John T. Torbert
Executive Director

Subject: HB 2984 (Investment of Public Monies)

The Kansas Association of Counties is in support of HB 2984.

This legislation would allow local governments to invest monies not immediately needed in the same type of investments that can be used for bonds and temporary notes.

This does open the investment statute slightly. Local governments can invest in treasury bills now. However, such investments cannot exceed six months and can only be made if the local bank or savings and loan will not pay the 91 day bill rate. Most local governments prefer for obvious reasons to keep their money invested in local institutions. I don't think this legislation will change that. The legislation may have the impact however of injecting some additional competition into the investment marketplace and thus encouraging the local institutions to pay at the least the competitive T-Bill rate for the term of the investment.

The bill would also allow investments in high quality securities. Obviously, at some point in the past, the legislature has made the policy decision that these types of investments should be permitted and we are only asking that this already existing grant of authority be expanded.

Any legislation that has the potential impact of increasing local government's investment earnings and doing so in a safe and sound matter is good public policy. We urge your favorable consideration.

TSJINVES

TSJ
2-20-90
Attach. V

TESTIMONY TO THE HOUSE LOCAL GOVERNMENT
COMMITTEE ON HOUSE BILL 2984 BY
LINTON BARTLETT, CITY OF KANSAS CITY, KANSAS

The City of Kansas City, Kansas supports House Bill 2984. As part of its 1990 Legislative Program, the City Council expressed support for having broader authority to invest inactive funds of the City in order to increase investment earnings. The proposed amendment to the general investment statute found in House Bill 2984 would give the City a number of other safe investment alternatives, some of which tend to have higher returns than investment vehicles currently available to cities. These increased investment revenues could then be used to hold down the local tax burden.

Therefore, the City of Kansas City respectfully asks the House Local Government Committee to act favorably on House Bill 2984. Thank you for the opportunity to express our opinion on this legislation.

LB
2-20-90
Attach. VI

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on HB 2984
before the
House Local Government Committee

by

Bill Curtis, Assistant Executive Director
Kansas Association of School Boards

February 20, 1990

Mr. Chairman and members of the Committee, we appreciate the opportunity to testify today on behalf of the 302 member school districts of the Kansas Association of School Boards. KASB supports HB 2984 as it permits an expanded list of eligible investments for idle funds and also removes the time limit on some investments.

A copy of the investment policy by KASB is attached. Most of the expanded authority sought by school boards has revolved around the institutions rather than the actual investments. However, the flexibility provided by HB 2984 is a position which can be supported by the possibility that the expanded list of investments might also enhance the prospect of a greater return. That expanded list is still properly secured by obligations of the United States government and would not, in our opinion, be of a speculative nature.

We appreciate the time and attention of the Committee. We would urge your favorable consideration of HB 2984.

LC
2-20-90
Attach. VII

1. Investment of School Funds

In making such investments, preference should be given to time deposits, certificates of deposits or other authorized investment instruments in any Kansas banks or savings and loan institutions at such rates as the board shall negotiate. If a financial institution is unable or unwilling to pay interest on such deposits equal to that available through direct obligations of the United States government, such as treasury bills, school boards should be authorized to utilize such sources to maximize the savings to the local taxpayers.

School boards should not be engaged in speculative investments of any type. Any investment, either in banks or savings and loan institutions, should be adequately secured and the security provisions should be substantially the same for both types of institutions.



The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

February 20, 1990

TO: House Committee on Local Government
RE: **HB 2984** - Investment of Public Moneys

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before the committee and discuss with you our concerns about **HB 2984**. Not only do we have serious concerns about the proposed amendments to K.S.A. 12-1675 which are contained in this bill, but in light of recent developments in the financial markets, we also have those same serious concerns about the current provisions of K.S.A. 10-131.

Historically, the statutory requirements for the investment of public funds not needed for immediate use by a local unit of government have been set forth in K.S.A. 12-1675 and the requirements of the investment of proceeds of bonds or temporary notes has been set forth in K.S.A. 10-131. The reason for having two separate investment statutes centers around the very sizeable amounts of money usually associated with bond issues and the amount of time for which those revenues would be invested.

As we have told legislative committees for many years, it is extremely important that any change in statutory language relating to the investment of tax revenues by local units of government be examined first from the standpoint of safety and only secondarily from the standpoint of whether it will provide increased revenues. The Kansas Legislature has an extraordinarily sound record in creating laws to protect public funds. Those laws have been carefully created and have kept local units of government from losing any public funds investment. Even during the 1980s when we experienced the closing of dozens of financial institutions not one dime of public moneys was lost.

However, I must now admit to you that we do question the actions which this Legislature took in 1987 in the passage of SB 407 and the wisdom of expanding that action in **HB 2984**. SB 407 was passed during the closing days of the 1987 session and no public hearing was held on the investment provisions which were ultimately placed in that bill. That bill expanded the ways in which local units of government could invest the proceeds of bonds and temporary notes. Among the new avenues of investment were obligations of secondary market institutions such as "FreddieMac" and "FannieMae" and "investment agreements with or other obligations of a financial institution". Also allowed as investment instruments were money market funds and municipal bonds.

While none of the instruments mentioned are inherently bad or risky investments, they are not instruments which should be purchased without a sound background in how such instruments fluctuate in the marketplace and what the potential risk is in investing in instruments where security has not been obtained for the amount of the investment.

*2-20-90
Attach VIII*

HB 2984 would expand this investment authority to include not only bond and note proceeds but all idle funds of local units. Under present law those idle funds can be invested at the current market rate (91-day Treasury bill rate) and often are invested at even higher rates through competitive bidding. Such funds have specific securities of the bank or S&L equal to 100% of the deposit (minus deposit insurance coverage) pledged on them. Thus, even if the institution fails and the local unit's deposit exceeds the federal insurance maximum they are guaranteed the return of the deposited moneys. Many of the investments allowed by **HB 2984** would not have that protection. What is more important - the safety of the tax dollars collected or the potential of a higher return on those tax dollars? We not only believe you should reject **HB 2984**, but we also believe you should revisit the investment provisions of K.S.A. 10-131.

This is not the first time the Legislature has faced this important policy question and it probably will not be the last. We believe you, like those who preceded you, will be concerned first and foremost with the safety of the tax dollars collected from the citizens of Kansas. Thank you again for this opportunity to discuss this important issue.



James S. Maag
Senior Vice President

such funds when collected to the proper county treasurer as soon as practical, or not later than two days following receipt of a request from the county treasurer to whom they are to be forwarded.

(d) Failure to pay bond moneys when due is any of the following:

(1) Failure of a county treasurer to forward moneys in the county treasury when requested as provided in this section, or

(2) failure of the treasurer of a municipality or any county treasurer to make timely request for moneys as provided in this section, or

(3) failure of the treasurer of a municipality to make timely remittance of moneys for redemption of bonds or to pay the interest thereon, when such moneys are available for such remittance.

Failure to pay bond or interest moneys when due is a class C misdemeanor.

History: L. 1941, ch. 101, § 3; L. 1963, ch. 66, § 1; L. 1969, ch. 64, § 1; L. 1971, ch. 37, § 1; L. 1974, ch. 45, § 8; L. 1983, ch. 52, § 1; L. 1983, ch. 49, § 29; L. 1984, ch. 53, § 1; July 1.

10-130a. Failure of state treasurer to pay certain funds or moneys as provided by law; penalty. Any state treasurer who possesses or controls funds or moneys which are directed by law to be used for the payment of any bonds or the interest thereon and who fails to pay the same at the time and in the manner provided by law shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not to exceed \$100.

History: L. 1963, ch. 66, § 2; L. 1983, ch. 49, § 30; May 12.

10-131. Investment of proceeds of bonds or temporary notes and certain funds authorized; disposition of interest received therefrom. The governing body of any municipality, as defined in K.S.A. 10-101, and amendments thereto, which has issued or may issue bonds or temporary notes for any purpose, is hereby authorized and empowered to invest any portion of the proceeds of such bonds, notes or funds held pursuant to the resolution or ordinance authorizing the issuance of such bonds or notes, which is not currently needed, in: (a) Investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein; (b) direct obligations of the United States government or any agency thereof; (c) the municipality's temporary notes issued pursuant to K.S.A. 10-123, and amend-

ments thereto; (d) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the municipality is located; (e) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation; (f) repurchase agreements collateralized by securities described in (b) or (e) above; (g) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation; (h) investments in shares or units of a money market fund or trust the portfolio of which is comprised entirely of securities described in (b) or (e) above; (i) receipts evidencing ownership interests in securities or portions thereof described in (b) or (e) above; (j) municipal bonds or other obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same; or (k) bonds of any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (b) or (e) above. The interest received on any such investment shall upon receipt thereof be set aside and used for the purpose of paying interest on the bonds or notes issued or used for paying the cost of the project for which the bonds or notes were issued.

History: L. 1947, ch. 106, § 1; L. 1949, ch. 113, § 1; L. 1953, ch. 56, § 1; L. 1971, ch. 38, § 1; L. 1971, ch. 39, § 1; L. 1976, ch. 62, § 1; L. 1977, ch. 54, § 2; L. 1980, ch. 52, § 1; L. 1987, ch. 60, § 2; L. 1988, ch. 66, § 1; July 1.

CASE ANNOTATIONS

1. General improvement temporary notes issued under 12-16a14 governed hereby: interest income must set off expense applicable to specific project. *Mallon v. City of Emporia*, 11 K.A.2d 494, 498, 726 P.2d 1354 (1986).

Article 3.—LIMITATION OF BONDED INDEBTEDNESS

10-306. Counties; limitations. Except as provided in K.S.A. 10-307, and amendments thereto, and in any other statute which specifically exempts bonds from the statutory lim-



CITY OF TOPEKA

City Council
215 E. 7th Street Room 255
Topeka, Kansas 66603
Phone 913-295-3710

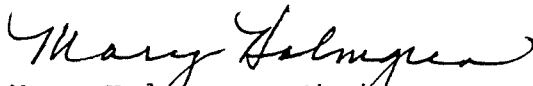
February 13, 1990

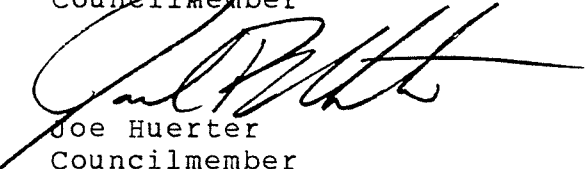
The Honorable Anthony Hensley
Box 28X
Topeka, Kansas 66606

Dear Representative Hensley:

The Community Development Committee of the Topeka City Council would like to convey to you, their enthusiastic support for Bill 2679 and the committee is interested in following through with the opportunities which may be provided for the City of Topeka.

Sincerely,


Mary Hologren, Chair
Councilmember


Joe Huerter
Councilmember


Jim Young
Councilmember

ly
2-20-90
Attach. IX

STATE OF KANSAS

DONNA L. WHITEMAN
MINORITY WHIP
REPRESENTATIVE, 102ND DISTRICT
RENO COUNTY
401 W. FIRST, P.O. BOX 1224
HUTCHINSON, KANSAS 67504-1224

HUTCHINSON NUMBER: (316) 669-0467
TOPEKA: (913) 296-7630
1-800-432-3924



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: JUDICIARY
LABOR AND INDUSTRY
JOINT COMMITTEE ON ADMINISTRATIVE
RULES AND REGULATIONS
CALENDAR AND PRINTING
LEGISLATIVE, JUDICIAL AND
CONGRESSIONAL APPORTIONMENT
GOVERNOR'S ADVISORY COMMISSION
ON JUVENILE OFFENDERS

TESTIMONY ON HB 2679

LOCAL GOVERNMENT COMMITTEE

By Rep. Donna Whiteman

The decade of the 1990's has been designated the "decade of the environment", "the decade of the taxpayer" and with HB 2679 we have the opportunity to chart our course to ensure the agenda for the 1990's addresses basic housing and shelter needs for all Kansans.

My interest in advocating and promoting affordable, available and safe housing exists because housing and shelter is a basic survival need for all individuals. The basic survival agenda for all Kansans requires that each child have the essentials to grow and survive. These essentials include food, water, shelter, light and of course love. We cannot begin to talk about equal opportunities for children in Kansas until we address these basic survival needs.

HB 2679 gives local governments the opportunity to establish housing trust funds for the repair, rehabilitation and improvement of residential housing.

Since 1970 there have been 15 housing related interim study topics including the most recent 1989 Federal and State Affairs/ Governmental Organization Proposal No. 27 - Establishing a State Office of Housing. In 1986 we studied Homeless and Indigent Services. The interim committee report to the 1987 legislature indicated that the number of homeless in Kansas is not known and cannot be easily determined but "nearly all the conferees concluded that there is a substantial number of homeless in Kansas, that the numbers appear to be growing larger, and that services (local) provided in 1986 have increased over those provided the previous year".

LB
2-20-90
Attach. I

The 1987 interim committee also focused on the causes of homelessness and cited the following causes:

Causes of Homelessness. No conferee attempted to give a priority listing of the causes for homelessness. Rather, the Committee was presented a laundry list of events and circumstances in the lives of the now homeless which at least contributed to their present state. Among the reasons presented were: unemployment; eviction by landlord; eviction by parents; divorce; discharge from a mental hospital; illiteracy; lack of job skills; alcoholism; domestic violence; farm failure; worn-out welcome with friends who have provided shelter; awaiting employment; awaiting receipt of public assistance; personality syndrome of chronic dependency; lack of available and affordable housing; and unaffordable or unavailable day care.

We have studied the problems of homelessness, given lip service to the issue and even formed a couple of TASK FORCES to further analyze the problem with the resulting effect that homelessness not only still exists but the numbers of families affected are increasing rapidly.

HB 2679 is a small step but is the step we must take this session. We must stop talking about housing and homelessness and start acting.

Thank you for your consideration of this matter.

cerpts from A Place To Call Home, The Crisis in Housing for the Poor produced by the Center On Budget And Policy Priorities and Low Income Housing Information Service of Washington, D.C., based on data of the American Housing Survey for 1985. Issued in Feb. 1989 by the U.S. Bureau of Census and the U.S. Dept. of Housing & Urban Development.

Under standards established by HUD, housing is considered affordable for a low income household if it consumes no more than 30% of the household's income. In 1985 five of every six poor renter households paid more than 30% of income for housing.

45% paid at least 70%.

2/3 paid at least 50%.

85% paid at least 30%.

By this standard, 4 out of every 5 poor households in the U.S. are unable to find affordable housing. The median poor renter had an income of less than \$5000 (1985 equivalent to \$5500) and spent 65% of its income on housing.

Poor homeowners are nearly as hard-pressed as poor renters.

31% paid at least 70% of their incomes for housing.

Nearly 50% paid 50% for housing.

73% paid at least 30% on housing.

The median poor homeowner had an income of less than \$5000 and spent 47% of its income on housing.

The data for this survey do NOT cover homeless households. As a result, this is a conservative estimate of housing problems facing poor households.

The problems faced by poor households have worsened appreciably since the 1970s.

The proportion of poor renters who spent 60% or more of income for housing grew from 44% in 1978 to 55% in 1985.

Of poor homeowners, 31% spent at least 60% of their incomes for housing expenses in 1978. 38% did so in 1985.

In 1970, the number of rental units that rented for no more than 30% of income earning \$10,000/yr. (for no more than \$250/mo.) was approximately 2/4 million GREATER than the number of households with incomes at or below this level. In 1985, by contrast, there were nearly 3.7 million FEWER units renting for this figure than there were households with incomes at or below \$10,000.

Factors contributing to the affordable housing squeeze:

1. Sharp increase in the number of poor families. The number increased 25% between 1978 and 1985.
2. A decline in the average income of poor families. In 1978, the typical poor family had an income which was \$3,362 BELOW the poverty line. By 1985, it was \$3,999 below. (Further than any since 1959 when data was first collected).
3. A substantial reduction in the number of low rent units in the housing stock, and a resulting increase in rental charges. In 1978 the typical poor renter paid \$229/mo. for rent & utilities (in 1985 dollars). By 1985, after adjusting for inflation, they paid \$266/mo.

Not only do the poor pay much higher proportions of income for housing than the non-poor, but they also are more likely to live in substandard housing in 1985.

More than 1 of 5 poor renters and 1 of 6 poor homeowners lived in housing classified by HUD as having physical deficiencies.

1 in 10 non-poor renters, and fewer than 1 in 20 non-poor homeowners lived with deficiencies.

While poor households constituted 15% of all households, they occupied 39% of units with signs of rats, 46% with holes in the floor, 32% with cracks in the walls, 29% with exposed wiring, & 31% with peeling paint.

or households are more than three times as likely as non-poor households to live in overcrowded conditions (A housing unit is considered overcrowded if it houses more than one person per room. In 1985 7.5% of poor households lived in overcrowded conditions compared with 2% of non-poor households. Among poor renters, 9% lived in overcrowded quarters, while 3.2% of non-poor renters lived in such conditions.

Unlike other "safety net" programs, the poor are not legally "entitled" to housing assistance even if they meet all eligibility criteria. Rather, the number of households served each year is determined by the level of funding appropriated by Congress. Applicants for housing assistance are often placed on waiting lists and must often wait several years before getting assistance. Many localities have closed their waiting lists because requests for assistance from eligible low income households so far outruns the available supply.

From fiscal year 1977 to fiscal year 1988 the number of housing commitments dropped each year by nearly three-fourths.

In contrast to the decline in commitment to low income housing assistance, there has been a substantial increase in a form of federal housing assistance that primarily benefits middle and upper income families. Each year the federal government provides billions of dollars in benefits to homeowners by allowing deductions -- primarily for mortgage interest payments and property taxes -- from the amount of income that is taxable by the federal government. Such subsidies that result from tax deductions, credits or other tax breaks are called "tax expenditures." As a result, federal housing subsidies are strongly tilted toward those who are already most affluent. The number of households below \$10,000 a year is nearly the same as the number of households with incomes over \$50,000 a year. Yet the total amount of federal subsidies (from both subsidized housing programs and tax benefits) going to the higher income group is more than three times the amount going to the lower income group. Most national analyses forecast that the gap between the number of low income households and the number of units affordable by these households will grow substantially larger in the years ahead. One of the reasons for the anticipated sharp growth in the shortage of low income housing is that many of the commitments under existing federal low income housing programs are scheduled to expire in the years ahead. In the next five years, contracts covering nearly one million such units -- almost $\frac{1}{4}$ of all federally-assisted rental units -- will expire. If these contracts are not renewed or continued in some form, owners will have the option of raising rents and converting the units to occupancy by a higher income clientele, converting the units to condominiums or shifting them to non-housing uses. A major study of the renovation needs of public housing units, conducted under contract with HUD, found that more than half of public housing households now live in projects needing moderate to substantial rehabilitation just to meet HUD's mandatory quality standards. The Bush Administration has proposed to reduce this funding level by more than 1/3, to \$1 billion in fiscal year 1990.

Characteristics of poor households: Most poor households have very low incomes, consist of 3 or fewer people, and are white. However, black and Hispanic households are far more likely to be poor than are white households. Blacks comprised 11% of all households, but 26% of poor households. Similarly, Hispanics comprised 6% of all households, but 11% of poor households. Black and Hispanic households face particularly severe housing problems. They are more likely to have excessive housing cost burdens and to live in crowded or substandard housing than are white households. In 1985, some 42% of all black households (including poor and non-poor), and 42% of all Hispanic households spent at least 30% of their income for housing. In contrast, some 27% of all white households had housing costs of this magnitude. More than one of every 3 black households (35%) was poor in 1985, more than one in every 4 Hispanic households (28%), 11% among white households. While 77% of poor black households and 79% of poor Hispanic households paid more than 30% of income for housing in 1985, some 82% of poor white households bore housing costs this high. However, because black & Hispanic households are more than twice as likely to be poor as white households, they are more likely to face the high housing costs associated with poverty.

In addition to bearing high housing cost burdens, blacks and Hispanics are also more likely than whites to live in housing that is substandard or overcrowded. Some 33% of poor black households, and 27% of poor Hispanic households, lived in substandard housing in 1985. In contrast, 14% of poor white households lived in such conditions. More than one in six poor Hispanic households lived in overcrowded conditions in 1985, as did one in nine poor black households. In comparison, fewer than one in twenty poor white households lived in such conditions.

Young single-parent families: In 1974, the typical young single-parent renter household spent 46% of its income for housing. By 1987, the housing cost burden for this household family had grown to 81% of income. Moreover, in 1987, nearly one in four young single-parent families lived in substandard housing conditions. The same study also reveals that the housing cost burdens of ALL young households -- including single-parent families, married couple families, and single individuals -- have risen more in recent years than have the housing burdens of any other age group.

With nearly two of three poor renters and nearly half of all poor homeowners paying more than 50% of income for housing -- and with substantial numbers paying more than 70% of income for housing -- little money remains for other necessities. These high housing cost burdens have serious implications. The severe low income housing shortage is likely to have contributed substantially to the growing problem of homelessness. In addition, these housing cost burdens are likely to have intensified other problems such as the incidence of hunger. The likelihood that a poor household will be without adequate food for part of a month is considerably greater when the household's rent consumes so much of its income that too little money is left to buy food to last through the month.

The future now looks ominous for affordable housing. The data on national trends and housing conditions suggest that just as the affordable housing problems worsened dramatically for low income households between the mid-1970s and the mid-1980s, so too are they likely to deteriorate further in the years ahead unless major changes are made in government policies and in the actions of the private sector.

Supply & demand: In 1970, the number of low rent units in the nation exceeded the number of low income renter households. By 1978, the number of low cost housing units nearly matched the number of low income households. But by 1985, the number of affordable rental units had fallen far behind the number of low income households. Thus, in just the seven years from 1978 to 1985, the number of low rent units declined by half a million while the number of low income renters rose by 3.6 million. This reflects a sharp change in the nation's low income housing market.

Although the affordable housing squeeze has been most severe for poor households, many households with incomes above the poverty line bear high housing costs as well. In 1985, 31% of non-poor households had housing costs in excess of 30% of income. 17% non-poor homeowners bore such housing costs.

For housing to consume no more than 30% of the income of the "very poor" households, a unit would need to cost no more than \$125/mo. (\$1500/yr.) for rent and utilities.

A primary cause of increasing rent burdens among poor renters has been the rapid growth since 1978 in the number of households with incomes below the poverty line. Another fact is that since 1978, those who are poor have grown poorer. The typical (or median) poor household fell further below the poverty line than in any previous year since the Census Bureau began tracking such data in 1959. At the same time, the number of rental units available at rents affordable for poor and low income families had declined sharply since the 1970s. Thus, between 1970 & 1985, there was a large growth in the number of poor households, accompanied by a decline both in incomes of those poor households and in the number of low cost rental units available to them.

Soviet housing shortage worsened by mishaps

MOSCOW (AP) — Strikush Petrasova, a 63-year-old widow, stood in the cold for more than an hour with several hundred others outside the Moscow municipal registration offices for the homeless. "I slept on a chair last night at the train station," Mrs. Petrasova said. "I have only three kopecks in my pocket. I have no family. I have no documents. I heard they can help me here." The Armenian woman fled for her life two weeks ago when Azeri militants beat her with sticks and

Unrest, calamities have created a class of 'internal refugees'

forced her out of her apartment in Baku, the Azerbaijan capital, where she had been living on a pension. She now is destitute and without shelter in a strange city almost 1,200 miles from home, and she has no prospect of going back. Her plight is common in the Soviet Union this winter. Thousands are sleeping in train stations and airport terminals in Moscow

and other cities. Thousands more are crammed into small communal apartments — "temporary quarters" — with up to six people in one bedroom. The lucky ones squeeze in with relatives or acquaintances. Many others share living space with strangers. The severe housing shortage, an old problem in the Soviet Union, has been compounded in the past

four years by a string of calamities that have left about 500,000 homeless. The 1986 Chernobyl nuclear disaster, which forced evacuations of scores of towns and villages in Ukraine and Byelorussia, the Armenian earthquake in 1988, and ethnic violence in Azerbaijan have combined to create a new class of Soviet refugees within the borders of their own country.

The construction industry cannot cope with the demand for housing. Even before Chernobyl, the Armenian quake and the Azerbaijan unrest, about 40 percent of the Soviet population lived in what officials considered substandard housing. Newlyweds wait 10 years for an apartment of their own. Pressure resulting from inadequate housing is the single most

important factor in the high Soviet divorce rate, sociologists say. There are 340,000 families waiting for apartments in Moscow alone. Many of the refugees flock to the large cities, especially Moscow, where the stark living conditions are still considered better than those anywhere else in the country. Mrs. Petrasova had been airlifted to Yerevan, the capital of Armenia, for treatment of head injuries resulting from the attack on her. But when she was discharged from the hospital, she had to leave the city.

Lawmakers hear plea for state housing office

TOPEKA (AP) — Kansas is the only state in the nation that does not have a housing office, lawmakers were told Thursday, and this hampers efforts to provide low-income families and builders with information about federal programs. "We simply think housing is a legitimate public policy issue for the state and local government," said Ernie Mosher, director of the League of Kansas Municipalities. "We believe there's a need for a legitimate state presence." The Special Committee on Federal and State Affairs and Governmental Organization is

studying a proposal to create a new housing office in the Department of Commerce. Don Gragg, director of the Community Development Division, said such an office would be a clearinghouse for information about various government programs and would provide technical assistance to local communities on housing programs. He warned lawmakers that people are going to have to preserve existing structures to make affordable housing available to low-income families. Claire McCurdy, chief counsel in the Department on Aging, said information about

housing programs is scattered throughout various government departments, including aging, social and rehabilitation services, and commerce. She said creating a housing office would reduce bureaucracy and confusion that now exists about housing programs. Officials also said Congress probably will pass a housing act that will require the state to create the office before receiving any funds. However, the committee also was told a housing office was just creating more government jobs when no demonstrated need for the office exists.



Associated Press photo

Home, corrugated home

Leah Wilson and Alan Harrington shelter themselves in one of the new cardboard sleeping boxes being tested in Phoenix, Ariz. The 'Porta-Sleeper' is designed to give a low-cost shelter for the thousands of homeless who live on

the streets. The portable, water-resistant shelters were proposed by a salesman for Gaylord Container Corp. of Deerfield, Ill. The company hopes to mass-produce them but has yet to set a price.

X
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O: Local Government Committee
R. D. Miller, Chairman
February 15, 1990

FROM: Topeka Family Shelter, Inc.
507 Fillmore
Topeka, Kansas 66606
Liz Oesterlin, LMSW
Executive Director

The Topeka Family Shelter is a community supported, non-profit corporation founded 3 years ago to address the evergrowing needs of the temporarily homeless people of the city. Families with children and one employable member may stay in a completely furnished apartment for a period of 90 to 120 days by agreeing to set aside a portion of their earnings into a savings account. During that time, volunteers meet weekly with the family to assist the family in reentering the mainstream of society.

Our program strives in its housing renovation to make adequate shelter available for the 90-120 days of the educational components, and to develop affordable and safe permanent housing for families to move into following the completion of the program. Over 60% of our graduating families move to public housing. This is because their income cannot support the average cost of rents in Topeka. Families on welfare or working in one of the abundant under \$5/hr. jobs spend 50 to 70% of their take home pay on shelter. The average gross rent for Topeka is \$350 according to Housing and Credit Counseling, Inc. The League of Women Voters reported in an informal housing survey that the average rent for low income persons is \$280 a month. An AFDC recipient in Kansas receives approximately \$324 a month for 2, before the \$9 per person cut, leaving \$44 for utilities and other essentials. These same families are subject to the shrinking housing market, so we began to research ways other communities were creating affordable housing. 18 states have community trust funds developed to provide the resources for adequate, safe and affordable housing.

There is a growing coalition of people who see the establishment of local Housing Trust Funds as a strategy to address the problem of Capital financing for the renovation of moderate to low income housing, rental subsidies, and assistance to non-profit agencies involved in housing and educating the homeless here in Kansas. You will hear from some of them today. Many of them will verify that it is more cost effective to prevent homelessness than to remedy it. There are also letters from those who are not testifying today which I would like to enter into consideration: Susan Wheatley, Schawnee County Community Assistance and Action; Joseph Ledbetter former realtor. However, at this point, I would like you to hear from one of the potential beneficiaries of the bill. May I introduce Ann Aponte.

Good afternoon. My name is Ann Aponte. I'm currently residing at the Topeka Family Shelter with my husband Miguel and our infant son, Miguel Jr. I was recently honorably discharged from the U.S.M.C. Currently, I am staying at home taking care of Miguel, Jr.

My husband is advancing himself by attending school to become certified in mechanics. We are grateful we were given the opportunity for temporary housing with the Topeka Family Shelter. However, our future depends on affordable housing. So today I speak for myself and others on affordable housing.

Recently and in the past we have been quoted rents which would take up to 80% of our monthly income. And this does not include other expenses such as utility bills, personal needs and daily living expenses. This leaves us with little or no hope for affordable housing. There are many who will see this problem. Our family's future and many others depend upon your consideration and support of this housing trust fund. We are speaking out to you about homes for the homeless. Not just single people, but families. Normal people. People like my family and I. Today there is a problem with affordable housing. May we soon together find a solution to this important issue. Thank you.

Liz
2-20-90
A. H. Arch. XI



SHAWNEE COUNTY COMMUNITY ASSISTANCE AND ACTION, INC.

ADMINISTRATIVE OFFICES 605 TOPEKA AVENUE
TOPEKA, KANSAS 66603 • PHONE 913-235-9561

February 14, 1990

Representative R.D. Miller, Chairperson
House Committee on Local Government
183-W State Capitol Building
Topeka, KS 66612

Dear Representative Miller:

Shawnee County Community Assistance and Action, Inc., fully supports and urges the passage of House Bill No. 2679, an act authorizing cities and counties to establish housing trust funds for repair of residential housing. Attention to this problem is sorely needed across our state.

It is our understanding that the purpose of the proposed act is to:

- "1. Ensure that all residents have either access to decent shelter or assistance in avoiding homelessness;
- "2. Increase the supply of decent housing that is affordable to low-income and moderate-income families and accessible to job opportunities.
- "3. Improve housing opportunities for all residents, particularly for disadvantaged minorities;
- "4. Help make neighborhoods safe and livable;
- "5. Expand opportunities for home ownership; and
- "6. Provide a reliable, readily available supply of mortgage finance at the lowest possible interest rate.

Community Action's War on Poverty has helped cut but has not eliminated poverty, obviously. Today, poverty may wear the face of an elderly woman, of a child, or of a minimum wage family. Please consider that:

- One in every five children in America is poor.
- Nearly 75 percent of all poor people over age 65 are women.
- Two of five poor people over age 14 work--representing the highest percentage of working poor since 1968.
- Although 1987 represented the fifth year of economic recovery, the poverty rate was higher than for any year in the 1970s and higher even than during the major recession of 1974-75.

The July 1989 Survey of Buying Power conducted by the Greater Topeka Chamber of Commerce as reported in the July 29, 1989, edition of the Topeka Capital Journal showed 8,357 households in Shawnee County with annual incomes of less than \$10,000. Of that number, 2,921 households had annual incomes of less than \$5,000. These figures are frightening! How can these families afford a decent place to live? Numerically, it's not realistically possible when you consider today's cost of living in decent housing in Topeka and Shawnee County! It's also understandable that the word "decent" has as many different connotations as there are people. But there must be a bottom line definition somewhere! Where is it?

Let me pose a scenario . . . that happens all too often: A single mother with two young children begins house--or apartment-- hunting in Topeka. Remember that she's probably newly divorced, has a job paying minimum wage (\$606/month before taxes or \$7,280 per year) and needs to pay security deposits, utilities and deposits, and somehow put some sort of food on the table and still clothe her family. Don't forget--she's employed, so welfare help is generally out of the question. If she's really lucky, she might receive some child support--but statistics show that's not likely.

Our mother's next step is to read the rental column of the Topeka Capital-Journal classifieds. Have you checked that column lately. If so, you are aware that rents for the vast majority of accessible and available houses or apartments start somewhere in excess of \$300. Granted, there are some residences available in the

Representative Miller
Page 2

upper \$200s, but they are very limited in numbers. The Homes for Sale column is an even larger shock! Of course, there are homes listed for sale in the teens, \$20s, and \$30s. But have you checked out these paragons of desirability . . . if one is to believe the most descriptive classifieds. The various states of disrepair of the affordably priced housing units are virtually beyond comprehension. Would you even remotely consider spending half of your income, not to mention security deposits, to rent (let alone purchase) a tiny two-bedroom house with bare tile floors; appliances--if there are any--that may or may not work; questionable bathroom fixtures and furnaces; (Heaven forbid the possibility of a fan or working air conditioner); and the extreme likelihood of the immediate need for the local exterminator? Of course, you would not consider such a thing. NEITHER WOULD OUR MOTHER--IF SHE HAD AN ALTERNATIVE!!! Can you begin to comprehend the dilemma faced by low-income/poverty level families in need of decent, affordable housing?

Statistics prepared in 1989 by the Center for Community Futures show that in 1969 a full-time worker at minimum wage earned 109 percent of poverty level. In 1985, that same worker earned only 78 percent of poverty level. Since 1970, median rents have increased 137 percent while the median income has increased only 79 percent. Further statistics show that in 1988, 78 percent of all poor people spent more than 30 percent of their incomes for rent, and half of ALL poor families pay 60 percent or more of their incomes for rent. (Most lending institutions will not allow a prospective homeowner to pay more than 30 percent of his income in mortgage payments.)

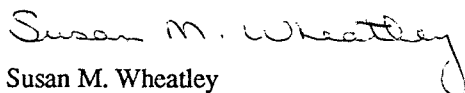
With federal housing funds cut from \$32 billion to \$9 billion since 1981, these statistics take on new meaning. In 1978, nine million families, nationwide, needed the 11 million available, affordable housing units. In 1985, eight million families vied for the remaining 4.2 million affordable housing units. It stands to reason that somewhere, someone will be homeless. Estimates predict 19 million homeless persons nationwide by the year 2,000. The 1989 Community Housing Assistance Plan shows 500 to 700 homeless persons in Shawnee County at any given time.

In 1988-89, SCCAA's Homeless Program identified 635 homeless persons; assisted 103 homeless persons in obtaining emergency shelter; made 277 referrals to outside resources; assisted 275 clients in meeting security and utility deposit requirements; made 328 follow-ups to 40 referral sources to ensure clients received services; returned 166 individuals to home areas who would otherwise have become homeless; and transitioned 40 families to permanent housing. The SCCAA Emergency Services Center receives an average of 5-7 requests for mortgage/rent assistance each week. These requests must routinely be denied due to unavailability of funding.

These statistics alone should be sufficient to underscore the need for the proposed House Bill No. 2679. But if the numbers are not sufficiently convincing, please remember the plight of our single mother trying to find a decent place for her children that she can afford. Put yourself . . . or your daughter . . . or your elderly parent . . . or even a young family man who has just been laid off from his job . . . into the scenario we describe. What would you do? What should you do? The story will go on and on--unless the end begins with the ultimate passage of House Bill No. 2679.

Thank you for your consideration.

Sincerely,



Susan M. Wheatley
Executive Director

SW:mlr

2/15/90

Joseph Ledbetter
Topeka, Kansas
232-1650
Former Realtor, Presently Housing Renovation

Dear Committee Members:

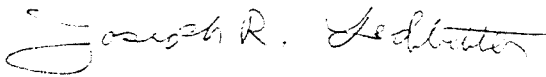
I am very much in support of all aspects of House Bill No.2679. As a person who is active in party politics and with twelve (12) years of real estate experience, I can tell you housing is not just a Republican or Democrat problem. It is a problem that transcends rural and urban boundary lines and party lines in Kansas. The problems of the homeless and low income people of this State deserve attention and House Bill No. 2679 is a good start. It allows counties or cities to set up trust funds to take care of their own community needs. It allows diverse sources of taxes or fees to generate revenue that is not based on narrow property tax bases.

The money spent on housing needs would do four (4) good things. Number one (1), it is good to help the working class poor have a roof over their heads and homes for our children who are our future. Number two (2), this bill will help revitalize older neighborhoods and save older neighborhoods and save older homes and apartment buildings from the wrecking ball. Number three (3). This bill will stimulate the various local economies producing "real" jobs in construction related fields and enhance State revenue on the sales tax of building materials sold. Number four (4). This bill will increase home ownership in the areas that enact local or county housing trusts. I urge you to recommend

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passage of this bill without ammendments in a speedy fashion. The needs of the homeless and working class poor are getting greater with each passing year. This bill is a positive step toward increasing and rehabilitating our housing stock and helping to meet housing needs in our State.

Sincerely,



Joseph R. Ledbetter
Construction Director
TOPEKA FAMILY SHELTER, INC.

TESTIMONY: HOUSE BILL 2679

Submitted by Don Karr, TILRC Independent Living Specialist

AN ACT concerning municipalities; relating to the establishment of housing trust funds for repair, rehabilitation and improvement of residential housing; prescribing powers, duties and functions in relation thereto.

1. The lack of affordable housing is the foremost cause of homelessness in Topeka, Kansas, and the entire nation. Many Kansans lack affordable housing. This may call for the utilization of rental credits vs. Section 8 subsidies, which is PHA controlled.
2. Economic conditions, federal housing policies, and declining resources on the federal and state level have adversely affected the ability of low-income and moderate-income families to obtain adequate and affordable housing. This fact, I believe, points to a need for an expansion of rehabilitation programs and rental rehabilitation programs at the municipal level(s) of government, including state tax credits and support vouchers for persons who are elderly and persons with disabilities. This will impact state funding by forestalling or eliminating the high costs of institutionalization.
3. Increasing rents, possibly due to re-appraisal and inflation, do result in hardships for those least able to afford housing: the elderly, persons with disabilities and families with children." This is more than a property tax issue.
4. Home ownership in public housing complexes (i.e. co-ops) will expand home ownership to include low and moderate income families and ensure, to the greatest extent possible, safety and livability to residents, as tenants gain a vested interest in neighborhood improvements.
5. A housing trust fund will provide a reliable and readily available supply of mortgage finance at the lowest possible interest rate, e.g. Topeka Habitat for Humanity investing in East Topeka; extending to families *no-interest* home financing.
6. The lack of affordable housing, City-wide, severely limits the options and housing opportunities available to persons who have disabilities, who are elderly, and families with children of low to moderate income.

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7. There is also a need for transitional housing for persons who are homeless, and increased program funding of programs as the Topeka Family Shelter which provides counseling, budget management instruction, etc.

8. Rental housing costs in Topeka, KS restrict persons of low income and moderate income to economically or commercially depressed areas of the community, where housing costs are more affordable; primarily North, Central and East Topeka. These areas are the City's only low income housing reservoir(s). Meanwhile, the majority of entry level jobs and commerce generally are located in Southwest Topeka. This is a cause of hardship and economic stagnation for low to moderate income families. The shortfall in reliable and accessible transportation might be overcome through increased access to decent and affordable housing located in more robust economies.

9. The Housing Trust Fund legislation before you will enable counties to authorize the establishment of a trust of renewable resources for remodeling old and building new affordable housing for low income families. The availability of a funding mechanism as this can enable municipalities, property management companies, and private landlords to provide necessary upkeep, modernization, or new construction of rental housing units through the leveraging of low interest loans or by whatever other means available.

10. The affordable housing gap is widening. According to U.S. Census Bureau *Annual Housing Surveys*, there exists an enormous gap in affordable housing - that is, houses affordable at 35 percent or less of a family's gross income. Since 1970, governmental subsidies for housing starts have been drastically reduced. This has created an enormous need for bold, new, and innovative funding approaches to resolve the state's growing affordable housing gap.

CHILDREN'S COALITION

**P.O. Box 5314
Topeka, Kansas 66605
913-232-0543**

1990 CHILDREN'S COALITION MEMBERS

American Association of University Women (AAUW)
Catholic Health Association
Catholic Social Services, Kansas City
Catholic Social Services, Topeka
Church Women United
Community Services Center, Inc.
The Farm, Inc.
Junior League of Topeka
Kansas Academy of Pediatrics
Kansas Action for Children (KAC)
Kansas Association of Child Care Workers (KACCW)
Kansas Association of the Education of Young Children (KAEYC)
Kansas Association of Licensed Private Child Care Agencies (KALPCCA)
Kansas Association of School Psychologists (KASP)
Kansas Child Abuse Prevention Council (KCAPC)
Kansas Children's Service League (KCSL)
Kansas Council on Crime and Delinquency (KCCD)
Kansas Council on Social Work Education (KCSWE)
Kansas Division for Early Childhood
Kansas Kids
Kansas National Educational Association (KNEA)
Kansas National Organization of Women (NOW)
Kansas State Nurses' Association (KSNA)
League of Women Voters of Kansas (LWV)
March of Dimes--Kansas City
March of Dimes--Wichita
Martin Luther King Urban Center
Perinatal Association of Kansas
The Shelter
Topeka Day Care Association
United Methodist Youthville
Public Assistance Coalition of Kansas

CHILDREN'S COALITION

ADVOCATES FOR KANSAS CHILDREN

FISCAL YEAR 1990 PRIORITIES

THE CHILDREN'S COALITION RECOMMENDS IMMEDIATE RESTORATION OF 1990 CUTS IN THE SRS AND KDHE BUDGETS INCLUDING:

STATE GENERAL FUND DOLLARS APPROPRIATED IN FY 1990 WOMEN'S INFANTS AND CHILDREN'S.....	\$ 300,000
REDUCTION OF GRANTS TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) OF \$9 A MONTH THROUGH 4/30/90.....	\$ 1,273,771
ASSUMING ELIMINATION OF THE GENERAL ASSISTANCE ON FEBRUARY 1, 1990 MONIES TO MAINTAIN THE PROGRAM AND RESTORE THE \$9 REDUCTION IN MONTHLY CASH GRANT THROUGH 4/30/90.....	\$ 3,543,712
MEDIKAN PROGRAM.....	\$ 4,702,996
FOSTER CARE RATE INCREASE SCHEDULED FOR 1/1/90.....	\$ 1,458,652
REINSTATEMENT OF FUNDS FOR THE PROFESSIONAL ASSESSMENT OF SRS YOUTH SERVICES.....	\$ 225,000
TOTAL	<u>\$11,504,131</u>

FISCAL YEAR 1991 PRIORITIES

AT A MINIMUM THE COALITION RECOMMENDS MAINTENANCE OF FY 1990 PROGRAMMING LEVELS WITH EMPHASIS ON THE FOLLOWING:

SUPPORT FOR SRS'S C LEVEL BUDGET REQUEST FOR A 4% INCREASE IN AID TO FAMILIES WITH DEPENDENT CHILDREN AND GENERAL ASSISTANCE.....	\$ 4,308,742
SUPPORT SRS'S C LEVEL BUDGET FOR A 5% INCREASE IN FOSTER CARE PROVIDER RATES TO OFFSET INFLATION.....	\$ 1,458,652
	<u>\$ 5,767,394</u>

ADDITIONAL 1991 PRIORITIES

BASIC SURVIVAL NEEDS:

IMPLEMENTATION OF PHASE 2 OF THE SHELTER
ALLOWANCE INCREASE.....\$ 65,000

ELIMINATION OF THE SHARED LIVING PENALTY.....\$ 123,012

ACCESS TO HEALTH CARE:

EXPANDING THE AVAILABILITY OF MATERNAL AND
INFANT HEALTH PROJECTS IN CURRENT PROJECT
SITES AND INCREASE ACCESS IN ALL 105 COUNTIES.....\$ 2,011,050

SUPPORT KDHE'S C LEVEL REQUEST FOR EXPANSION
OF THE FULL SERVICE ADOLESCENT HEALTH CARE
STATIONS, USING THE WICHITA MODEL, TO URBAN AREAS.....\$ 290,000

EDUCATION:

APPROPRIATE FUNDS FOR PARENTS AS TEACHERS.
TOTAL 6 MILLION AS RECOMMENDED BY THE DEPT. OF
EDUCATION, PHASING IT IN OVER A 3 YEAR PERIOD.....\$ 2,000,000

INCREASE STATE ALLOCATION FOR AT-RISK PUPIL
DROP OUT PROGRAM AS REQUESTED BY THE DEPT. OF
EDUCATION.....\$ 7,000,000

STATE SUPPORT TO ASSIST SCHOOL DISTRICTS IN
FUNDING HUMAN SEXUALITY AND AIDS EDUCATION MANDATE
AS RECOMMENDED BY THE GOVERNOR.....\$ 2,000,000

LEGAL RIGHTS:

OPPOSE EFFORTS TO REDUCE CURRENT LEVELS OF
CHILD SUPPORT PAYMENTS.....\$ -0-

SUPPORT BANNING OF CORPORAL PUNISHMENT IN THE
PUBLIC SCHOOLS.....\$ -0-

PREVENTION AND INTERVENTION:

ADDITIONAL FUNDING FOR HEALTHY START HOME
VISITOR PROGRAM AT A LEVEL CONSISTENT WITH
THE RECOMMENDATION MADE BY THE GOVERNOR'S COMMISSION
ON CHILDREN AND FAMILIES.....\$ 229,294

EXPANSION OF FAMILY PRESERVATION TO FUND AT LEAST ONE
NEW UNIT PREFERABLY IN AN URBAN AREA.....\$ 281,250

TOTAL \$13,999,606

ADDITIONAL ISSUES SUPPORTED BY THE CHILDREN'S COALITION

- *Support for efforts regarding removal of juveniles from adult jails
- *Additional funding for child care
- *Expansion of Medicaid services for pregnant women [SB 460]
- *Increased Medicaid rates, sufficient funding for immunizations increased state support for local health departments and minimum health care coverage for working mothers by providing tax credits to small businesses.
- *Consideration of the establishment of a Family and Youth Services Department independent from SRS.
- *Development and enhancement of existing programs aimed at reducing and preventing teenage pregnancy.

Information Sources: Budget Document SRS, Governors Budget Document, Legislative Research

MLN 1/25/90

STEERING COMMITTEE

LARRY RUTE, KS. TRIAL LAWYERS ASSN.....232-7756
PEG DUNLAP, K-NEA.....232-8271
JO BRYANT, KAC.....232-0550
MELISSA NESS, KCSL.....232-0543
BRUCE LINHOS, KALPCCA.....749-2775
TERI CASEY, KSNA.....272-6821
JIM MCHENRY, KCAPC.....354-7738
WINT WINTER, SR, VILLAGES.....242-2900
PAUL JOHNSON, PACK.....354-4635

Children's Defense Fund 1990 State Fact Sheet

How Kansas Treats Its Children

Number of children in state (1987) 650,000
 Children as a percent of total state population (1987) 26.3

 Total State Score 15 1/2 (ADEQUATE* ON 3 OF 20 MEASURES)

Trends in Children's Status	State Rank in Most Recent Year	Trend in KS	State Compared with U.S. Average	Is State Making Adequate Progress?	Number of States Making Adequate Progress
1. Early Prenatal Care (1978-1987)	14	Better	Better	No	0
2. Infant Mortality (1978-1987)	20	Better	Better	Yes	30
3. Low-Birthweight Births (1978-1987)	19	Worse	Better	No	5
4. Teen Birth Rate (1980-1986)	31	Better	Worse	Yes	34
5. Births to Unmarried Women (1980-1987)	10	Worse	Better	No	22
6. Paternities Established (1981-1987)	36	Worse	Worse	No	23
7. Children in Poverty (1979-1985)	7	Worse	Better	No	2
8. Affordability of Housing (1979-1989)	29	Worse	NA	No	1
9. High School Graduation (1982-1987)	9	Better	Better	No	29
10. Youth Unemployment (1982-1988)	19	Worse	Better	No	25

State Program Investments	State Compared with U.S. Average	Is State Making Adequate Program Investments?	Number of States Making Adequate Investments
11. Medicaid Coverage of Babies and Pregnant Women	NA	No	15
12. Medicaid Coverage of Poor Children	NA	No	17
13. Nutritional Assistance for Mothers and Children	NA	No	10
14. Support for Early Childhood Education	NA	No	29
15. Child Care Quality: Staff Ratio	Better	Yes	30
16. Child Support Collection Efforts	Worse	No	19
17. AFDC Benefits Compared to Inflation	Worse	No	2
18. Rents vs. AFDC Benefits	NA	No	0
19. Students per Teacher Ratio	Better	No	8
20. State Youth Employment Initiatives	NA	No	28

* Definitions of adequate progress and adequate program investment are on the back of this sheet. Additional information is included in the Children's Defense Fund publication, Children 1990, available from CDF, 122 C Street, N.W., Washington, D.C. 20001, (202) 628-8787.

NA = Not Applicable

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Definitions of Adequate State Progress in Children's Status

- Early Prenatal Care:** Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of ensuring 90 percent of all infants are born to women who begin prenatal care in the first three months of pregnancy?
2. **Infant Mortality:** Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of reducing the infant mortality rate to nine or fewer deaths for every 1,000 births?
3. **Low Birthweight Births:** Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of reducing the proportion of infants born at low birthweight to no more than 5 percent of all births?
4. **Teen Birth Rate:** Has the state achieved a reduction in the number of teens giving birth (per 1,000 females ages 15-19) by more than the national rate of reduction?
5. **Births to Unmarried Women:** Has the state had a smaller increase in the percent of births that were born to unmarried women than has the nation as a whole?
6. **Paternities Established:** Has the state increased the number of paternities established per 1,000 births to unmarried women at a rate greater than the national average?
7. **Children in Poverty:** Has the state achieved any reduction in the percentage of children living in poverty?
8. **Affordability of Housing for the Poor:** In 1989, was the fair market rental price for a two-bedroom apartment in the state's metropolitan region with the lowest such rent, 30 percent or less of the 1989 federal poverty level income for a family of four?
9. **High School Graduation Rate:** Has the state increased its graduate rate (the percent of ninth graders finishing high school four years later) by an amount greater than the national average?
10. **Youth Unemployment Rate:** Has the state reduced the percent of unemployed youths (those looking for work but unable to find a job) by more than the national rate of reduction?

Definitions of Adequate State Program Investments

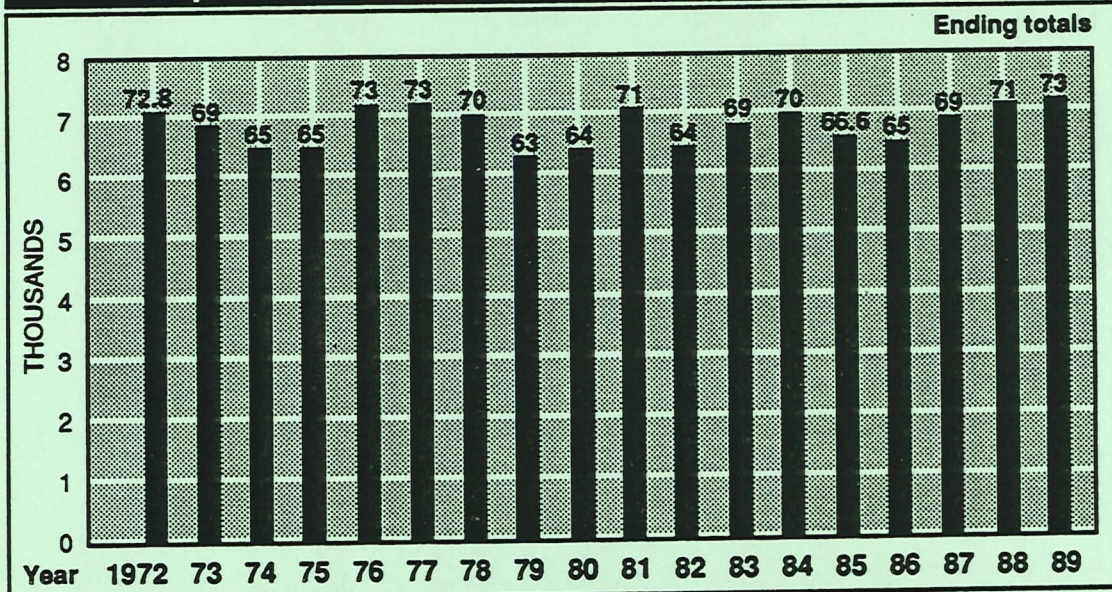
11. **Medicaid Coverage of Babies and Pregnant Women:** Is the state one of the 15 that by the end of 1989, provided as much Medicaid coverage to babies under age one and pregnant women as federal law allowed?
12. **Medicaid Coverage of Children:** Is the state one of the 17 that by the end of 1989, provided as much Medicaid coverage to children under age 6 and living in poor families as federal law allowed?
13. **Nutritional Assistance for Mothers and Children:** Is the state one of the 10 providing additional women and children with food benefits by supplementing federal funds for WIC (the Special Supplemental Food Program for Women, Infants, and Children)?
14. **Support for Early Childhood Education:** Is the state one of the 29 that supplement federal Head Start funds, or allocate state revenues to fund its own preschool education program?
15. **Child Care Quality: Staff Ratio:** Is the state one of the 30 that require state-licensed child care centers to limit the number of nine-month old babies for every caregiver to no more than four-to-one?
16. **Child Support Collection Efforts:** Is the state one of 19 doing better than the national average on collecting amounts due from absent parents who owe child support?
17. **AFDC Benefits Compared to Inflation:** Is the state one of the two that raised maximum Aid to Families with Dependent Children (AFDC) benefit levels enough to keep pace with inflation between 1970 and 1989?
18. **Rents vs. AFDC Benefits:** Does the state's maximum AFDC benefit level allow families to rent housing for no more than 30 percent of their monthly income, as recommended by the federal government?
19. **Students-per-Teacher Ratio:** Is the state one of the eight that has reduced the student-to-teacher ratio in public school classrooms to 15-to-one or less, as recommended by the National Education Association?
20. **State Youth Employment Initiatives:** Is the state one of the 28 that allocate funds to find or create jobs for young people not going on to college?

1989 Monthly Kansas Minimum Needs Level

Survival budget for a family of three

Phone	\$13.08
Clothing	27.25
Miscellaneous	32.70
Transportation	54.50
Utilities	89.38
Rent	218.00
Food	293.21
Total	\$728.12

Aid to Dependent Children recipients in Kansas, 1972-1989

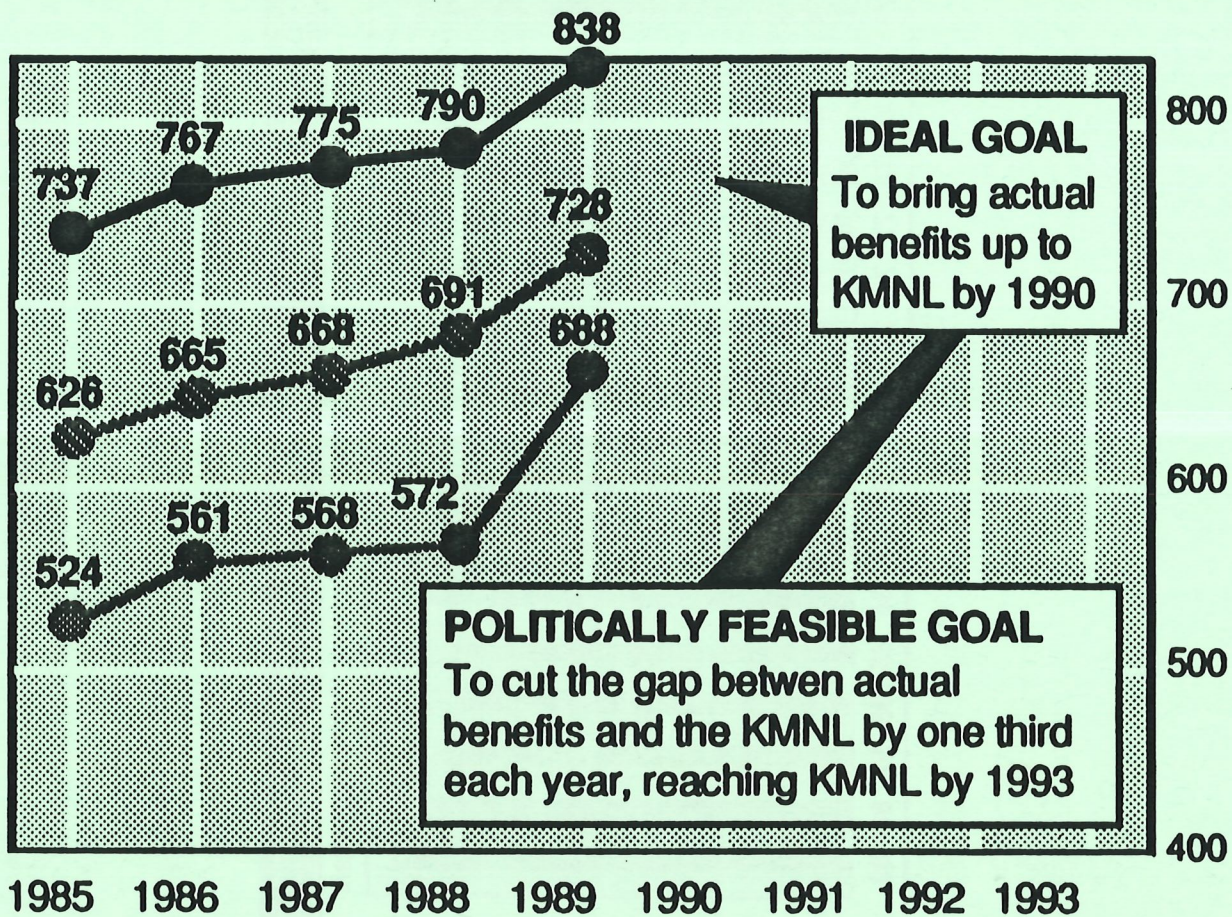


Short-term ideals, long-term political objectives for Kansas Children's Coalition

Monthly assistance for single parent/ two children family with no other income



Federal Poverty Line
Kansas Minimum Need Level
Actual Kansas Benefits



IDEAL GOAL
To bring actual benefits up to KMNL by 1990

POLITICALLY FEASIBLE GOAL
To cut the gap between actual benefits and the KMNL by one third each year, reaching KMNL by 1993

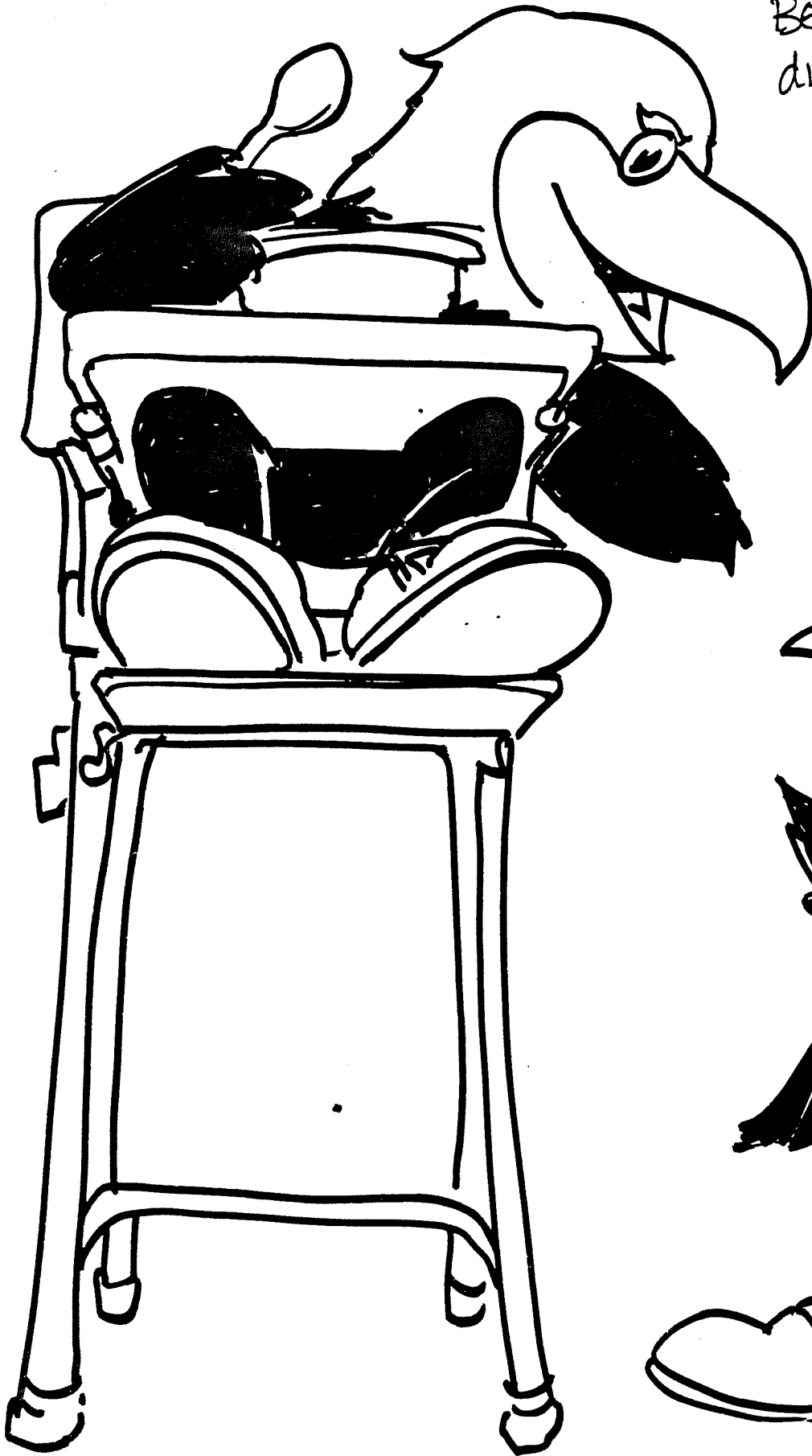
How many future Kansas Jayhawks will never reach

THE FINAL FOUR

Because they didn't have the

FIRST FOUR -

- ✓ PRE-NATAL CARE
- ✓ FULL BIRTH WEIGHT
- ✓ ADEQUATE NUTRITION
- ✓ PEDIATRIC CARE



BASIC SURVIVAL NEEDS

In order for the basic survival needs of housing, energy, food and medical care to be met, there has to be an adequate level of income. For the federal government, this has been defined as the federal poverty rate which is ;

1989 POVERTY INCOME GUIDELINES

- 1 --- \$5980.
- 2 --- \$8020.
- 3 --- \$10,060.
- 4 --- \$12,100.

The Kansas Legislature established a Kansas minimum need level survival budget which is about 85% of the federal poverty level. From 1980 to 1988 the Kansas poverty level increased from 9.8% to 11.2% of all Kansans using the federal guidelines. (231,699 persons in 1980 to 281,456 in 1989 Kansas population is 2,513,000) Over 100,000 of the persons living in poverty in Kansas are children.

UNITED STATES CHILD POVERTY RATE	1979	1987	1988
All Children	16.2%	20.3%	19.6%
White	11.6%	15.1%	14.4%
Black	40.9%	45.5%	44.1%
Hispanic	27.8%	39.4%	37.8%

(Source: U.S. Census Bureau)

THE WORKING POOR

The great majority of Kansans living at or below the poverty line work. The employment picture in Kansas has been changing a great deal. As this State evolves towards a more service oriented economy the higher paying manufacturing jobs have been declining. The number of jobs connected with agriculture has been declining as technology and capital contributes to larger farms and fewer people on the farm. Seasonal and spot employment which has been the base for many low-income workers has become less available. As higher paid workers have been laid off from the manufacturing sector, these people have taken the middle-wage jobs thus closing more opportunities for those on the bottom of the ladder to work their way up. Readily available employment such as fast food jobs or entry level jobs in nursing homes pay at or just above the minimum wage - a wage that was not raised during the 1980's. 30% of its purchasing power was lost during that time. The economic picture in Kansas during the 1980's was very tight.

Downturns in the major sectors agriculture, oil, automobile manufacturing aviation had a ripple effect through the entire economy. The working poor had little say about this changing scene and little opportunity to find the necessary retraining.

PUBLIC ASSISTANCE

Of the 281,456 Kansans living in poverty, 75,000 of them receive assistance through the Aid to Families with Dependent Children (AFDC) program. Over 51,000 of these recipients children. The typical AFDC household consists of three persons - two children and mom. When you add the maximum cash benefit, the food stamps and energy assistance available, the total benefit package comes out to 70% of the federal poverty level or 83% of the Kansas standard. However most AFDC families receive only \$363 a month in cash (now reduced to \$336 after Jan. 1,1990) as opposed to the maximum possible cash benefit of \$410. The purchasing power of this family has fallen by 30% since 1972 while expenses for housing, food, and utilities have increased greatly. As an income comparison, a single individual living on the federal supplemental security income (SSI) program gets \$368. a month. The AFDC benefit is less money and must support three persons. The federal government sets the SSI level and indexes it to the cost of living while the State of Kansas sets the AFDC standard.

Persons on AFDC get a medical card. The program is called Medicaid and its the largest program under the Department of SRS umbrella. Virtually all services such as prescriptions, doctor visits or hospital stays require a small co-payment from the client. As the cash grants are cut or decline in purchasing power, the loss of \$9 a month means less food, disconnected utilities or delayed medicine.

There is a much smaller State of Kansas assistance program which is called general assistance. It serves only 6600 persons statewide of which 1300 are children. Single persons between 18 and 50 without physical/mental disability or participation in a drug treatment program are ineligible. Kansas cut those folks off in 1987. The majority of persons left on this program are disabled, in their 50's and destitute or very young families unable to qualify for AFDC. The medical program which serves the adult population on general assistance is called MediKan which is funded totally by the State of Kansas. Over 60% of this MediKan program is hospitalization costs with lesser percentages for doctors, prescription drugs and therapy. Nationwide in 1985, the most common form of assistance for the medically

indigent in operation was similar to MediKan. Thirty states had some type of program for the medically indigent.

HOUSING

The cost of housing is the most critical expense in a families budget. Every other expense comes after the housing payment. Nationwide, low-income renters are paying 70% of their income for rent. The ideal is 30%. Federal low-income housing programs took the greatest reductions of all low-income programs in the 1980's. In 1981, the federal government spent \$30 Billion on subsidized low-income housing while in 1990 the expenditure will be \$7.8 Billion - an 81.6% reduction when adjusted for inflation. The State of Kansas has been unable or unwilling to compensate for these massive cuts. The waiting list time for the "static" supply of public housing units or Section 8 units stretches into years. The public housing authorities only open the application process a few days out of the year-except for special emergency cases. The State of Kansas has had a very poor focus on the importance of housing. For many years, a constitutional prohibition on State government playing a role in developing more housing, kept the State out of developing a housing finance program. Kansas needs a housing division within the Department of Commerce that can help identify housing needs and make certain that as the federal role starts to expand with either direct grants or tax credits that Kansas takes full part. Its hard to imagine that a plan for affordable, quality housing is not the first step towards long-term economic development.

For low-income families there is virtually no where to turn for housing assistance. The private emergency service providers across the State can respond to less than 10% of the demands for rent assistance. A large per centage of AFDC families have moved into apartments or houses together to handle the increasing shelter costs but SRS penalizes these families by cutting each of their grants by \$70 a month. The Children's Coalition would like to see this penalty provision removed given the growing tightness of moderate priced housing. The Kansas minimum needs level budget assumes \$200 a month for housing but the fact of the matter is that no one knows how many of those \$200-a-month units exist and how well distributed they are. The 1989 Kansas Legislature increased the housing allowance - which is a portion of the cash benefit - for AFDC families living in mostly rural counties. Those standards had not been changed since 1976.

Often times the downside to finding that "cheap" apartment or house is that the utility costs are much higher. The furnaces are very old and the

older homes built prior to 1940 were not very well insulated if at all. Cash flow calculations by many landlords show no room for energy improvements. Kansas has a small federally funded weatherization program. Of the 125,000 housing units that are eligible, only 25,000 have been done in 12 years and only 2,500-3,000 units are done yearly. Kansas has put some of its oil overcharge settlement funds into the weatherization program but what is needed is a coordinated plan for the 261,000+ rental units.

CONCLUSION

This issue paper has touched briefly on trends in income and housing affecting the lives of low-income Kansas families. One key element for working families is affordable and available child care. The federal cuts in 1981 reduced the daycare slots from 5,900 to under 3,000. Over the last two years, the State of Kansas has replaced most of those slots (now up to 5,500) and provided daycare through the KanWork program. Child care is finally getting the necessary attention it deserves as an integral part of employment for all families.

The income trends in the United States continue to show that the bottom fifth of all families have lost the most ground in 1988.

Income Distribution of American Families in 1988

Population Category	Percentage of Total National Family Income Received	Comment
Poorest Fifth	4.6%	Lowest since 1954
Second Poorest Fifth	10.7	Lowest ever recorded
Middle Fifth	16.7	Lowest ever recorded
Next Richest Fifth	24.0	
Richest Fifth	44.0	Highest ever recorded
Richest five percent	17.2%	Highest since 1952
Middle Three-fifths	51.4	Lowest ever recorded

Center on Budget and Policy Priorities
Source: U.S. Census Bureau

For low-income working families the most positive debate has come from Congress. Tax payments of up to \$870 for low-income families who paid no taxes were part of the 1986 Tax Reform Act. The discussions continue to

expand the earned income tax credit for the working poor. Approximately 18 million people - or more than half of the 32.5 million people who were poor in 1987 - lived in households with a worker. Some eight million poor children - nearly two-thirds of all the poor children in the country - lived in working poor households. This state of affairs can be altered. Changes in public policy can be made that focus on one basic goal : if a parent works full-time year-round, the parent and his or her children should not have to live in poverty. This goal is consistent with the basic values of this nation.

For those children and families living on public assistance, the State of Kansas has developed a minimum needs level budget that should be funded. The AFDC program is a temporary landing for most families. The average stay on this program is less than two years. Increased child support payments and a decent minimum wage would give these recipients an economic chance. Kansas' effort to expand employment training is to be applauded. Realistic education and training goals should be an integral part of the program. The children in these programs will be a crucial part of our economic future. The majority of new workers at the turn of the century will be low-income and non-white. Our enlightened self interest should tell us how important this human infrastructure is. Invest properly and all of society will benefit.

For information on housing and other low-income support programs:

Center on Budget and Policy Priorities
236 Mass. Ave., N.E. Suite 305
Washington, D. C. 20002
(202) 544-0591

CHILDREN'S COALITION

CATEGORY: LEGAL RIGHTS

FOR MORE INFORMATION CONTACT: LARRY RUTE, KTLA 913-233-2068

1. FAIR AND EQUITABLE LEVELS OF CHILD SUPPORT PAYMENTS

When Congress passed the Child Support Enforcement Amendments of 1984, it mandated that each state adopt child support guidelines by October 1, 1987. The guidelines were to be made available to all judges and other officials deciding child support cases. Under federal regulations adopted pursuant to the amendments, the guidelines each state adopted had to provide a numerical basis for computing child support awards.

Pursuant to the federal mandate the Kansas Commission on Child Support was created in December of 1984 to monitor, assist and advise the Kansas Supreme Court on issues relating to the enforcement and establishment of child support. On October 1, 1987 the Kansas Supreme Court issued the Kansas Child Support Guidelines as required by the Kansas legislature in K.S.A. 20-165.

As part of the Welfare Reform Legislation enacted in October, 1988, Congress directed that in any judicial or administrative child support proceeding, there must be a rebuttable presumption that the child support amount arrived at by applying the guidelines will in fact be awarded. The new statute provides that a "written finding or specific finding on the record that the application of the guidelines would be unjust or inappropriate in a particular case, as determined under criteria established by the state" is sufficient to rebut the presumption. The rebuttable presumption requirement becomes effective October 13, 1989.

In May, 1989, the Supreme Court appointed an Advisory Committee to review the impact of the October, 1987 Child Support Guidelines. The charge of the Committee was to review the implementation of the state-wide child support guidelines, solicit public input regarding the guidelines, and to make recommendations that would address the new federal mandates of the Family Support Act of 1988. On October 1, 1989, the Supreme Court amended the Kansas Child Support Guidelines to create a rebuttable presumption for the award of child support in all cases. The court requested the Advisory Committee to provide a final report recommending additional changes to the Supreme Court in mid-January, 1990.

Adequate child support guidelines serve as a vital first step in the development of a state-wide approach directed to nothing less than the relieve of poverty for more than four million children of divorce, separated or unmarried parents who are not receiving full or timely child support payments. The Coalition opposes legislative efforts to dramatically reduce current levels of child support and encourages the establishment of the Advisory Committee's recommendations as a rebuttable presumption.

Category: Legal Rights

More Information Contact: Dr. Art Cherry, ph. (913) 273-9813

WHY SHOULD THE STATE OF KANSAS ABOLISH CORPORAL PUNISHMENT IN THE PUBLIC SCHOOLS?

WHAT IS IT? The deliberate infliction of pain including striking with a paddle or other instrument, excessive discomfort such as forced standing or confinement in an uncomfortable place, or forcing to eat obnoxious substances.

IT IS NOT: force or physical restraint used to protect from physical injury, obtain possession of a weapon or protect property from damage.

WHERE IS IT LEGAL? The United States is one of the few countries which still allow corporal punishment. Corporal Punishment is banned by law or state board of education regulation in 19 states including Nebraska, Iowa, Minnesota and North Dakota. Kansas Law allows the local school board to use corporal punishment at their discretion. The large school districts of Topeka, Kansas City and Wichita have banned corporal punishment.

IS CORPORAL PUNISHMENT USED? There were over a million recorded cases in 1985 - 86 in the U.S. The actual incidence is probably 2 - 3 times that.

WHAT OTHER STATE INSTITUTIONS IN KANSAS ALLOW CORPORAL PUNISHMENT? Physical punishment is not allowed in mental hospitals, foster homes, or other facilities under the supervision of SRS, the military or in prisons. Only the Kansas State Board of Education permits corporal punishment.

DOES ABOLISHING CORPORAL PUNISHMENT DO AWAY WITH DISCIPLINE? Absolutely not. Discipline means to teach. Research proves that teaching acceptable behavior can be accomplished effectively without the threat or infliction of physical or psychological pain. Research also shows that corporal punishment produces both physical and psychological damage results.

WHY SHOULD CORPORAL PUNISHMENT BE ABOLISHED? The use of corporal punishment teaches children to use physical violence to control behavior. Children who grow up in such an atmosphere become angry frustrated adults who become violent themselves and defy authority. The availability of corporal punishment discourages teachers from seeking effective forms of discipline.

WHAT ABOUT "LOCAL OPTION"? Textbooks, curriculum, days in the school year and age of attendance are not local issues.

References:

Hyman, I, Wise, J: Corporal Punishment in American Education, Philadelphia: Temple University Press, 1979

Gill D, Violence Against Children. Cambridge, Massachusetts: Harvard University Press

Gordon, T: Teacher Effectiveness Training. New York, Wyden, 1970

Taylor, L: Think Twice: The Medical Effects of Physical Punishment. Berkley, CA: Generation Books, 1985

National Coalition to Abolish Corporal Punishment in Schools

750 Brookside, Ste. 107 • Westerville, Ohio 43081 • 614/898-0170



CORPORAL PUNISHMENT FACTSHEET

COUNTRIES: The following countries do not allow teachers to hit schoolchildren:

1783 Poland	1949 China	dates unknown:
1820 Netherlands	1950 Portugal	Iceland
1845 Luxembourg	1958 Sweden	Japan
1860 Italy	1967 Spain	Ecuador
1867 Belgium	1967 Denmark	Jordan
1870 Austria	1967 Cyprus	Qatar
1881 France	1970 Germany	Mauritius
1890 Finland	1970 Switzerland	Israel
1917 USSR	1982 Ireland	Phillipines
1923 Turkey	1986 United Kingdom (includes England, Scotland, Wales and Northern Ireland)	Communist bloc countries
1936 Norway		
1948 Romania		

Countries still permitting school corporal punishment include the U.S., Iran, Uganda, Canada (partly), Australia (banned in 80% of schools), and New Zealand.

STATES: The following states have now banned corporal punishment, with movements to do so underway in many more:

New Jersey	Massachusetts	Vermont	Nebraska	Oregon
Rhode Island	Hawaii	New York	Wisconsin	North Dakota
New Hampshire	California	Maine	Michigan	Virginia
Minnesota	Iowa	Connecticut	Alaska	

CITIES: These major cities, in states that allow corporal punishment, have abolished it:

Albuquerque	Cleveland	Oakland	Seattle
Anchorage	Dayton	Ottawa	Spokane
Atlanta	Fort Wayne	Philadelphia	St. Louis
Baltimore	Iowa City	Phoenix	Topeka
Boulder	Laramie	Pittsburgh	Urbana
Columbus, OH	Little Rock	Portland, OR	Walla Walla
Chicago	New Haven	Salt Lake City	Washington, D.C.
Cincinnati	New Orleans	San Jose	Wichita
			... and many more

MAJOR ORGANIZATIONS: The following favor abolition of school corporal punishment:

American Academy of Pediatrics	Child Welfare League of America
American Bar Association	National Association of School Psychologists
American Civil Liberties Union	National Association of Social Workers
American Humanist Association	National Committee for Citizens in Education
American Medical Association	National Committee for the Prevention of Child Abuse
American Orthopsychiatric Association	National Education Association
American Psychological Association	National Mental Health Association
Association of Junior Leagues	National PTA

TOP HITTING STATES:**

The ten states which have the highest percentage of children paddled every year.

Arkansas	13.70%
Alabama	10.31
Mississippi	10.30
Tennessee	8.76
Oklahoma	7.94
Georgia	7.81
Texas	7.79
Florida	7.05
South Carolina	5.56
Louisiana	4.92
U.S. Average	2.67

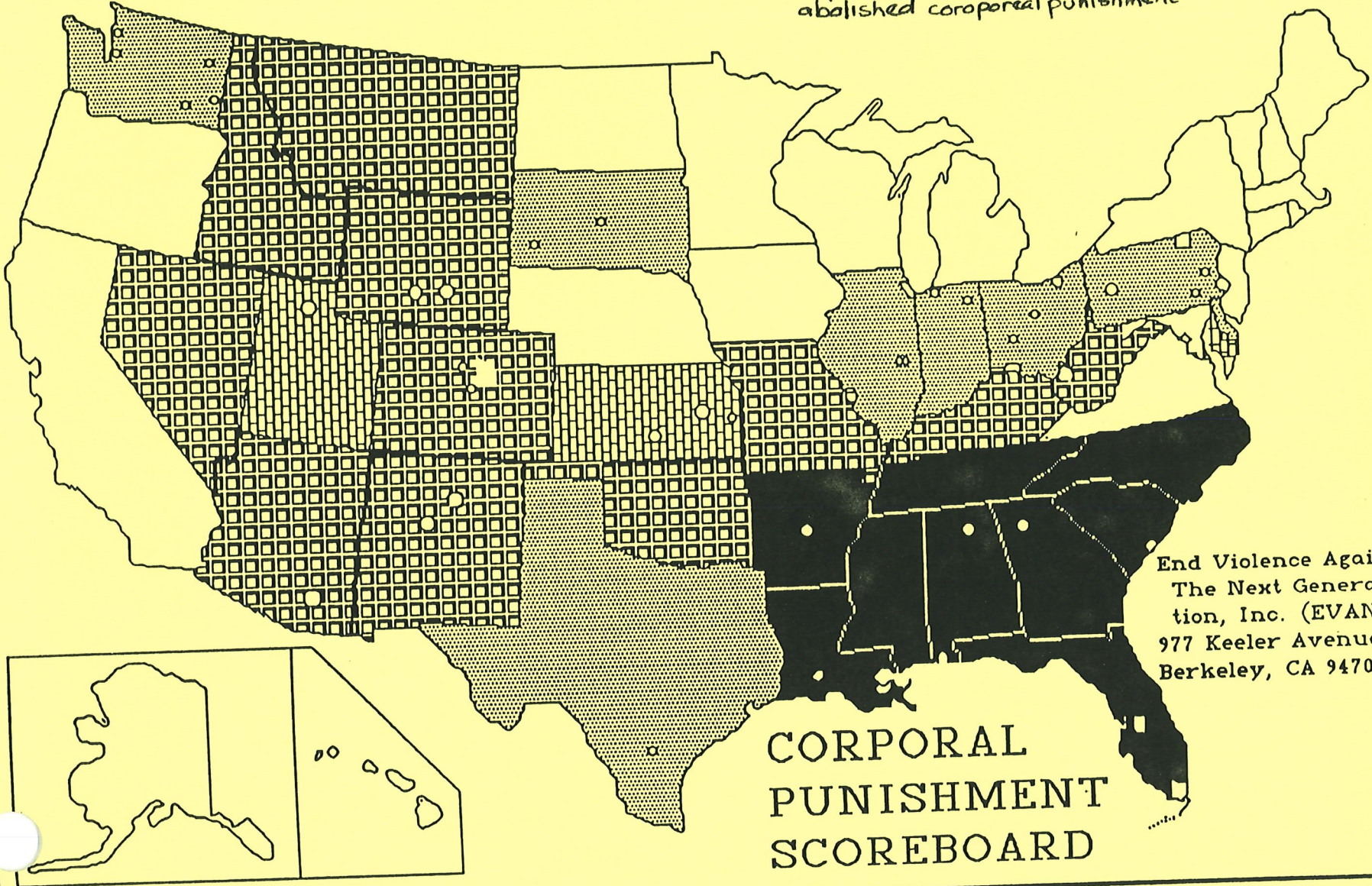
The ten states which paddle the most students per year:

Texas	260,386
Florida	111,194
Georgia	93,006
Alabama	77,949
Tennessee	65,308
Arkansas	64,444
Mississippi	55,673
Oklahoma	51,306
Ohio	43,626
Louisiana	38,730

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- States that do not use corporal punishment, either by state law or school board regulation
- States where legislation to abolish or severely restrict is presently being considered by the legislature
- States where considerable progress is being made on the local level
- States where some progress is being made on the local level
- States where hitting is the heaviest
- Metropolitan areas, in states that permit hitting, that have abolished

Topeka, Wichita, & K.C. have abolished corporal punishment



End Violence Against
 The Next Generation,
 Inc. (EVAN-G)
 977 Keeler Avenue
 Berkeley, CA 94708

CORPORAL PUNISHMENT SCOREBOARD

SUMMARY: KANSAS CHILDREN'S COALITION 1990 LEGISLATIVE AGENDA

BASIC SURVIVAL NEEDS

In order for children and families to have the best chance at survival, their basic survival needs must be met. To that end the Children's Coalition recommends:

1. INCREASING AFDC/GA GRANTS AND TARGETING FUNDS COLLECTED THROUGH CHILD SUPPORT ENFORCEMENT TO OFFSET INCREASES. Of the approximately 75,000 individuals in September of 1989 on Aid to Families with Dependent Children (AFDC), 51,000 were children. During that same time period, of the 5,500 people on General Assistance (GA), 1,217 were children.
2. EXPANDING FUNDING TO BETTER MEET THE HOUSING NEEDS OF CHILDREN AND THEIR FAMILIES BY:

*Eliminating the shared living penalty

*Implementing the second phase of the increase in shelter allowance

FUNDING RECOMMENDATION: SUPPORT SRS'S C LEVEL BUDGET REQUEST TO MAINTAIN PROGRAMS AT CURRENT LEVELS. THE C LEVEL SGF REQUEST ALSO INCLUDES \$1.9 M FOR A 4% INCREASE IN ADC AND GA; \$.65 M FOR PHASE 2 OF THE SHELTER ALLOWANCE INCREASE; \$123,012 FOR ELIMINATION OF THE SHARED LIVING PENALTY.

The Children's Coalition supports:

1. Additional funding for child care

ACCESS TO HEALTH CARE

Recognizing that access to adequate health care is cost-effective in preventing higher health care costs borne later by taxpayers, the Children's Coalition recommends:

1. THAT THE DEPARTMENT OF HEALTH AND ENVIRONMENT DEVELOP A PLAN TO EXPAND MATERNAL AND INFANT HEALTH CARE PROJECTS TO ALL 105 COUNTIES WITHIN THE NEXT 3 YEARS. This program, currently available in 44 counties, provides comprehensive prenatal care to women who might otherwise be denied access.

FUNDING RECOMMENDATION: MAINTAIN AT FY 90 LEVEL OF \$700,000 WITH A PLAN ASSURING M & I PROJECT AVAILABILITY AND INCREASED CAPACITY IN 105 COUNTIES.

2. RESTORING THE CONTRIBUTION OF STATE GENERAL FUND DOLLARS FOR THE FEDERAL WIC PROGRAM (WOMEN, INFANTS, AND CHILDREN NUTRITION PROGRAM) TO SERVE MORE OF THE ELIGIBLE POPULATION. This highly successful program with a demonstrated track record in reducing medical costs, provides nutritional supplements for women and children at nutritional risk.

FUNDING RECOMMENDATION: RELEASE THE \$300,000 APPROPRIATED BY THE 1990 LEGISLATURE. INCLUDE ADDITIONAL SGF DOLLARS AND PREPARE A PHASE IN PLAN SO THAT WIC SERVES 100% OF THE ELIGIBLE POPULATION.

3. EXPANDING FULL SERVICE ADOLESCENT HEALTH CARE STATIONS, USING THE WICHITA MODEL, TO OTHER URBAN AREAS

FUNDING RECOMMENDATION: SUPPORT ^{KDHE'S} ~~SRS'S~~ C LEVEL REQUEST OF AN ADDITIONAL \$290,000 OR THE AMOUNT NECESSARY TO ESTABLISH ONE OR MORE ADOLESCENT HEALTH CARE STATIONS IN OTHER AREAS.

The Children's Coalition supports:

1. Expansion of Medicaid services for pregnant women and children to full extent allowed by the federal government. [NOTE: The recently passed federal budget reconciliation act for 1990 has mandated that Medicaid coverage be provided to pregnant women and children up to age 6 at 133% of the federal poverty level beginning April 1, 1990. The federal law also mandated that States which have enacted higher poverty level standards at the time the new federal law was passed must continue to use those higher standards and may not reduce them to 133%]
2. The Coalition also supports increased Medicaid reimbursement rates, sufficient funding for immunizations, increased state support for local health departments, and minimum health care coverage for working mothers by providing tax credits to small businesses.

EDUCATION

Because the education of Kansas' children is fundamental in determining the state's future productive capacity, the Children's Coalition recommends:

1. APPROPRIATING STATE FUNDS FOR THE PARENTS AS TEACHERS PROGRAM WHICH IS DESIGNED TO HELP PARENTS BECOME MORE EFFECTIVE TEACHERS OF THEIR CHILDREN FROM BIRTH TO AGE THREE.

FUNDING RECOMMENDATION: \$6.1 MILLION, AS RECOMMENDED BY THE DEPT. OF EDUCATION, OVER A PERIOD OF THREE YEARS WITH AN INITIAL ALLOCATION OF \$2 MILLION.

2. INCREASING STATE ALLOCATIONS FOR THE AT RISK PUPIL DROPOUT PREVENTION PROGRAM SO THAT MORE SCHOOL DISTRICTS MAY QUALIFY FOR STATE ASSISTANCE AS THEY DEVELOP THEIR PROGRAMS.

FUNDING RECOMMENDATION: \$7 MILLION AS REQUESTED BY THE DEPT. OF EDUCATION FOR AT-RISK PROGRAMS. (The Budget Department has recommended \$0)

3. MAINTENANCE OF STATE SUPPORT FOR ASSIST SCHOOL DISTRICTS IN FUNDING THE HUMAN SEXUALITY/AIDS EDUCATION MANDATE.

FUNDING RECOMMENDATION: \$1.5 MILLION AS REQUESTED BY THE STATE DEPART. OF EDUCATION FOR STATE SUPPORT FOR SCHOOLS TO FUND HUMAN SEXUALITY AND AIDS EDUCATION.

LEGAL RIGHTS OF CHILDREN

Understanding that children often do not receive the same rights and protections under our legal system that adults enjoy, the Children's Coalition recommends:

1. A FAIR AND EQUITABLE LEVEL OF CHILD SUPPORT PAYMENT. THE COALITION OPPOSES EFFORTS TO DRAMATICALLY REDUCE CURRENT LEVELS.

FUNDING RECOMMENDATION: NONE

2. BANNING CORPORAL PUNISHMENT IN PUBLIC SCHOOLS.

FUNDING RECOMMENDATION: NONE

The Children's Coalition supports:

1. Consideration of the establishment of an independent Family and Youth Services Department.

PREVENTION AND INTERVENTION

Knowing that investing in prevention and intervention programs can lead to the reduction of child abuse and the strengthening of families the Children's Coalition recommends:

1. AN INCREASES IN FOSTER CARE REIMBURSEMENT RATES SO THAT, AT A MINIMUM, THE FY 1990 LEVEL APPROVED BY THE LEGISLATURE IS MAINTAINED AFTER FACTORING IN INFLATION.

FUNDING RECOMMENDATION: SUPPORT THE SRS C LEVEL BUDGET WHICH WOULD MAINTAIN 1990 LEVELS PRIOR TO THE ELIMINATION OF THE 10% INCREASE SCHEDULED FOR JANUARY 1, 1990 AS APPROPRIATED BY THE LEGISLATURE IN ADDITION TO PROVIDING A 5% INCREASE FOR INFLATION. (This would require approximately \$37 M total funds. For the 5% increase it would require \$1.2 M Total funds and \$933,583 SGF.)

2. FUNDING THE HEALTHY START HOME VISITOR PROGRAM AT A LEVEL CONSISTENT WITH THE GOVERNOR'S COMMISSION ON CHILDREN AND FAMILIES' RECOMMENDATION THAT THIS PROGRAM BE AVAILABLE IN ALL KANSAS COUNTIES BY FY 1992. This program identifies high-risk new parents and provides home visitor services by trained personnel who give in-home support and information about available services.

FUNDING RECOMMENDATION: \$229,294 NEW SGF DOLLARS FOR A TOTAL FY 91 SGF COMMITMENT OF \$465,799 FOR YEAR TWO OF THE PHASE IN AS RECOMMENDED BY THE GOVERNOR'S COMMISSION ON CHILDREN AND FAMILIES.

3. EXPANSION OF FAMILY PRESERVATION TO FUND AT LEAST ONE NEW UNIT, PREFERABLY IN AN URBAN AREA. The program provides intensive in-home services for families experiencing severe difficulties to avoid out-home placement of their children.

FUNDING NEEDED: SUFFICIENT DOLLARS TO FUND A FOURTH FAMILY PRESERVATION UNIT

4. IMPLEMENTATION OF THE PROFESSIONAL ASSESSMENT OF SRS YOUTH SERVICES SPECIFICALLY FOSTER CARE, CHILD PROTECTIVE SERVICES, AND FAMILY PRESERVATION AS APPROVED BY THE 1989 LEGISLATURE.

FUNDING RECOMMENDATION: REINSTATEMENT OF THE \$225,000 APPROPRIATED BY THE 1989 LEGISLATURE.

The Children's Coalition supports:

1. The development and enhancement of programs designed to reduce and prevent adolescent pregnancies.

STEERING COMMITTEE

LARRY RUTE, KS. TRIAL LAWYERS ASSN.....	232-7756
PEG DUNLAP, K-NEA.....	232-8271
JO BRYANT, KAC.....	232-0550
MELISSA NESS, KCSL.....	232-0543
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TERI CASEY, KSNA.....	272-6821
JIM McHENRY, KCAPC.....	354-7738
WINT WINTER, SR, VILLAGES.....	242-2900
PAUL JOHNSON, PACK.....	354-4635

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Category: Education

More Information Contact: Jim McHenry, KCAPC ph.(913) 354-7738

1. APPROPRIATING FUNDING FOR THE PARENTS AS TEACHERS PROGRAM DESIGNED TO HELP PARENTS BECOME MORE EFFECTIVE TEACHERS FOR THEIR CHILDREN FROM BIRTH TO AGE 3.

The premise of the Parents as Teachers program is that new parents can be assisted in becoming their children's first teachers. Delivered by trained Parent Educators, the program centers around personal visits, preferably in the home, which allow Parent Educators to tailor educational guidance to each family.

Parent Educators observe parent-child interaction, provide timely information on the child's development, and respond to each parent's concerns. Parent Educators are also trained to screen for vision, hearing, and developmental delays and to suggest resources for follow-up if problems surface.

Parent Educators provide printed materials at each developmental level (birth to 3 years). They suggest books, games, and developmental teaching material found in the home, and address other concerns of parents. In addition, group meetings for parents of similarly aged children enable families to share common concerns and successes in rearing and teaching their children.

Parents as Teachers was first piloted in Missouri in 1981. An independent evaluation of the program concluded that "parental participation in a high quality parent education program during a child's first three years of life significantly increases a child's intellectual achievement and language ability at age three above and beyond what can be explained by differences that result from socioeconomic advantage."

Piloted first in Kansas by the Kansas Child Abuse Prevention Council with funding from Ronald McDonald's Children's Charities, Parents as Teachers demonstrated an ability to impact at-risk families as well as those not under unusual stress.* With a highly trained parent educator in charge, one of the pilots focused on unwed teenage mothers. The teenagers were so pleased with the project, they began referring their friends to the parent educator for help and guidance.

The Parents as Teachers program has been endorsed in Kansas by the Governor's Commission on Children and Families, the State Board of Education, and the Governor's Commission on Education for Parenthood. It is estimated by the Department of Education that the program could be implemented statewide at a cost of \$6.1 million. The program could be phased in over a three year period with an initial allocation of around \$2 million.

*Programs now include a Consortium of Kansas City School districts, 5 projects funded by the Department of Education, 1 project in Salina funded by the Family & Children Trust Fund, and a new project by the Coffeyville School District.

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Category: Education

More Information Contact: Peg Dunlap, KNEA, ph. 232-8271

2. INCREASING STATE ALLOCATIONS FOR THE AT RISK PUPIL DROPOUT PREVENTION PROGRAM SO THAT MORE SCHOOL DISTRICTS MAY QUALIFY FOR STATE ASSISTANCE AS THEY DEVELOP THEIR PROGRAMS.

In the United States, almost 1 of every 4 students is at risk of not completing his or her education. In Kansas, the figure is about 1 in 5. Current constraints under which schools operate, including large classes, underfunded budgets, and inadequate support services, result in schools that by necessity are structured to meet the needs of the majority of students, not the special needs of those at risk.

The State Board of Education requested funds during the 1989 Legislative session to support matching grants for individual school districts to design programs addressing the needs of at-risk pupils. For FY 1990, \$5,000,000 was requested. Senate Bill 13, which passed, consolidated funds for at-risk programs with funds for innovative programs (another request of the State Board for an additional \$5m.). The Legislature allocated a total of \$2.25m. for both at-risk and innovative program grants.

Grant applications for at-risk programs were received from 50 USD's, for a total of just over \$2m. Of those, 35 projects were recommended for funding (\$1.67m.). Fifteen (15) projects were actually funded, for an expenditure of 1,255,845.

The State Board of Education requested \$7m. for FY 1991 for combined at-risk/innovative projects. The additional amount reflects increased activity in USD's to address the needs of at-risk students. Much of the increase is due to the short timelines, during the summer, to apply for last year's grant money.

The Department of the Budget has recommended that \$0 be allocated.

The Children's Coalition supports the State Department of Education's request for \$7m. for this line item.

3. MAINTAINING STATE SUPPORT TO HELP KANSAS SCHOOL DISTRICTS FUND THE HUMAN SEXUALITY/AIDS EDUCATION MANDATE.

There is widespread agreement that the most effective means of addressing the epidemics of teen pregnancy and AIDS is education - begun early in life. This can and should occur in many places, including the home and the church. However, all children are not reached through those avenues.

In May, 1987, the State Board of Education adopted a regulation requiring all school districts, by September of 1988, to provide a comprehensive program in human sexuality, including information about sexually transmitted diseases, especially AIDS. To assist schools in developing those programs, acquiring materials, and training teachers, the State Board requested \$1.5m in both FY 89 and FY 90 for matching grants to school districts. Those requests were funded and the money was spent.

The State Board requested \$1.5m for FY 1991 to continue the work underway. While all school districts had programs in place in implementation, with additional curriculum development, teacher training, and grade level implementation to come.

The Department of the Budget recommended \$0 for this request.

The Children's Coalition supports the State Board of Education's request of \$1.5m.

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CHILDREN'S COALITION

CATEGORY: PREVENTION AND INTERVENTION

FOR MORE INFORMATION CONTACT: MELISSA NESS, KCSL PH. 913-232-0543
BRUCE LINHOS, KALPCCA PH. 913-749-2775

1. AN INCREASE IN FOSTER CARE REIMBURSEMENT RATES SO THAT, AT A MINIMUM, THE FY 1990 LEVEL APPROVED BY THE LEGISLATURE IS MAINTAINED AFTER FACTORING IN INFLATION.

BACKGROUND

The foster care system in Kansas is composed of two principle parts; Family Foster Care, and care provided by Private Residential Agencies, which are comprised of Emergency Shelters, Group Homes and Residential Treatment Centers. The components of Private Residential Care are further divided into levels of care. The current levels include Level III and progress through levels IV, V, and VI. The higher the level the greater the service needs.

Currently there are approximately 5,920 children in the states care. Those children are served in various components of the state's foster care system. On a given day:

- *Family Foster Homes care for about 1,750 children
- *Private Emergency Shelters care for about 235
- *Private Level III agencies care for about 15 children
- *Private level IV agencies care for 380 children
- *Private Level V agencies care for 315 children
- *Private Level VI agencies care for less than 10 children

Private not-for-profit agencies cared for more than twice the number of children last year in state institutions for less than half the cost. In addition, they provided more than half a million days of service for children in the State's custody.

THE PROBLEM

More and more, children in the custody of SRS are requiring some form of foster care services. Emergency Shelters across the state act as the front door of the foster care system. These are the facilities that a child is taken to when it has been determined that the child cannot remain safely at home.

At a time when the state is faced with an increasing need for foster care, we see providers taking serious stock of whether they will be able to keep their doors open for yet another year. The failure to implement the additional 10% rate increase on January 1, 1990 has placed those providers in further jeopardy. The average reimbursement of foster families is less than 75% of what the Agriculture Department

tells us it costs to raise a child in America today. even if the increase had been implemented. This erosion of funding for foster care is continuing at a time when charitable giving, which once helped offset this deficit, is continually harder to raise.

FUNDING RECOMMENDATION: The family is clearly the best place for a child to be raised. More resources and planning should go into efforts to work with children and families in there own home. Additional effort should be made to develop contracts with private not-for-profit agencies to supplement state operated Family Preservation efforts. In the long run, this could reduce out of home placement of children.

When a child must be place out of the home, quality foster care must be available. Private agencies cannot compromise their standards of delivering quality care at the most cost effective rate. Yet, current facilities will erode, necessary programs will be cut back or eliminated, and some providers will close forcing the state to provide their own facilities at a much greater expense to the taxpayers of this state.

THE CHILDREN'S COALITION SUPPORTS THE SRS C LEVEL BUDGET WHICH WOULD MAINTAIN 1990 LEVELS PRIOR TO THE ELIMINATION OF THE 10% INCREASE SCHEDULED FOR JANUARY 1, 1990 AS APPROPRIATED BY THE LEGISLATURE IN ADDITION TO PROVIDING A 5% INCREASE FOR INFLATION (This would require approximately \$37 M total funds. For the 5% increase it would require \$1.2 M Total funds and \$933,583 SGF)

PREVENTION AND INTERVENTION (CONT.)

2. FUNDING THE HEALTHY START HOME VISITOR PROGRAM AT A LEVEL CONSISTENT WITH THE GOVERNOR'S COMMISSION ON CHILDREN AND FAMILIES RECOMMENDATION THAT THIS PROGRAM BE AVAILABLE IN ALL KANSAS COUNTIES BY FY 1992.

A key reason for child abuse and neglect is the parents' lack of developmentally appropriate knowledge about their children. Abuse and neglect are most likely to occur to children of high risk parents. Early intervention through education and skill enhancement, has been shown to reduce this likelihood.

The Healthy Start Home Visitor Program is available in 49 counties and serves approximately 13,500 families with children under one year of age. The program's goal is to contact all new parents and to identify and then target for more visits those parents deemed to possibly be high risk. Healthy Start offers help to families expecting babies or with newborn babies. This service is delivered by carefully selected and trained lay visitors who are themselves mothers. (These visitors work with public health nurses who will make home visits if needed.) The Healthy Start Home Visitor provides in-home support and information about available services to new and expecting parents.

Kansas receives \$235,759 in Federal Funding for Healthy Start. All funding increases for the State General Fund. This program was among the top priorities of the Governor's Commission on Children and Families which recommended a three-year phase-in so that by FY 92, Healthy Start would be available in all Kansas Counties. The legislature appropriated \$236,505 for the SGF for FY 90, which was consistent with the Governor's Commission's recommendation for year one of phase-in.

FUNDING RECOMMENDATION: \$229,294 new SGF dollars for a total FY 91 commitment of \$465,799 for year two of the phase-in as recommended by the Governor's Commission on Children and Families.

PREVENTION AND INTERVENTION (CONT.)

3. EXPANSION OF FAMILY PRESERVATION TO FUND AT LEAST ONE NEW UNIT, PREFERABLY IN AN URBAN AREA.

Family Preservation is a program designed to provide intensive in-home services for families experiencing severe difficulties, to avoid out-of-home placement of their children. The catalyst for the development of this program is P.L. 96-272 the Adoption Assistance and Child Welfare Act, the goal of which is to prevent unnecessary out of home placement.

Until FY 90, Family Preservation services in Kansas consisted of federally funded training for existing SRS personnel. FY 90 marked the first year that direct state dollars have been given to fund Family Preservation. The state money coupled with \$147,938 in federal matching funds has extended the program to three SRS area offices (Salina, Hutchinson and Osawatomie) where units have been established.

Even with state funding, Family Preservation services are not available throughout the state. Rather, the program is limited to those areas where trained social workers will not have to assume "generic" responsibilities and to the three areas with family preservation units.

While foster care will remain the appropriate choice in providing for the safety of some children, Family Preservation programs should be expanded for the following reasons:

*Work is focused on the entire family unit

*The long term cost avoidance is significant in both human and monetary terms. (It can be used to avoid "foster care drift"; Because the entire family has been working together as a unit it avoids the dilemma of returning a child who has been in foster care, home to the same problems that led to placement)

*Kansas maintain a program of this nature in order to remain in compliance with P.L. 96-272

FUNDING RECOMMENDATION: FOR FY 91 SUFFICIENT MONIES TO FUND A FOURTH FAMILY PRESERVATION UNIT IN AN URBAN COUNTY.

CHILDREN'S COALITION

CATEGORY: ACCESS TO HEALTH CARE

FOR MORE INFORMATION CONTACT: JO BRYANT, KAC PH. 913-232-0550

1. THE DEPARTMENT OF HEALTH AND ENVIRONMENT SHOULD BOTH DEVELOP A THREE YEAR PLAN TO EXPAND MATERNAL AND INFANT HEALTH CARE PROJECTS TO ALL 105 COUNTIES AS WELL AS INCREASE THE CAPACITY OF THE CURRENT PROJECTS TO DELIVER SERVICES.

Inadequate prenatal care is costly in human and economic terms. Lack of sufficient prenatal care can result in low birth weight babies. The average cost of prenatal care is \$600. One day in the new born intensive care unit costs \$1,000 with an average stay of 20 days. In addition for approximately every \$1 invested in prenatal care you save \$3 in neonatal intensive care.

It is well known that low birth weight infants are three times more likely to suffer from birth defects and ten times more likely to be mentally retarded. Providing special education to a handicapped child costs three times more than educating a child without handicapping conditions.

The Kansas Maternal and Infant Program (M&I), provides comprehensive prenatal care to pregnant women who might otherwise be denied access to services for financial reasons. The goal of the program is to improve pregnancy outcome for the mother and infant, promote entry into and compliance with prenatal care, decrease pregnancy recidivism (especially for adolescents), and reduce the incidence of low birth weight infant deaths and child abuse. Significant decreases in the incidence of infant mortality and low birth weight have been documented among those receiving this service compared to similar at risk populations not receiving the service.

In FY 1986, the legislature approved a funding level of \$500,000 for 14 Maternal and Infant Health projects with outreach to 27 counties. In FY 1987 funding was decreased to \$400,000. The amount was restored to \$500,000 for FY 1988 allowing KDHE to expand M & I projects to 37 counties serving 5770 women and 3,408 babies. At the same funding level for FY 1989, M & I projects provided service for 6,661 mothers and 4,834 infants. The 1989 Legislature added \$200,000 in new money for the program for a total of \$700,000 which expands the program to a total of 44 counties.

FUNDING RECOMMENDATION: MAINTAIN M & I PROJECTS AT FY 90 LEVEL OF \$700,000 WITH A PLAN ASSURING M & I PROJECT CAPACITY AND AVAILABILITY IN ALL 105 COUNTIES.

2. RESTORING THE CONTRIBUTION OF STATE GENERAL FUND DOLLARS FOR THE FEDERAL WIC PROGRAM (WOMEN, INFANTS, AND CHILDREN NUTRITION PROGRAM)

The federal WIC program, which was created in 1972 and initiated in Kansas in 1974, provides supplemental foods to pregnant, postpartum and breast-feeding women, infants, and children in order to prevent or correct health problems related to poor nutrition. Numerous studies indicate that the WIC program is a cost effective way of combatting infant mortality, low birth weight and poor nutrition among children. It has been demonstrated that for every dollar spent on WIC services for pregnant women, there is a projected savings of \$3 in averted medical costs for low birth weight infants. The program has also been valuable in identifying women and children without adequate health care so that referrals can be made for needed services. Because of its impressive track record, WIC funding is a wise investment for taxpayers as it will save later on health, social services and educational costs.

Until this year, Federal Funds were the sole source of WIC monies available in Kansas, providing the service to 50% of the eligible population. In FY 90, a second funding source became available through the infant formula rebate providing \$3.2 million for WIC. The legislature appropriated an additional \$300,000 in State General Funds for WIC. The total of Federal, formula rebate, and SGF dollars would have made WIC available to 63% of those who are potentially eligible. However, KDHE has opted to withhold the \$300,000 SGF appropriation.

FUNDING RECOMMENDATION: RELEASE THE \$300,000 APPROPRIATED BY THE LEGISLATURE FOR WIC AS INTENDED. INCLUDE ADDITIONAL SGF DOLLARS IN 1991 AND PREPARE A PHASE-IN STRATEGY SO THAT WIC BECOMES AVAILABLE TO 100% OF THE ELIGIBLE POPULATION.

3. EXPANDING FULL SERVICE ADOLESCENT HEALTH CARE STATIONS, USING THE WICHITA MODEL, TO OTHER URBAN AREAS

Adolescents have special health care needs but are less likely to seek adequate health care than any other age population. A children's Defense Fund study reported that 28% of children aged 12-18 do not visit a doctor during a year. Among their special health needs are drug and alcohol abuse, emotional illness, teen pregnancy (in 1988, 4,396 babies were born to Kansas teens), and suicide (during the 1985-86 school year, there were 40 suicides and 317 suicide attempts among Kansas teens; 984 considered suicide).

The Children's Coalition supports the development of these specialized health care stations as a way of addressing the needs of our future generations. Currently, three-fourths of the \$100,000 appropriated for the Adolescent Health Care Program funds an adolescent health care station in Wichita on a pilot basis. The remaining one-fourth funds an adolescent health promotion project in Kansas City. However, the Wichita project is the only one providing a full range of services through a health care station. State monies to fund the station are channeled through the local health department to:

1. provide preventive health care including school physicals, education, immunizations, human reproductive counseling;
2. refer pregnant teens to Maternal & Infant programs for prenatal care;
3. increase adolescent male participation in health programs;
4. reduce the negative effects of teen pregnancy;
5. provide early intervention of high risk behavior; and
6. fund diagnostic and referral services.

FUNDING RECOMMENDATION: SUPPORT THE SRS C LEVEL BUDGET OF AN ADDITIONAL \$290,000 OR THE AMOUNT NECESSARY TO ESTABLISH ONE OR MORE NEW URBAN ADOLESCENT HEALTH CARE STATIONS IN OTHER AREAS. IN ADDITION, A PLAN SHOULD BE DEVELOPED TO EXPAND SERVICE TO OTHER AREAS WHERE THERE IS A DEMONSTRATED NEED.



kansas
national association of housing
and redevelopment officials

TESTIMONY
TO
LOCAL GOVERNMENT COMMITTEE

ON
HOUSE BILL 2679

BY

NOELLE ST. CLAIR
KANSAS ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS
(NAHRO)

FEBRUARY 15, 1990

LS
2-20-90
attach XII

Mr. Chairman and Members of the Committee,

Thank You for taking time to hold hearings on House Bill 2679. I represent the Kansas Chapter Of Housing And Redevelopment Officials commonly known as NAHRO.

Safe and affordable housing allows people to take advantage of opportunities in education, health and employment. Stable housing helps our children to succeed in school, helps people find and keep jobs, and helps families stay together. A home is a more cost-effective alternative to high cost institutional care, and far better than living on the streets.

In order to supply and maintain an adequate supply of affordable housing Kansas needs a new source of money. Kansas NAHRO supports House bill 2679 because it can provide a flexible pot of money that can continue to grow and be leveraged with private sector and federal funds to produce and preserve affordable housing for Kansans.

Federal resources for housing have been drastically reduced in recent years. State and local communities, as a result of these cuts, need to become more involved in finding creative ways to utilize the resources that are available in order to meet their communities housing needs in the context of addressing neighborhood blight, homelessness, special needs programs, economic and community betterment.

Kansas NAHRO does question why the "state" was not included as an entity that could have the option of setting up a housing trust fund. Secretary Priddle recently took administrative action and created a identifiable housing office and hired a Director who will have the task of completing a Housing Assistance Plan for Kansas. When that plan is completed it might be necessary to leverage state money with private sector or federal funds to carry out this plan. If the word "state" were included in this bill the option would be there for Kansas to create a trust fund to generate those dollars. It has been shown by several other state's that pooling funds can help to attract more federal dollars.

Washington is a example of a state that has recently created a Housing Trust Fund and just last month awarded \$8.2 million to fund housing that will be produced or preserved for youths and families, farm workers, developmentally disabled, the homeless, the elderly and single-parent families. I've attached a list of these projects to show you what can be done. Washington is an excellent example of how state money was leveraged with private and federal dollars to provide nearly \$52 million for housing projects within that state during its second year of existence. Washington has been able to attract more federal dollars to that state as a result of is creative leveraging.

Vermont is another state that created a trust fund and found success. This state is the smallest state in the union and so far has committed \$20 million for 130 projects. Vermont's Trust Fund is unique in that it not only provides monies for housing it also supports historic buildings and land that might otherwise fall victim to modern development.

In conclusion Kansas NAHRO thinks communication followed with good utilization of our resources is the key to economic success in Kansas. We support House Bill 2679 and thank you for the opportunity to share our views and concerns.



HOUSING TRUST FUND AWARDS JANUARY 1990

Recipient: ABERDEEN NEIGHBORHOOD HOUSING SERVICES,
Aberdeen

Amount: \$253,405

Summary: Purchase and rehabilitation of 13 units of low-income housing and special services for single-parent families.

Leverage Ratio: 1.3:1; includes local government, federal, and private funds.

Contact: Ms. Maureen Markham, (206) 533-7828

Recipient: CAPITOL HILL HOUSING IMPROVEMENT PROGRAM,
Seattle

Amount: \$32,500

Summary: Purchase and refinance the Tiltsonian Apartments and reduce rents to provide five units of very low-income housing near Capitol Hill in Seattle.

Leverage Ratio: 5.2:1; includes local government federal, and private funds.

Contact: Ms. Barbara Schneider, (206) 329-7303

Recipient: ARCHDIOCESAN HOUSING AUTHORITY, Seattle

Amount: \$300,000

Summary: Rehabilitation and modification of an existing apartment building (The Josephinum) to preserve 192 units of housing for low-income elderly in downtown Seattle.

Leverage Ratio: 35.8:1; includes local government, federal, and private funds.

Contact: Mr. Paul Purcell, (206) 382-4844

Recipient: CATHOLIC COMMUNITY SERVICES, Seattle

Amount: \$115,000

Summary: Move and rehabilitate a donated house to provide housing and related services to six teenage mothers.

Leverage Ratio: 2.9:1; includes local government and private funds.

Contact: Mr. Eric Brown (Common Ground), (206) 461-4500 or Ms. Annette Quayle (206) 328-5924

Recipient: AUBURN YOUTH SERVICES, Auburn

Amount: \$35,000

Summary: Rehabilitation of existing youth shelter and increased services to serve up to eight runaway youth.

Leverage Ratio: 6.7:1; includes other state, local government, federal, and private funds.

Contact: Mr. Dick Brugger, (206) 939-2202

Recipient: CENTRAL AREA COMMUNITY ALCOHOL AND
SUBSTANCE ABUSE CENTER, Seattle

Amount: \$99,829

Summary: Purchase and rehabilitate an 8-10-bedroom home to provide housing and essential services for low-income pregnant women recovering from chemical addiction.

Leverage Ratio: 5.9:1; includes other state, local government, federal and private funds.

Contact: Mr. Mike Tretton, (206) 322-2970

Recipient: BELLINGHAM HOUSING AUTHORITY, Bellingham

Amount: \$225,000

Summary: Purchase, rehabilitation and modification of a vacant hotel to create 20 units of low-income housing.

Leverage Ratio: 3.7:1; includes local government and private funds.

Contact: Mr. David Bergman, (206) 676-6887

Recipient: CHELAN-DOUGLAS COMMUNITY ACTION AGENCY,
Orondo

Amount: \$40,000

Summary: Purchase land and construct four single-family homes to create home ownership opportunities for very low-income farmworkers.

Leverage Ratio: 5:1; includes local government, federal and private funds.

Contact: Ms. Sara Bartrum, (509) 662-6156

Recipient: CAMWOOD SENIOR CENTER, Stanwood

Amount: \$250,000

Summary: Modification of a surplus school building to co-locate 26 units of housing for low-income elderly with a senior center.

Leverage Ratio: 2.6:1; includes local government and federal funds.

Contact: Ms. Jan Cooley, (206) 652-6234

Recipient: CHRIST EPISCOPAL CHURCH, Anacortes

Amount: \$325,000

Summary: Purchase land and construct 37 units of housing for the elderly, 20 of which will serve very low-income persons. A single-family home on the site will be used to provide emergency shelter in Anacortes.

Leverage Ratio: 3.7:1; includes private funds.

Contact: Reverend Marvin Blake, (206) 293-5790

Recipient: CAPITOL HILL HOUSING IMPROVEMENT
PROGRAM, Seattle

Amount: \$275,000

Summary: Purchase and rehabilitation of the Melrose Apartments to preserve 21 units of low-income housing near downtown Seattle.

Leverage Ratio: 3.3:1; includes local government and private funds.

Contact: Ms. Barbara Schneider, (206) 329-7303

Recipient: COMMUNITY HOUSE, Seattle

Amount: \$300,051

Summary: Purchase land and construct a 9-unit apartment building to provide housing and specialized services for chronically mentally ill, chemically dependent adults.

Leverage Ratio: 1.3:1; includes private funds.

Contact: Mr. Eric Brown (Common Ground), (206) 461-4500

Recipient: EL CENTRO DE LA RAZA, Seattle

Amount: \$164,305

Summary: Purchase and rehabilitate up to six units of transitional housing and provide supportive services for low-income residents of Southeast Seattle.

Leverage Ratio: 8.7:1; includes local government, federal and private funds.

Contact: Mr. Dan Rounds, (206) 329-9442

Recipient: FAMILY COUNSELING SERVICE OF SNOHOMISH COUNTY, Snohomish

Amount: \$114,136

Summary: Purchase and rehabilitate a single-family home in Snohomish for use as a supervised living resource for low-income chronically mentally ill persons.

Leverage Ratio: 1.3:1; includes federal and private funds.

Contact: Ms. Natalie Reich, (206) 659-1919 or Mr. Eric Brown (Common Ground), (206) 461-4500

Recipient: FAMILY COUNSELING SERVICE OF SNOHOMISH COUNTY, Snohomish

Amount: \$123,000

Summary: In conjunction with the HUD 202 program, site acquisition and construction of a 12-unit apartment building to house low-income chronically mentally ill.

Leverage Ratio: 3.7:1; includes federal and private funds.

Contact: Ms. Natalie Reich, (206) 659-1919 or (206) 653-1706 or (206) 794-4171

Recipient: GOOD SHEPHERD OF WASHINGTON, Renton

Amount: \$299,727

Summary: Purchase land and construct four homes to serve low-income developmentally disabled persons.

Leverage Ratio: 4:1; includes local government, federal, and private funds.

Contact: Ms. Darlene Lang, (206) 243-7044

Recipient: KING COUNTY

Amount: \$275,000

Summary: Home ownership assistance to low-income residents associated with the tenant purchase of a mobile home park.

Leverage Ratio: 13.8:1; includes local government and private funds.

Contact: Mr. Kurt Creager, (206) 296-8644

Recipient: KITTITAS COUNTY ACTION COUNCIL, Ellensburg

Amount: \$75,000

Summary: Purchase and rehabilitation of four units of duplex housing to provide emergency shelter in Ellensburg, particularly to migrant and seasonal farmworkers.

Leverage Ratio: 9:1; includes other state, federal, and private funds.

Contact: Mr. Mike Williams, (509) 925-1448

Recipient: LOWER COLUMBIA COMMUNITY ACTION AGENCY Longview

Amount: \$256,000

Summary: Provide funding for land acquisition for construction of Farmers Home Administration Self-Help homes for low-income families.

Leverage Ratio: 4.5:1; includes federal and private funds.

Contact: Mr. David B. Story, (206) 425-3430

Recipient: LUTHERAN COMPASS CENTER, Seattle

Amount: \$62,395

Summary: Purchase and rehabilitate a 5-bedroom home for use as transitional housing for low-income women with drug or alcohol dependencies.

Leverage Ratio: 2.3:1; includes local government and private funds.

Contact: Ms. Grace Brooks, (206) 461-7835

Recipient: MACEDONIA BAPTIST CHURCH, Seattle

Amount: \$64,744

Summary: Rehabilitate and modify a church annex to provide transitional housing and services for homeless young men.

Leverage Ratio: 5.6:1; includes local government, federal, and private funds.

Contact: Reverend Ray A. Cotton, (206) 767-2734

Recipient: MARTIN LUTHER KING HOUSING DEVELOPMENT ASSOCIATION, Tacoma

Amount: \$250,000

Summary: Purchase and rehabilitate up to 30 homes to serve as transitional housing for Tacoma's homeless.

Leverage Ratio: 3.4:1; includes local government and private funds.

Contact: Ms. Dorothy Lengyel, (206) 383-2942 or Ms. Maureen Howard, (206) 383-1585

Recipient: MIRYAM'S HOUSE OF TRANSITION, Spokane

Amount: \$130,000

Summary: Purchase and rehabilitate a single-family home to provide transitional housing for low-income women recovering from chemical addiction.

Leverage Ratio: 2.75:1; includes local government, federal, and private funds.

Contact: Sr. Susan Dougal, SNJM, (509) 325-2686 or (509) 325-1632

Recipient: MULTI-SERVICE CENTER OF NORTH AND EAST KING COUNTY

Amount: \$250,000

Summary: Purchase and rehabilitate a 22-unit apartment building to providing housing for low-income families.

Leverage Ratio: 3.4:1; includes local government and private funds.

Contact: Ms. Dixie Price, (206) 485-6521

Rec: NORTHEAST WASHINGTON RURAL RESOURCES,
Colville

Amount: \$95,000

Summary: With Farmer's Home Administration Housing Preservation Grant funds, provide grants to low-income senior homeowners for rehabilitation of substandard housing.

Leverage Ratio: 1.5:1; includes federal and private funds.

Contact: Mr. Ward White, (509) 684-8421

Recipient: PIERCE COUNTY HOUSING AUTHORITY, Odessa

Amount: \$154,500

Summary: Purchase and rehabilitate a 16-unit apartment building to provide affordable housing for low-income chronically mentally ill adults.

Leverage Ratio: 1.8:1; includes federal and private funds.

Contact: Mr. Michael Kucharzak, (206) 535-4400

Recipient: NORTHWEST HOUSING COUNCIL, East/South King
County

Amount: \$350,000

Summary: Purchase land and construct 10 units of transitional housing for low-income teen parents in King County.

Leverage Ratio: 1.1:1; includes local government and federal funds.

Contact: Ms. Saba Mahmood (Common Ground), (206) 461-4500

Recipient: SAFEPLACE, Olympia

Amount: \$56,000

Summary: Mortgage write-down for women's shelter to provide increased space and additional related services for victims of domestic abuse.

Leverage Ratio: 1.8:1; includes other state, federal, and private funds.

Contact: Ms. Tyra Lindquist, (206) 786-8754

Recipient: NORTHWEST HOUSING DEVELOPMENT, Rural King,
Pierce, Snohomish Counties

Amount: \$54,000

Summary: Write down the cost of lot purchase for up to 27 low-income families participating in a Farmers' Home Administration 502 program.

Leverage Ratio: 36.2:1; includes local government, federal and private funds.

Contact: Mr. Barry Brodniak, (206) 863-8188

Recipient: SALEM LUTHERAN CHURCH, Spokane

Amount: \$84,002

Summary: Purchase, rehabilitate, and provide an operating subsidy for a 9-unit apartment building for chronically mentally ill low-income persons.

Leverage Ratio: 10.3:1; includes other state, federal, and private funds.

Contact: Reverend Gerald Hoffman, (509) 328-6280

Recipient: NORTHWEST HOUSING DEVELOPMENT, Rural King,
Pierce, and Thurston Counties

Amount: \$238,000

Summary: Provide funds for purchase and development of land for use with Farmers' Home Administration 502 Self-Help home ownership construction projects.

Leverage Ratio: 4.7:1; includes local government, federal, and private funds.

Contact: Mr. Barry Brodniak, (206) 863-8188

Recipient: SALVATION ARMY, Seattle

Amount: \$350,000

Summary: Construction of a new shelter facility, including emergency and transitional housing for homeless persons and families.

Leverage Ratio: 10:1; includes local government, federal, and private funds.

Contact: Ms. Karen Porterfield, (206) 282-3934

Recipient: OPAL COMMUNITY LAND TRUST, Orcas Island

Amount: \$300,000

Summary: Within a land trust, purchase land and construct up to 10 homes for low-income occupancy on Orcas Island.

Leverage Ratio: 2.2:1; includes federal and private funds.

Contact: Ms. Penny Sharp, (206) 376-4632

Recipient: SEATTLE YOUTH AND COMMUNITY SERVICES
Seattle

Amount: \$198,481

Summary: Purchase and rehabilitate a transitional facility and provide related services for homeless youth.

Leverage Ratio: 2.4:1; includes local government, federal, and private funds.

Contact: Ms. Rebecca Solomon (Common Ground), (206) 461-4500 or Ms. Victoria Wagner, (206) 622-3187

Recipient: PENINSULA COUNSELING CENTER, Port Angeles

Amount: \$62,600

Summary: Rehabilitate and modify residential treatment facility for low-income chronically mentally ill adults.

Leverage Ratio: 5.5:1; includes other state, local government, and private funds.

Contact: Mr. Donald R. Zanon, (206) 457-0431

Recipient: SEATTLE (CITY OF), Seattle

Amount: \$350,000

Summary: Financial assistance to first-time low-income home buyers for purchase and rehabilitation of 20 homes along the I-90 corridor.

Leverage Ratio: 3:1; includes local government funds.

Contact: Mr. Earl Richardson, (206) 684-0359

Rec SOUNDVIEW ASSOCIATION, Stanwood
Amount: \$27,850
Summary: Rehabilitation and mortgage subsidy to a group home serving low-income developmentally disabled adults.
Leverage Ratio: 6.3:1; includes other state, local government, and private funds.
Contact: Ms. Mary Lanier, (206) 629-9236

Recipient: WA SANITATION FOUNDATION, Seattle
Amount: \$325,000
Summary: Modify and rehabilitate vacant hotel to create 30 units of low-income housing in Seattle's International District.
Leverage Ratio: 4:1; includes local government and private funds.
Contact: Mr. Ken Katahira, (206) 624-1802 or Ray Chinn, (206) 622-2032

Recipient: SPOKANE NEIGHBORHOOD CENTERS, Spokane
Amount: \$17,000
Summary: Purchase and rehabilitation of a single-family home to provide 7 shelter beds in Spokane.
Leverage Ratio: 1.7:1; includes other state, federal, and private funds.
Contact: Mr. Ray Rieckers, (509) 456-7111

Recipient: WORLD FOR WOMEN, Snohomish
Amount: \$350,000
Summary: Purchase and rehabilitation of an existing structure to provide 20 units of housing for low-income women with children.
Leverage Ratio: 1.7:1; includes local government, federal, and private funds.
Contact: Mr. Eric Brown (Common Ground), (206) 461-4500 or Ann Gordon (World for Women), (206) 774-9843

Recipient: SPOKANE NEIGHBORHOOD CENTERS, Spokane
Amount: \$118,560
Summary: Purchase 10 repossessed homes for resale/lease option to low-income persons.
Leverage Ratio: 2.5:1; includes local government, federal, and private funds.
Contact: Mr. Ray Rieckers, (509) 456-7111

Recipient: YAKIMA TRIBAL COUNCIL, Toppenish
Amount: \$137,000
Summary: Rehabilitation or replacement of 12 single-family homes owned by low-income members of the Yakima Indian Nation on the Yakima Reservation.
Leverage Ratio: 2.5:1; includes local government, federal and private funds.
Contact: Mr. Levi George, (509) 865-5121, extension 341 or Elena Packineau (509) 865-5121, extension 630

Recipient: UNIVERSITY UNITARIAN CHURCH, Seattle
Amount: \$29,665
Summary: Purchase of a 5-bedroom home for residential treatment of chronically mentally ill persons with substance addictions.
Leverage Ratio: 4.8:1; includes local government and private funds.
Contact: Ms. Rebecca Solomon (Common Ground), (206) 461-4500

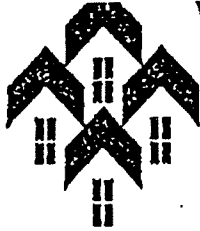
Recipient: YAKIMA (CITY OF), Yakima
Amount: \$325,000
Summary: Purchase and modify a building to create approximately 50 units of condominium cooperative housing for low-income elderly home ownership.
Leverage Ratio: 2.2:1; includes local government and private funds.
Contact: Ms. Dixie L. Kracht, (509) 575-6101

Recipient: VANCOUVER HOUSING AUTHORITY, Vancouver
Amount: \$175,000
Summary: Purchase and rehabilitation of a facility to serve victims of domestic abuse.
Leverage Ratio: 3.7:1; includes local government, housing authority and private funds.
Contact: Mr. Lou Leimbach, (206) 694-2501

For general information regarding the Housing Trust Fund program, please contact Jeff Robinson at (206) 753-6652, or Sally Hunter at (206) 586-6866.

Recipient: VOLUNTEERS OF AMERICA OF SPOKANE, Spokane
Amount: \$78,040
Summary: Purchase and rehabilitate two buildings to provide transitional housing and related services to high-risk youth in Spokane.
Leverage Ratio: 1.9:1; includes other state, local government, and private funds.
Contact: Mr. Kenneth M. Trent, (509) 624-2378

Washington State Department of Community Development



HOUSING TRUST FUND AWARDS



MARCH 1989

Recipient: AIDS Housing of Washington, Seattle

Amount: \$250,000

Summary: For construction of a 35-bedroom, 24-hour care residence. Housing Trust Fund (HTF) dollars will be used for acquisition of land, construction, and pre-development costs.

Leverage Ratio: 17:1, includes local government, federal, and private funds.

Contact Person: Ms. Betsy Lieberman, (206) 623-8292.

Recipient: Goodwill Baptist Church, Seattle

Amount: \$80,000

Summary: For rehabilitation of vacant structure and modification into seven units of transitional housing for teenage mothers. Includes two- and three-bedroom units. HTF dollars will be used for the cost of interior rehabilitation, and mechanical and electrical systems.

Leverage Ratio: 10.4:1, includes local government, federal, and private funds.

Contact Person: Mr. George Waters, (206) 234-2552.

Recipient: Friends of Youth, Bothell

Amount: \$25,000

Summary: For purchase and rehabilitation of vacant structure with four bedrooms for use as a six-bed emergency shelter for youths. HTF dollars will be used for assisting with property acquisition.

Leverage Ratio: 4.6:1, includes local government, and private funds.

Contact Person: Ms. Sheridan Hopper, (206) 228-5775.

Recipient: Office of Rural and Farmworker Housing, Toppenish

Amount: \$35,200

Summary: For technical assistance in preparation and submittal of Farmers Home Administration 514 package for 24 units of farmworker housing. HTF dollars will be used to fund staff who will prepare packages.

Leverage Ratio: 38:1, includes federal and private funds.

Contact Person: Ms. Kay Haynes, (509) 248-7014.

Recipient: Office of Rural and Farmworker Housing, Wenatchee

Amount: \$35,680

Summary: For technical assistance in preparation and submittal of Farmers Home Administration 514 package for 24 units of farmworker housing. HTF dollars will be used to fund staff who will prepare packages.

Leverage Ratio: 38:1, includes federal and private funds.

Contact Person: Ms. Kay Haynes, (509) 248-7014.

Recipient: Family Counseling Services, Monroe

Amount: \$83,000

Summary: To construct a 12-unit apartment for chronically mentally ill persons in Monroe. This is a HUD 202 project. HTF dollars will be used to assist with gaps for land acquisition costs.

Leverage Ratio: 5.5:1, includes federal funds.

Contact Person: Ms. Natalie Reich, (206) 659-1919.

Recipient: Northeast Washington Rural Resources Development Association, Colville

Amount: \$73,489

Summary: To construct a 12-unit apartment for the chronically mentally ill persons in Colville. This is a HUD 202 project. HTF dollars will be used for required off-site improvements not covered by HUD dollars and a sprinkler system.

Leverage Ratio: 4.8:1, includes other state, federal, and private funds.

Contact Person: Mr. Bruce Pennell, (509) 684-8421.

Recipient: Eastside Mental Health, East King County

Amount: \$250,000

Summary: To construct a 20-unit apartment complex for the chronically mentally ill. This is a HUD 202 project. HTF dollars will be used for land acquisition and other pre-development capital costs.

Leverage Ratio: 3.4:1, includes federal and private funds.

Contact Person: Ms. Joan Sharp, (206) 827-9100.

Recipient: Mental Health Services of Snohomish County, Everett

Amount: \$83,920

Summary: To construct a 20-unit apartment for chronically mentally ill persons in Everett. This is a HUD 202 project. HTF dollars will be used for land acquisition.

Leverage Ratio: 9.4:1, includes federal and private funds.

Contact Person: Mr. Jess Jamieson, (206) 252-1122.

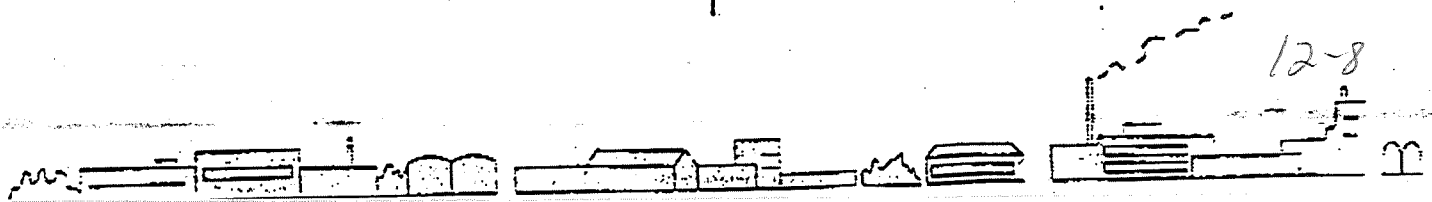
Recipient: Grant County Community Action Council, Quincy

Amount: \$150,000

Summary: To acquire an 8-unit, partly vacant apartment structure for chronically mentally ill rental housing. HTF dollars will be used for acquisition.

Leverage Ratio: 1.7:1, includes other state, federal, and private funds.

Contact Person: Mr. John Poling, (509) 765-9206.



Recipient: Community Action Center, Colfax

Amount: \$175,000

Summary: For acquisition and rehabilitation of 28 units of duplex housing, located adjacent to Pullman, for transitional housing for single-parent families. HTF dollars will be used for acquisition, rehabilitation, and pre-development costs.

Leverage Ratio: 2.9:1, includes other state, federal, and private funds.

Contact Person: Ms. Judy Allen, (509) 397-2205.

Recipient: Seattle Housing Resources Group, Seattle

Amount: \$250,000

Summary: For acquisition and rehabilitation of 88 two-, three- and four-bedroom units in a 164-unit, mostly-vacant apartment complex. HTF dollars will be used to fill remaining funding gap for acquisition.

Leverage Ratio: 15.7:1, includes private funds.

Contact Person: Ms. Nancy Smith, (206) 623-0506.

Recipient: Yakima County Coalition for the Homeless, Yakima

Amount: \$75,000

Summary: For acquisition of four vacant, single-family homes for implementation of new transitional housing program. HTF dollars will be used for acquisition and the first year's operating subsidy.

Leverage Ratio: 11.4:1, includes local government, federal, and private funds.

Contact Person: Mr. Tom Pauken, (509) 248-7796.

Recipient: Everett Gospel Mission, Everett

Amount: \$250,000

Summary: To construct a new mission complex that will increase capacity to 150 beds. HTF dollars will be used for construction and site preparation.

Leverage Ratio: 2.4:1, includes local government, federal, private, and recipient funds.

Contact Person: Mr. Charles Bens, (206) 259-6235.

Recipient: Skagit Self-Help Housing, Rural Snohomish County

Amount: \$120,000

Summary: To subsidize the cost of land purchase, by \$5,000 per lot, for 24 low-income families participating in the Farmers Home Administration Self-Help Program.

Leverage Ratio: 13.4:1, includes federal and private funds.

Contact Person: Mr. Preston Burris, (206) 336-9505.

Recipient: Pike Place Public Development Authority, Seattle

Amount: \$250,000

Summary: To rehabilitate and modify a vacant 99-unit apartment structure for single-room occupancy housing, targeted for the elderly. HTF dollars will be used for rehabilitation.

Leverage Ratio: 13.5:1, includes local government, federal, and private funds.

Contact Person: Mr. Aaron Zeretsky, (206) 682-7453.

Recipient: Spokane Housing Authority, Spokane

Amount: \$120,000

Summary: To rehabilitate and modify 20 apartment units for use in a transitional housing program for AFDC single-parent families continuing their education at a community college or 4-year institution. HTF dollars will be used for rehabilitation, services, and facilities.

Leverage Ratio: 4.2:1, includes local government, federal, and private funds.

Contact Person: Ms. Mary Jo Harvey, (509) 328-2953.

Recipient: Gee How Oak Tin Housing Association, Seattle

Amount: \$250,000

Summary: To rehabilitate and modify a 21-unit apartment structure to avoid code-related abatement. HTF dollars will be used for rehabilitation.

Leverage Ratio: 3.3:1, includes local government, federal, and private funds.

Contact Person: Mr. Ken Katahira, (206) 624-1802.

Recipient: Spokane/Northwest Regional Foundation, Spokane

Amount: \$100,000

Summary: To be used for a housing rehabilitation revolving loan fund in conjunction with the HUD Urban Homesteading Homeownership Program.

Leverage Ratio: 4:1, includes local government, federal, and private funds.

Contact Person: Ms. Jayne Auld, (509) 484-6733.

Recipient: Sunnyside Housing Authority, Sunnyside

Amount: \$200,000

Summary: To retire the existing debt on the Rainier Court Apartments, thus preserving 30 units of predominantly farmworker housing and assisting with access to Farmers Home Administration rehabilitation funds.

Leverage Ratio: 9.4:1, includes other state, federal, and private funds.

Contact Person: Ms. Ketha Kimbrough-Jay, (509) 837-5454.

Recipient: Fremont Public Association, Seattle

Amount: \$249,430

Summary: To rehabilitate and modify the Broadview Shelter to allow for transitional housing and avoid code-related abatement. Thirty-one units will be rehabilitated, with 21 for transitional housing and 10 for emergency shelter. HTF dollars will be used for rehabilitation.

Leverage Ratio: 4.8:1, includes local government, federal, and private funds.

Contact Person: Mr. Frank Chopp, (206) 632-1285.

Recipient: Whatcom Self-Help Housing, Rural Whatcom County

Amount: \$100,000

Summary: To subsidize the cost of land purchase, by \$5,000 per lot, for 20 low-income families participating in the Farmers Home Administration Self-Help Program.

Leverage Ratio: 8.7:1, includes federal and private funds.

Contact Person: Mr. Larry Tuor, (206) 734-4560.

Testimony to the Kansas State House
of Representatives; Committee
On Local Government

I am Ronald J. Zerrer Jr. of Manhattan. I direct the Home Owners Maintenance and Energy Program, Incorporated (HOME).

HOME exists to help the low income homeowner maintain their homes. Most of our clients are elderly and/or handicapped. Many are over the age of sixty-five.

A number of our clients are single mothers with small children who have become the sole owners of the property they live at. We have very few families that are low income and receive our services.

Last year in Manhattan HOME completed 545 jobs for 296 clients. HOME has traditionally been very creative in accomplishing the jobs that we do. We utilize unemployed laborers that are enrolled in the Community Work Experience Program of the Social and Rehabilitative Services of the State of Kansas, and Court referred Community Service Workers that have been found guilty of Driving While Intoxicated, or for other minor offenses that do not warrant jail sentences. Many of these laborers are skilled craftsmen who lend their trades skills to the accomplishment of many of our most challenging jobs. As helpful as the free labor of Community Service Workers is they are an unpredictable source of labor. They work when their schedules permit them to be away from school or their

LJ
2-20-90
attach. XIII

jobs; consequently the jobs that can be done for the elderly sometimes have to wait weeks before HOME can answer the work order. Some job requests such as lifting and chore services can wait. Other needs, such as leaking faucets, broken water pipes and leaking roofs require immediate attention, presently I have myself and one home repairman to handle these emergency's.

We perform work in a variety of tasks that range from leaf raking to roof replacement. Because of this success HOME continues to expand each year. But with increased services comes increased need for additional resources to accomplish the task. This is why I am in support of House Bill Number 2679. A Housing Trust Fund would enable the HOME Program to draw upon funds that have been specifically set aside by local government for possible use to solidify the funding base of HOME.

HOME already is able to finance repairs of homes and maintain some residential areas. Establishing a Housing Trust in Manhattan would enable HOME to hire more laborers that would ensure our ability to provide faster service to our clients.

A Housing Trust Fund would assist HOME in meeting three key needs:

1. The number of Elderly that will require home repairs is expected to rise, steadily into the next century. Grants obtained from a Housing Trust would assure HOME of a base of financial support. Such funds could create jobs for needed home repair specialists, supplies, tools and capital equipment.

2. Manhattan needs a Transitional HOuse that could house people that find themselves between the Emergency Shelter and the local rental housing market. A Housing Trust Fund could grant or loan the capital to HOME for the purchase and rehabilitation of a home that could be used by a family or multiple tenants (if that property is an apartment complex). Each tenant could be enrolled in the Housing and Urban Development Voucher system where by the HUD assumes two-thirds of the rent and the individual assumes one third of the rent. Such an arrangement would enable the HOME program to repay a loan back to a Housing Trust.

A Transition HOuse would ease the shock of many people as they re-establish themselves in the community.

3. Dilapidated homes that populate many neighborhoods could be purchased and rehabilitated and sold as first homes for the low income. Such actions undertaken would create a ripple effect on the economy. Laborers would be needed to do the rehabilitation; materials would need to be purchased. Ownership creates pride in appearances. It has been HOME's experience that by beautifying one home on a residential block that it has a exponential effect on the remainder. Other property begins to improve to the point of beautifying the entire neighborhood. Also dilapidated homes and neighborhoods are a scab on a city. They tell a visitor that there is little pride, or imagination or moral fortitude to wage the struggle against blight.

Sales of rehabilitated homes could be used to finance another home. One home could begin a revolving fund for the rejuvenation

of many homes and the improvement of many neighborhoods.

It is imperative that the Housing Trust be administered at the local level of government. Local government acting on the recommendations of a Housing Trust Fund Advisory Board or Committee would ensure that the most pressing needs of the community are addressed.

Thank you,

Ronald J. Zerrer Jr.

KANSAS MANUFACTURED HOUSING ASSOCIATION

TESTIMONY BEFORE THE HOUSE

COMMITTEE ON LOCAL GOVERNMENT

TO: Chairman R.D. Miller and
Members of the Committee

FROM: Terry Humphrey, Executive Director
Kansas Manufactured Housing Association

DATE: February 15, 1990

RE: House Bill 2679

Mr. Chairman and members of the Committee I am Terry Humphrey, Executive Director of the Kansas Manufactured Housing Association and I appreciate the opportunity to comment on House Bill 2679.

KMHA supports the provisions of HB 2679 which gives local governments the authority to establish Housing Trust Funds for the propose of providing affordable housing opportunities for individuals and families in need.

Nationally, the lack of affordable housing has been termed "critical" and the United States Congress is deliberating on a National Affordable Housing Act. At some point it is likely that this Act will produce some funds for Kansas. But it is also likely that these funds will fall far short of the actual need. As a result, local governments, community groups and the private sector will need to address this problem on a continual basis.

In Kansas, housing is a serious problem for many. In fact, manufactured home dealers meet families on a regular basis in need of quality, affordable housing with little or no means to attain it. Even though manufactured housing is one of the most affordable housing products, at an average cost of \$21.36 per square foot, it is still out of reach for some.

In conclusion, KMHA respectfully requests your support for HB 2679 and we thank you for your attention to this matter.

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2-20-90
Attach. III

HOUSE BILL No. 2679

By Representatives Hensley, Adam, Bowden, Branson, Campbell, Dillon, Everhart, Francisco, Fry, Gjerstad, Green, Gregory, Grotewiel, Harder, Jones, Krehbiel, Lacey, Reardon, Roy, Sebelius, Shumway, Sughrue, Watson, Wells and Whiteman

1-22

*Mike Lechner
2-20-90
Attach. IV*

12 AN ACT concerning municipalities; relating to the establishment of
13 housing trust funds for repair, rehabilitation and improvement of
14 residential housing; prescribing powers, duties and functions in
15 relation thereto.

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

17 Section 1. (a) The legislature finds and declares that current
18 economic conditions, federal housing policies, and declining
19 resources on the federal and state level adversely affect the ability
20 of low-income and moderate-income families to obtain adequate and
21 affordable housing.

22 The legislature further finds that increasing rents result in
23 hardships for those least able to afford housing: The elderly, disabled
24 and families with children.

25 (b) It is the purpose of this act to:

26 (1) Ensure that all residents have either access to decent shelter
27 or assistance in avoiding homelessness;

28 (2) increase the supply of decent housing that is affordable to
29 low-income and moderate-income families and accessible to job
30 opportunities;

31 (3) improve housing opportunities for all residents, particularly
32 for disadvantaged minorities;

33 (4) help make neighborhoods safe and livable;

34 (5) expand opportunities for home ownership; and

35 (6) provide a reliable, readily available supply of mortgage finance
36 at the lowest possible interest rate.

37 Sec. 2. When used in this act: "Municipality" means any city or
38 county.

39 Sec. 3. (a) The governing body of any municipality is hereby
40 authorized to establish a housing trust fund for purposes including,
41 but not limited to, the financing programs for the repair,
42 rehabilitation and improvement of existing residential housing, rental
43

Page 1: Section 1, (b),(2) increase the supply of decent
accessible housing that is affordable to low-income and moderate-
income families and accessible to job opportunities;

Page 1: Section 1, (b),(3) improve housing opportunities for all
residents, particularly for disadvantaged minorities; and people
with disabilities;

Page 1: Section 1, (b),(4) help make neighborhoods safe and,
livable; and accessible;

Page 1: Section 3, (a) The governing body of any municipality is
hereby authorized to... [line 43] rehabilitation, accessibility
modifications and improvement of existing residential housing,
rental

1 subsidies, housing services and organizational assistance within the
2 municipality for persons having low or moderate income.

3 (b) The governing body may provide funds for the housing trust
4 fund from sources including, but not limited to, revenue derived
5 from private donations, interest earned on idle funds, mortgage
6 registration fees, building permit and demolition fees and interest
7 earned on real estate escrow and other trust accounts under K.S.A.
8 58-3061, and amendments thereto.

9 (c) Any governing body which has established a housing trust
10 fund may make grants of moneys credited to such fund to local
11 community or economic development agencies or local housing or
12 other agencies for programs to repair, rehabilitate or improve existing
13 residential housing as authorized by subsection (b) or may make
14 direct expenditures of such moneys for such purposes under
15 programs established by the governing body.

16 (d) Any governing body which has established a housing trust
17 fund may establish or designate an existing not-for-profit community
18 foundation or may appoint an advisory committee to make grants of
19 moneys to fund local community and economic development as
20 authorized in subsection (b) and to establish and review policies that
21 would ensure the most cost effective housing available.

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

Page 2: Section 3, (a), line 1: subsidies, housing services,
accessibility assistance and organizational assistance... etc.

Page 2: Section 3, (c), line 12: ...other agencies for programs
to repair, rehabilitate, make accessibility modifications or
improve existing...



Executive Offices:
3644 S. W. Burlingame Road
Topeka, Kansas 66611
Telephone 913/267-3610

TO: THE HOUSE LOCAL GOVERNMENT COMMITTEE
FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS
DATE: FEBRUARY 15, 1990
SUBJECT: HB 2679

Thank you for this opportunity to testify. On behalf of the Kansas Association of REALTORS®, I appear today not to oppose the concept of the bill, but to oppose a part of the bill which we feel will put our members in conflict between local ordinances and state law.

Section 3(b) of the bill discusses the various methods which may be used to fund the Housing Trust Funds. Lines 6, 7 and 8 would enable the municipalities to utilize "interest earned on real estate escrow and other trust accounts under K.S.A. 58-3061 and amendments thereto".

There are two provisions in the Kansas Real Estate Brokers' and Salespersons' License Act, which would be in conflict with a local ordinance which requires the interest earned on real estate escrow accounts to be transferred to a Housing Trust Fund.

First, K.S.A. 58-3061(d) provides that "No payments shall be made from the broker's trust account other than a withdrawal of earned commissions payable to the broker or distributions made on behalf of the beneficiaries of the trust account."

If a real estate broker pays interest out of their escrow fund into a housing trust fund, in order to meet the requirements of a city ordinance, that

2-20-90
Attach. XVI

broker puts him or her self in direct violation of a state statute. We do not feel it is good public policy to have local ordinances in conflict with state statutes. We do not believe the authors of the bill intended such a conflict to occur.

Second, K.S.A. 58-3061(a) states, "A broker shall not retain any interest accrued on moneys held in an interest-bearing trust account without the written consent of all parties to the transaction."

Because of this provision in our license law, our members, as a general rule, do not hold their escrow money in interest bearing accounts, because of the difficulty of keeping track of the interest on each transaction, the length of time the earnest money is in the account, etc.

Where real estate contracts do provide for interest to accrue on the the earnest money deposit, the contracts also state whether the buyer or seller is entitled to the interest earned and under what conditions. This has always been a negotiable contract item, and we feel a city ordinance which would mandate payment of the interest to the city would be an interference in these contractual agreements. Once again, we don't believe the authors of the bill intended this to occur.

We would have no problem with the bill if the language referring to the real estate escrow accounts is stricken. We respectfully request that amendment be made when you work the bill.

HOUSE
LOCAL GOVERNMENT COMMITTEE

FEBRUARY 15, 1990

HB 2679

Mr. Chairman and Members of the Committee:

My name is Janet Stubbs, Executive Director of the Home Builders Association of Kansas. I am appearing in opposition to portions of HB 2679.

Home Builders Associations across the United States, led by our National Association, work to provide "affordable housing". We continually attempt to increase the supply of habitable housing at an "affordable" price.

Section 1 of this bill states that the Legislature is declaring that current economic conditions, federal housing policies, and declining resources on the federal and state level adversely affect the ability of low-income and moderate-income families to obtain adequate and affordable housing.

These are not the only adverse conditions affecting the ability of the citizens of Kansas to obtain "affordable housing". The cost of government and the government regulations placed upon housing development and construction also add to the burden of those individuals who are working to afford suitable shelter for their dependents. Let us not increase the cost of mortgage registration fees, building permits or any other source of revenue which a city feels will bear the burden of another hidden tax upon the people.

I firmly agree with lines 23-25 that increasing rents results in hardships for those living in rental property, which are often the young people who may be trying to save a down payment for a home or the retired who have found it necessary to live in an apartment. That is why we worked diligently 5 years ago to insure that multi-family property is assessed at the same percentage as single family residential property. That is also why we oppose the proposed amendments to the Constitution which propose increasing the assessment rate on multi-family property. An increased tax on rental property will increase the rent of those individuals who live there.

These are a few of the expenses which add to the cost of housing and make it less "affordable" for all Kansans.

If the Legislature or a City Council believes in what is proposed in this legislation, then the commitment should be made and expenses paid by all citizens and not just those who have worked and saved to enable them to build or purchase a home.

LS
2-20-90
Attach XVIII

LWVK

LEAGUE OF WOMEN VOTERS OF KANSAS

919½ South Kansas Avenue
Topeka, Kansas 66612
(913) 234-5152

February 15, 1990

Representative R.D. Miller, Chairperson
Local Government Committee
Room 183-W
State Capitol
Topeka, Kansas 66612

Dear Chairman Miller and Members of the Committee:

The League of Women Voters of Kansas supports H.B. 2679 that would allow local municipalities to establish a trust fund for repair and improvement of housing to accomodate low income families.

We do understand that cities operating under a charter form of government may already have the power to implement such a fund. However with the decline in federal subsidies, the need in many communities across the state for affordable housing is reaching crisis proportions.

House Bill 2679 could give local communities the impetus they need to establish such a fund and increase the awareness of the community as a whole to the needs of the homeless or near homeless.

League of Women Voters of Kansas is asking for your support and passage of HB 2679.

Sincerely,



Myrna Stringer, Lobbyist
League of Women Voters of Kansas

Ly
2-20-90
Attach. XVIII

KANSAS

ASSOCIATION OF COMMUNITY ACTION DIRECTORS

KACAD, Inc.



An organization dedicated to meeting the needs of low-income people through the coordinated efforts of Governing Boards and Agency Directors on a state-wide basis.

City of Wichita
Community Action Agcy.
Wichita, Kansas

East Central Kansas
Economic Opportunity
Corporation
Ottawa, Kansas

Economic Opportunity
Foundation, Inc.
Kansas City, Kansas

Harvest America
Kansas City, Kansas

MID-Kansas
Community Action
Program, Inc.
El Dorado, Kansas

Northeast Kansas
Community Action
Program, Inc.
Horton, Kansas

Shawnee County
Community Action &
Assistance, Inc.
Topeka, Kansas

Southeast Kansas
Community Action
Program, Inc.
Girard, Kansas

Board Members

Executive Directors

FEB 13 1990

February 12, 1990

Robert D. Miller,
Chairperson
Local Government Committee
State Capitol Building
Room No. 183-W
Topeka, Kansas 66612

Dear Mr. Miller,

The Kansas Association of Community Action Directors encourages passage of HB2679. A bill authorizing cities and counties to establish a housing trust fund for repairs of residential housing.

We are finding in our own counties across the state the need for rehabilitation of residential housing. Many of these homes are homes owned by the low-income and low-income elderly on fixed income.

These people would like to fix up their housing, but lack the resource to do so. This is even a greater problem in the rural areas where there is little or no funding available for housing rehabilitation.

HB2679 is a bill that everyone should benefit from. This bill would give cities and counties one more tool to work with in providing adequate housing to its citizens.

Again, we would encourage your support for this bill.

Sincerely,

Richard Jackson
President

RJ/ss

18-2



ECKAN Inc.

FEB 15 1990

East Central Kansas Economic Opportunity Corporation

203 West Third
P. O. Box 110
Ottawa, Kansas 66067
913-242-7450

February 13, 1990

Robert D. Miller
Chairperson
Local Government Committee
State Capitol
Room #183-W
Topeka, Ks 66612

Dear Mr. Miller,

I would like to ask for your support of HB2679, a bill authorizing cities and counties to establish a housing trust fund for repair of residential housing.

With the shortage of adequate housing in many counties across the State of Kansas, I think it is very important that we try to maintain the existing housing stock.

Sincerely,

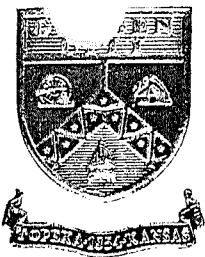
Richard Jackson
Executive Director

RJ/ss

An organization dedicated to meeting the needs of low income families in
Anderson, Coffey, Douglas, Franklin, Lyon, Miami and Osage counties

An Equal Opportunity Program

18-3



CITY OF TOPEKA

Harry "Butch" Felker, Mayor
215 E. 7th Street Room 352
Topeka, Kansas 66603
Phone 913-295-3895
Fax Number 913-295-3850

HB 2679
House Local Government Committee

February 15, 1990

As Mayor of the City of Topeka, I support the concept of the housing trust fund. Affordable housing is a problem in Topeka as it is throughout the country.

House Bill 2679 would give local units of government more flexibility in trying to improve and increase the housing stock in the community. In a recent national study commissioned by the National League of Cities, housing was identified as the primary problem facing families of all income levels and family types.

Local officials need more resources available to them in order to find solutions to problems facing their communities. New and creative ideas are needed. I believe that the housing trust fund is one that could be of great benefit to the citizens of Topeka.



Harry "Butch" Felker, Mayor