

Approved

April 1, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Representative Diane Gjerstad at
Chairperson

3:35 ~~am~~/p.m. on Thursday, March 28, 1991 in room 423-S of the Capitol.

All members were present except:

Representatives Dean, Wagon and Wisdom. Excused.

Committee staff present:

Lynne Holt, Research
Jim Wilson, Revisor
Betty Manning, Secretary

Conferees appearing before the committee:

Ferman Marsh, State Board of Education
Keith Stover, Director, Flint Hills Technical School
Dr. Charles Krider, University of Kansas
Kevin Robertson, AVTS
David DePue, KS Council on Vocational Education

Chairperson Gjerstad called the meeting to order at 3:35 p.m.

The Chair recognized Representative Weimer who presented the subcommittee report on Economic Development Initiatives Fund. Representative Weimer listed four recommendations made by the subcommittee. First was that EDIF be retained. The subcommittee noted the voters were informed prior to 1986 election that passage of the constitutional amendments would be earmarked to fund economic development initiatives. Secondly, 1990 Joint Committee set priorities for EDIF expenditures, including human capital technology, innovation capacity improvements, promotion of export sales and foreign investment. The interim report recommends sustaining and, if funding permits, their expansion. The subcommittee also recommended the level of funding not be reduced below the FY 1991 level, and recommended the 1991 legislature authorize funding in FY 1992 for the Kansas, Inc. evaluation of KTEC. It was also recommended that a hearing be held on the composition of the Kansas, Inc. and KTEC boards. Further, that the House Economic Development Committee introduce a concurrent resolution to reaffirm the need for EDIF and restate the principle governing expenditures from EDIF as stated in 1988 HCR 5033. The subcommittee recommended the resolution state the principles which should underpin EDIF expenditures as follows, (1) EDIF expenditures should only be used for salaries of temporary positions and (2) EDIF expenditures should be applied only to those programs and policies which clearly identify with components of state's economic development strategy. Attachment 1.

Representative Chronister made a motion to adopt the subcommittee report. Seconded by Representative Brown. Motion carried.

Chairperson Gjerstad opened hearings on S.B. 31, which amends the statute which established the Kansas Training Information Program. Ferman Marsh was only proponent testifying in support of this legislation. He testified the State Board of Education had no problem with the amendment to provide information by institution or school. Attachment 2.

Chairperson Gjerstad closed the hearings on S.B. 31.

Representative Chronister made a motion S.B. 31 be passed favorably. Seconded by Representative Bishop. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

room 423-S Statehouse, at 3:35 ~~am~~/p.m. on Thursday, March 28, 1991

Chairperson Gjerstad opened hearings on S.B. 34 which requires articulation agreements among community colleges and area vocational schools.

Ferman Marsh, State Board of Education, testified that articulation agreements are in place in the 19 community colleges and area vocational technical schools for the past three years and the State Board of Education believes implementation of this legislation would not create any problems. Attachment 3.

Keith Stover testified in support of this legislation. He stated the focus is on student upward mobility. He did have some concern about duplication of programs and will have to be a major focus of the State Board of Education. Attachment 4.

The Chair closed the hearings on S.B. 34.

The Chair recognized Mike Heim who gave the subcommittee report on H.B. 2124 dealing with groundwater contamination. Mr. Heim gave an overview of the findings of the subcommittee who met with representatives of the City of Wichita, Sedgwick County Appraiser, State Director of Property Valuation and staff. The subcommittee recommended four amendments to H.B. 2124. Attachment 5.

Jim Wilson, Revisor, distributed copies of a balloon of H.B. 2124 and explained the amendments to the committee members. Attachment 6.

Representative Sader made a motion to adopt the subcommittee report. Seconded by Representative Bishop. Motion carried.

Discussion was held on the subcommittee report.

Representative Bishop made a motion to pass the bill favorably as amended. Seconded by Representative Baker. Motion carried.

Chairperson Gjerstad opened hearings on S.B. 33 which establishes the Kansas skills program.

Dr. Charles Krider testified the most significant accomplishment of this bill is to create an opportunity for community colleges and area vocational technical schools to be more responsive to the needs of the market. The AVTS' and community colleges will gain access to greater financial resources to better develop market-driven programs and work more closely with businesses. The businesses would have access to training opportunities to improve their employee's skills. The employee would benefit from increasing their skills and employability in competitive firms. This legislation would require businesses to provide financial support for new training programs. Attachment 7.

Kevin Robertson testified he agreed with Dr. Krider's remarks, however he did state there was some concern over the available funding for this legislation. Attachment 8.

David DePue, final proponent, testified in support of S.B. 33. He stated the AVTS and community colleges are in an ideal position to supply human resources needed for job development, expansion and upgrading. Attachment 9.

Chairperson Gjerstad closed the hearings on S.B. 33.

The Chair opened discussion on proposed substitute for H.B. 2373 which is substantially different from the original bill.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 423-S, Statehouse, at 3:35 ~~am~~/p.m. on Thursday, March 28, 1991

Representative Bishop made a motion to adopt the proposed substitute bill for H.B. 2373. Seconded by Representative Weimer. Motion carried.

The substitute bill will be discussed at the next committee meeting, April 1, 1991.

Chairperson Gjerstad called for discussion on S.B. 32 establishing Office of Workforce Training in the Department of Commerce.

Representative Sader made a motion to favorably pass S.B. 32. Seconded by Representative Bishop. Motion carried.

The meeting was adjourned at 5:00 p.m.

SUBCOMMITTEE REPORT

To: House Committee on Economic Development

Re: Economic Development Initiatives Fund

The Subcommittee makes the following recommendations concerning the Economic Development Initiatives Fund and other related matters.

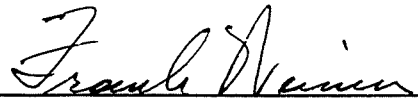
1. The Subcommittee recommends retention of the Economic Development Initiatives Fund (EDIF) and continued ongoing expenditures from that Fund for economic development programs. The Subcommittee notes that voters were informed prior to the submittal of 1986 S.C.R. 1609 (the resolution authorizing the state lottery) and 1986 H.C.R. 5024 (the resolution authorizing horse and dog racing and parimutuel wagering thereon) to the ballot that a substantial portion of net lottery and parimutuel wagering proceeds would be dedicated to economic development. It is the Subcommittee's position that any deviation from that promise would be unfair to those voters who approved the two constitutional amendments on the basis that most of the proceeds would be used for that purpose.
2. The Subcommittee further notes that economic growth is predicated, to some extent, upon state initiatives and calls to the Committee's attention priorities set by the 1990 Joint Committee on EDIF expenditures. The Subcommittee concurs with the Joint Committee that particularly those programs which emphasize the areas of human capital, technology and innovation, capacity improvement, and promotion of export sales and foreign investments in Kansas, should be sustained, and if funding permits, even expanded. Although the Subcommittee recognizes that there may be some justification for reexamining the percentage of funding taken from the EDIF for economic development programs (now statutorily prescribed at 90 percent), it is recommended that the level of funding for such programs not be reduced from the approved FY 1991 level. However, if a reduction from FY 1991 to FY 1992 in program expenditures from the EDIF is unavoidable, the Subcommittee recommends that such reductions be made to expenditures of programs which are not among the priorities identified by the 1990 Joint Committee on Economic Development in its final report.
3. The Subcommittee believes that it may be timely for the House Committee on Economic Development to hold hearings on the composition and activities of the KTEC Board in that some legitimate questions have been raised concerning the accountability of KTEC. To that end, the Subcommittee recommends that the 1991 Legislature authorize funding for FY 1992 within the Kansas, Inc. budget so that Kansas, Inc. would be able to secure the services of a qualified disinterested entity to conduct an evaluation of KTEC in the first part of FY 1992. It is also recommended that Kansas, Inc. report the findings of its evaluation to the House Committee during the 1992 Session.

*Eco-Devo
Attachment #1
03-28-91*

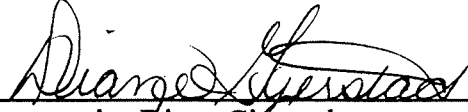
4. In addition, the Subcommittee recognizes that questions concerning the composition of the Kansas, Inc. Board were raised during a review by the 1990 Joint Committee on Economic Development of Kansas Inc.'s self-evaluation. Therefore, the Subcommittee recommends that the House Committee hold similar hearing on the composition of that Board.
5. The Subcommittee recommends that the House Committee introduce a concurrent resolution to reaffirm the need for the EDIF and to restate the principles governing expenditures from the EDIF, as articulated in 1988 H.C.R. 5033. The proposed concurrent resolution should note that the 1986 Legislature enacted H.B. 2789 which established the Economic Development Initiatives Fund. In addition, the resolution should note that the intended use of net lottery and parimutuel wagering proceeds for economic development programs was disclosed to the public by referendum in November, 1986. The resolution should further note that voters' decisions to approve the lottery and parimutuel wagering may have been based on that information. Therefore, the Legislature should honor its commitment to funding economic development programs from the EDIF. It would seem inappropriate to disregard the intent of the people as expressed in the referendum of 1986.

The Subcommittee recommends that the resolution state the principles which should underpin EDIF expenditures as follows:

1. EDIF expenditures should only be used for the salaries of temporary positions (if any positions) and not for permanent positions.
2. EDIF expenditures should be applied only to those programs and policies which clearly identify with components of the state's economic development strategy.



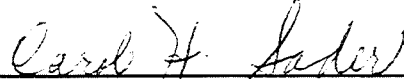
Representative Frank Weimer
Subcommittee Chair



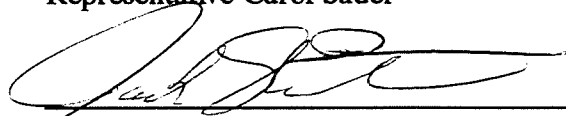
Representative Diane Gjerstad



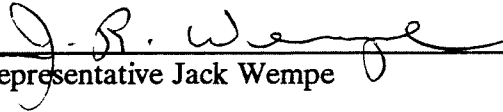
Representative Bob Mead



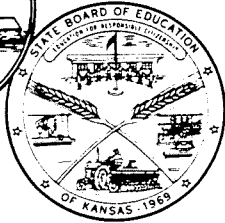
Representative Carol Sader



Representative Jack Sluiter



Representative Jack Wempe



Kansas State Board of Education

Kansas State Education Building (913) 296-3203

120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon
District 1

Connie Hubbell
District 4

Bill Musick
District 6

Evelyn Whitcomb
District 8

Kathleen White
District 2

I. B. "Sonny" Rundell
District 5

Wanda Morrison
District 7

Timothy R. Emert
District 9

Paul D. Adams
District 3

Gwen Nelson
District 10

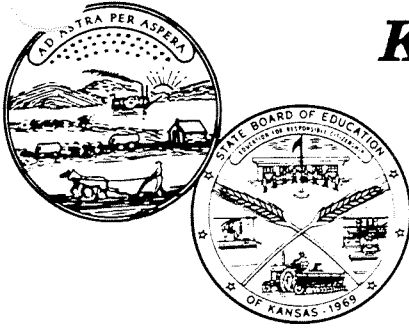
March 27, 1991

TO: House Committee on Economic Development
FROM: State Board of Education
SUBJECT: 1991 Senate Bill 31

My name is Ferman Marsh, Assistant Commissioner for Community Colleges and Vocational Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

Senate Bill 31 amends the Kansas Training Information Program, which provides the employee placement rates and average salaries for persons completing vocational education programs. The amendment requires that the report separate the information by program, by institution, and by school. This can be accomplished but it could produce in some cases some unusual results because of variances in programs and the opportunities for employment from school to school.

The State Board of Education would be happy to revise the KTIP publication if it is the desire of the Legislature.



Kansas State Board of Education

Kansas State Education Building (913) 296-3203
120 East 10th Street Topeka, Kansas 66612-1103

Mildred McMillon District 1	Connie Hubbell District 4	Bill Musick District 6	Evelyn Whitcomb District 8
Kathleen White District 2	I. B. "Sonny" Rundell District 5	Wanda Morrison District 7	Timothy R. Emert District 9
Paul D. Adams District 3			Gwen Nelson District 10

March 27, 1991

TO: House Committee on Economic Development
FROM: State Board of Education
SUBJECT: 1991 Senate Bill 34

My name is Ferman Marsh, Assistant Commissioner for Community Colleges and Vocational Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

Senate Bill 34 requires the boards of trustees of community colleges and the governing boards of each area vocational-technical school to enter into agreements providing for the transferability of substantially equivalent courses of study and programs which are offered at such educational institutions in order to facilitate the articulation of students to and among educational institutions.

The State Board of Education currently has an agreement in place between community colleges and area vocational-technical schools and believe implementation of Senate Bill 34 would not cause any problems.

*Eco-Devo
Attachment #3
03-28-91*

ARTICULATION AGREEMENTS

Dear Representative Gjerstad and Members of the Committee, I am Keith Stover, Director of Flint Hills Technical School in Emporia. I am here to speak in support of Senate Bill 34 on behalf of the Kansas Association of Area School Directors.

On October 8, 1990, Directors of seven of the Area Vocational Technical Schools met with the Joint Economic Development Committee and shared information about innovative activities and articulation agreements. At that time I had the opportunity to discuss our Joint Agreement between Flint Hills Technical School, Butler County Community College and Emporia State University. (attached)

This Joint Agreement is unique in that it goes beyond the Area Vocational-Technical School, Community College level of articulation and includes a Kansas Regents University. The Flint Hills Technical School is host to 1620 hours or 45 of the 63 credits which make-up the degree. Butler County Community College delivers on our campus nine additional academic credits with Emporia State delivering classes like biology and college algebra on their campus. All classes are delivered in Emporia with Butler County Community College awarding the Associate of Applied Science Degree. The focus is on student upward mobility, with the possibility of credit transfer to the university system based on the student's program of study.

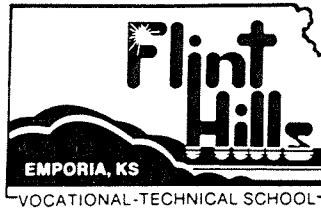
In the last three years, there has been a significant increase in the number of agreements between post-secondary institutions. In each case, the focus has been student mobility on the career ladder. This is accomplished via advanced technical training supported by academic instruction in communications, mathematics, micro-computer applications, social and behavioral sciences, life science and the arts and humanities.

This Senate Bill supports the Joint Economic Development Committee's focus on high-tech work force training. However, coordinating the activities of Community Colleges and AVTS's to insure limited duplication of programming will have to be a major focus of the State Board of Education.

We concur with Senate Bill 34 that Community Colleges and Area Vocational-Technical Schools should enter into agreements providing transferability of credit. But, this Bill should include a major focus of Concurrent Resolution 1601, the transferability of technical credit to Regents institutions.

*Eco-Devo
Attachment #4*

03-28-91



Joint Agreement

The following joint agreement between Butler County Community College, Emporia State University and Flint Hills Vocational-Technical School involves the transfer of college credit and future upward mobility for vocational-technical students.

Butler County Community College will transfer credit for students successfully completing vocational-technical programs according to the plan approved by the Kansas State Board of Education on September 13, 1988.

The Associate in Applied Science Degree will be awarded by Butler County Community College after successful completion of 63 hours of college credit. A maximum of 45 credits may be from the technical area. A minimum of 9 credits must be from Butler County Community College, with the remaining 9 from Emporia State University or another accredited institution.

Butler County Community College and Emporia State University will provide 18 general education credits, 3 in each of the following areas: English Composition; Mathematics; Natural (Lab) Science; Interpersonal Communication; Social or Behavioral Science and; Arts and Humanities.

All general education courses will be offered on the Flint Hills Vocational-Technical School or Emporia State University campuses with Flint Hills Vocational-Technical School acting as the awarding institution for student financial aid.

Students will be made aware that the degree may or may not be transferable to programs at Emporia State University or other four year colleges/universities based on the student's program of study.

BUTLER COUNTY
COMMUNITY COLLEGE

Paul V. Cox
President

EMPORIA STATE
UNIVERSITY

Robert H. Hemen
President

FLINT HILLS VOCATIONAL-
TECHNICAL SCHOOL

Keith M. Stone
Director

John C. Franke
Board Chairman

KANSAS STATE
BOARD OF EDUCATION

James R. Felt
Board Chairman

Connie Hurrell *Aug. 5, 1989*
Board Chairman DATE

**Flint Hills Technical School
Emporia State University and Butler County Community College**

**Associate of Applied Science Degree
Electronics Technology**

1st Semester	Hrs.	2nd Semester	Hrs.
Math for Electronics	2	Advanced Solid State	4
Test Equipment & Measurements	1	Introduction to Digital Logic	2
DC, AC Circuit Analysis	3	Advanced Digital Electronics	3
Semiconductor Technology	4	Introduction to Microprocessors	3
AM/FM Communications Systems		Microcomputer Programming	
Antennas/Transmission Lines	4	Interfacing	3
Troubleshooting Procedures	1		
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TOTAL	15	TOTAL	15

3rd Semester	Hrs.	4th Semester	Hrs.
Microcomputer Troubleshooting	3	Telecommunications	4
Opto Electronics/Laser/Fiber Optics		Troubleshooting Communication	
Technology	3	Systems	3
Industrial Motors/Measurement &		* Lab Science	4-5
Control	2	* English Composition	3
* Principles of Speech	3	* Humanities	3
* Math	3		
* General Psychology	3		
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TOTAL	17	TOTAL	17-18

* General Education Requirements

Electronics Advisory Committee Approval:

Joe Michaels, Chairperson

HOUSE ECONOMIC DEVELOPMENT COMMITTEE**Subcommittee Report on H.B. 2124****Summary of H.B. 2124**

H.B. 2124 amends a provision of the tax increment financing law. The bill permits the governing body of any city, which has entered into contracts with the Kansas Department of Health and Environment (KDHE) or the United States Environmental Protection Agency (EPA), to pledge tax increments receivable in future years to pay costs related to the investigation and remediation of environmentally contaminated areas. Contract provisions dealing with the pledging of the tax increment are exempted from requirements of the cash basis and budget laws. (Note that the project will involve capital costs as well as long-term operation and maintenance costs. Any financing plan apparently would require a statutory exemption from the cash basis and budget laws to comply with consent decree requirements set by KDHE and EPA). Projects must be completed within 20 years from the date the city enters into a consent decree with either KDHE or EPA.

Summary of Subcommittee Activities and Findings

The Subcommittee met on several occasions and met with representatives of the City of Wichita, the Sedgwick County Appraiser, the State Director of Property Valuation, and staff.

The Subcommittee makes the following findings:

1. The threat of the Gilbert and Mosley Site located in downtown Wichita being placed on the EPA Superfund list is real. The Subcommittee believes such an occurrence would be highly detrimental to the entire Wichita community and its overall economic well being. The Subcommittee believes the City of Wichita should take affirmative action to insure the cleanup of this area and avoid Superfund listing.
2. The Wichita tax increment proposal will have the result of raising the general tax burden for all citizens in Sedgwick County, in USD 259, and within the City of Wichita. The tax increase plan is less direct than a proposal for a general tax increase for the specific payment of this environmental cleanup, but the result will be the same. The amount of tax increase will be dependent on contributions from firms determined responsible for the pollution.
3. Residents within the cleanup site, as well as the general public, should be aware that the city's planned agreement with several of the major Wichita financial institutions regarding loans for properties within the site will not insure all persons applying for loans will receive them. Each loan application will have to be investigated and decided on its own merits and apparently renewed with banking regulators.

*Eco-Devo
Attachment #5
03-28-91*

4. The Wichita tax increment plan needs several major amendments to address possible constitutional problems and to make the plan workable. The suggested amendments are described in the next section.

Amendments to H.B. 2124

The following are amendments that the Subcommittee recommended be made to H.B. 2124.

1. Add a provision to permit a tax increment financing district to be created whenever an area has been identified as being environmentally contaminated to an extent that requires further investigation or remediation. This amendment makes it clear a district may be formed without the need for meeting the "blighted area" test now contained in K.S.A. 1990 Supp. 12-1771.
2. Regular appraisal procedures must be used to establish fair market values of all property within the district and such values are subject to annual review as any other property. The city is given the power to establish the increment, adjustable each year, as a percentage of not to exceed 20 percent of the amount of taxes that are produced in the redevelopment district in the first year the district is established. The increment must be in an amount sufficient to pay costs anticipated to be incurred each year including the principal and interest of any tax increment bonds.
3. The city is to create a special fund for these tax increment moneys and to establish an annual budget for these moneys. Any moneys remaining after the project is completed must be returned to the city, the county, and the school district which agreed to forego a portion of their ad valorem taxes for this project.
4. A city would be required to make a report every other year to the Chairpersons of the House and Senate Economic Development Committees regarding the progress of the cleanup project.

HOUSE BILL No. 2124

By Committee on Taxation

Proposed Amendments to HB 2124

2-4

8 AN ACT concerning cities; relating to the issuance of tax increment
9 bonds; amending K.S.A. 1990 Supp. 12-1771 and repealing the
10 existing section.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 1990 Supp. 12-1771 is hereby amended to read
14 as follows: 12-1771. (a) No city shall exercise any of the powers
15 conferred by K.S.A. 12-1770 *et seq.*, and amendments thereto, unless
16 the governing body of such city has adopted a resolution finding
17 that: (1) The specific project area sought to be redeveloped is a
18 blighted area or has been designated as an enterprise zone pursuant
19 to K.S.A. 12-17,110, and amendments thereto; and (2) the conser-
20 vation, development or redevelopment of such area is necessary to
21 promote the general and economic welfare of such city. For the
22 purpose of this subsection, the term "blighted area" means an area
23 which: (1) Because of the presence of a majority of the following
24 factors, substantially impairs or arrests the sound development and
25 growth of the municipality or constitutes an economic or social li-
26 ability or is a menace to the public health, safety, morals or welfare
27 in its present condition and use: (A) A substantial number of de-
28 teriorated or deteriorating structures; (B) predominance of defective
29 or inadequate street layout; (C) unsanitary or unsafe conditions; (D)
30 deterioration of site improvements; (E) diversity of ownership; (F)
31 tax or special assessment delinquency exceeding the fair value of the
32 land; (G) defective or unusual conditions of title; (H) improper sub-
33 division or obsolete platting or land uses; (I) the existence of con-
34 ditions which endanger life or property by fire and other causes; or
35 (J) conditions which create economic obsolescence; or (2) previously
36 was found by resolution of the governing body to be a slum or a
37 blighted area under K.S.A. 17-4742 *et seq.*, and amendments thereto.

38 (b) The powers conferred upon cities under the provisions of
39 K.S.A. 12-1770 *et seq.*, and amendments thereto, shall be exercised
40 in central business district areas of cities, as determined by resolution
41 adopted pursuant to K.S.A. 12-1772, and amendments thereto; in
42 enterprise zones designated pursuant to K.S.A. 12-17,110, and
43 amendments thereto, or in blighted areas of cities, as determined

has been identified by any state or federal
environmental agency as being environmentally
contaminated to an extent that requires a
remedial investigation, feasibility study and
remediation or other similar state or federal
action; or
(3)

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Attachment #6
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1 by resolution adopted pursuant to K.S.A. 17-4742 et seq., and
2 amendments thereto.

3 (c) Within that portion of the city described in subsection (b),
4 the governing body of a city may establish a district to be known
5 as a "redevelopment district". One or more redevelopment projects
6 may be undertaken by a city within a redevelopment district after
7 such redevelopment district has been established in the manner
8 provided by subsection (d).

9 (d) Any city proposing to establish a redevelopment district shall
10 adopt a resolution stating that the city is considering the establish-
11 ment of a redevelopment district. Such resolution shall:

12 (1) Give notice that a public hearing will be held to consider the
13 establishment of a redevelopment district and fix the date, hour and
14 place of such public hearing;

15 (2) describe the proposed boundaries of the redevelopment
16 district;

17 (3) describe a proposed comprehensive plan that identifies all of
18 the proposed redevelopment project areas and that identifies in a
19 general manner all of the buildings and facilities that are proposed
20 to be constructed or improved in each redevelopment project area;

21 (4) state that a description and map of the proposed redevel-
22 opment district are available for inspection at a time and place
23 designated;

24 (5) state that the governing body will consider findings necessary
25 for the establishment of a redevelopment district.

26 Notice shall be given as provided in subsection (c) of K.S.A. 12-
27 1772, and amendments thereto.

28 (e) Upon the conclusion of the public hearing, the governing
29 body may adopt a resolution to make any findings required by sub-
30 section (a) and may establish the redevelopment district by ordi-
31 nance. Such resolution shall contain a comprehensive plan that
32 identifies all of the proposed redevelopment project areas and iden-
33 tifies in a general manner all of the buildings and facilities that are
34 proposed to be constructed or improved in each redevelopment
35 project area. The boundaries of such district shall not include any
36 area not designated in the notice required by subsection (d). Any
37 addition of area to the redevelopment district or any substantial
38 change to the comprehensive plan shall be subject to the same
39 procedure for public notice and hearing as is required for the es-
40 tablishment of the district.

41 (f) No privately owned property subject to ad valorem taxes shall
42 be acquired and redeveloped under the provisions of K.S.A. 12-1770
43 et seq., and amendments thereto, if the board of county commis-

1 sioners or the board of education levying taxes on such property
2 determines by resolution adopted within 30 days following the con-
3 clusion of the hearing for the establishment of the redevelopment
4 district required by subsection (d) that the proposed redevelopment
5 district will have an adverse effect on such county or school district.

6 (g) Any redevelopment plan undertaken within the redevel-
7 opment district may be in separate development stages. Each plan shall
8 be adopted according to the provisions of K.S.A. 12-1772, and
9 amendments thereto, and shall fix a date for completion. *Except as*
10 *provided herein*, any project shall be completed within 15 years from
11 the date of the establishment of the redevelopment district. *Projects*
12 *relating to environmental investigation and remediation under sub-*
13 *section (i) shall be completed within 20 years from the date a city*
14 *enters into a consent decree agreement with the Kansas department*
15 *of health and environment or the United States environmental pro-*
16 *tection agency.*

17 (h) Any increment in ad valorem property taxes resulting from
18 a redevelopment district undertaken in accordance with the provi-
19 sions of this act, shall be apportioned to a special fund for the
20 payment of the cost of the redevelopment project, including the
21 payment of principal and interest on any special obligation bonds or
22 full faith and credit tax increment bonds issued to finance such
23 project pursuant to this act and may be pledged to the payment of
24 principal and interest on such bonds. The maximum maturity on
25 bonds issued to finance projects pursuant to this act shall not exceed
26 20 years. For the purposes of this act, "increment" means that
27 amount of ad valorem taxes collected from real property located
28 within the redevelopment district that is in excess of the amount
29 which is produced from such property and attributable to the as-
30 sessed valuation of such property prior to the date the redevelopment
31 district was established, as determined under the provisions of K.S.A.
32 12-1775, and amendments thereto.

33 (i) *The governing body of a city, in contracts entered into with*
34 *the Kansas department of health and environment or the United*
35 *States environmental protection agency, may pledge increments re-*
36 *ceivable in future years to pay costs relating to the investigation*
37 *and remediation of environmentally contaminated areas. The pro-*
38 *visions in such contracts pertaining to pledging increments in future*
39 *years shall not be subject to K.S.A. 10-1101 et seq. or K.S.A. 79-*
40 *2921 et seq., and amendments thereto.*

41 (j) Before any redevelopment project is undertaken, a com-
42 prehensive feasibility study, which shows the benefits derived from
43 such project will exceed the costs and that the income therefrom

- 1 will be sufficient to pay for the project shall be prepared. Such
- 2 feasibility study shall be an open public record.
- 3 ~~Sec. 2~~ K.S.A. 1990 Supp. 12-1771 is hereby repealed.
- 4 ~~Sec. 2~~. This act shall take effect and be in force from and after
- 5 its publication in the statute book.

See attached

Kansas Register

(3)

(4)

6-4

BALLOON INSERT FOR HB 2124

New Sec. 2. (a) The governing body of a city may establish an increment in ad valorem taxes using the procedure set forth in subsection (b) for projects that are initiated upon a finding that the area is a blighted area under subsection (a)(2) of K.S.A. 12-1771, and amendments thereto, when the following conditions exist:

(1) The proposed district has been identified by the department of health and environment or the United States environmental protection agency to be an environmentally contaminated area;

(2) the city has tenured into a consent decree or settlement agreement or has taken action expressing an intent to enter into a consent decree or settlement agreement with the department of health and environment or the United States environmental protection agency that addresses the investigation and remediation of the environmental contamination;

(3) the consent decree or settlement agreement contains a provision that has the effect of releasing property owners who are not responsible for the contamination from the responsibility of paying the response costs of the investigation and remediation of the contamination; and

(4) the city intends to establish a redevelopment district pursuant to K.S.A. 12-1771, and amendments thereto, to finance or partially finance the investigation and remediation of contamination within such district.

(b) An increment established after a city has found that the condition in subsection (a) exists shall be set on a yearly basis. For purposes of this section, a yearly basis shall be a calendar year. Each year's increment shall be an amount sufficient to pay costs anticipated to be incurred that year including principal and interest due on any special obligation bonds or full faith and credit tax increment bonds issued to

finance in whole or in part the remediation and investigation, costs relating to remediation investigation and feasibility studies, operation and maintenance expenses and other expenses relating directly to the investigation and remediation of contamination. Each year's increment shall not exceed 20% of the amount of taxes that are produced from the redevelopment district area in the year the redevelopment district is first established.

(c) The budget that establishes the yearly increment shall be certified by the city to the county clerk and county treasurer no later than August 25th, preceding the calendar year the budget is being set for. Funds derived from an increment established by this section may be used only for projects involving the investigation and remediation of contamination in the district.

(d) The real property taxes produced by the increment established under subsection (b) from a redevelopment district established under the provisions of this section shall be allocated and paid by the county treasurer to the treasurer of the city and deposited in a special separate fund of the city to pay the cost of investigation and remediation of contamination in the redevelopment district. A redevelopment district created under the provisions of this section shall constitute a separate taxing district. If all costs for such investigation and remediation of contamination in the redevelopment district have been paid and moneys remain in the special fund, such moneys shall be remitted to each taxing subdivision which paid moneys into the special fund on the basis of the proportion which the total amount of moneys paid by such taxing subdivision into the special fund bears to the total amount of all moneys paid by all taxing subdivisions into the fund.

(e) Nothing in this section shall prevent any city from establishing a redevelopment district for other purposes pursuant to K.S.A. 12-1770 et seq., and amendments thereto, which may include part or all of the real property included in the district established under this section.

(f) Nothing in this section shall be construed to affect the

obligations of the county to annually review the fair market value of property in accordance with procedures set by law or to affect the right of any taxpayer to protect and appeal the appraised or reappraised value of their property in accordance with procedures set forth by law.

(g) Commencing with the regular session of the legislature in 1993, each city that establishes a redevelopment district under this section shall make a status report on a biennial basis to the standing committees on economic development of the senate and house of representatives during the month of January. The status report shall contain information on the status of the investigation and remediation of contamination in the redevelopment district.

**THE INSTITUTE FOR PUBLIC POLICY AND BUSINESS RESEARCH
UNIVERSITY OF KANSAS**

WORKFORCE TRAINING: SENATE BILL NO. 33

testimony to

**Committee on Economic Development
The Kansas House of Representatives**

presented by

**Charles E. Krider
Professor of Business
Director of Business Research
University of Kansas**

March 28, 1991

*Eco-Devo
Attachment #7
03-28-91*

INTRODUCTION

Madam Chairman and members of the House Economic Development Committee, I am pleased to have the opportunity to testify before you today regarding Senate Bill 33. I support this bill, for reasons I will outline in a moment, and believe that it is another step in building on our State's strategy for economic development, especially in the area of human capital.

SENATE BILL NO. 33

Senate Bill No. 33 establishes the Kansas Skills Program which would provide grants to Community Colleges and AVTSs. The grants would be used to cover the start-up costs for creating innovative technical courses or programs which address: (a) emerging technologies or (b) skills shortages in the labor pool. It also allows for funding of faculty internships in industry or employee internships at AVTSs.

This bill has several important points:

- Match - requires businesses to provide financial support for training programs. This means that programs will be market driven, like any good or service. The match also means that businesses must make a financial commitment to new programs. Businesses may then begin to work in partnership with AVTSs and Community Colleges in developing skills programs because they wish to take an active role in ensuring return on their investment.
- Market-Driven Programs - AVTSs will have the ability to respond to technological/market trends in emerging technologies and continually adapt to the needs of business. Courses can only be developed if they are new to Kansas, and development will be in response to market needs. AVTSs will be able offer courses which may be in areas of

greater economic opportunity than traditionally taught subjects.

- Skills Shortages - by addressing skills shortages through this program, the State will be creating a better trained workforce, especially in growth areas. The financial impact will be two-fold, with individuals benefitting from skills and employment in high-growth, rather than declining, occupations. Firms will be able to rely on a better skilled pool of labor, and in turn, compete in the market place by adapting to cutting-edge products and processes.
- Internships - faculty can become better educated about new technology and acquire a better understanding of business needs in an environment of changing technology and competition.

EXAMPLES OF AREAS IN WHICH KANSAS SKILLS PROGRAM MAY APPLY

According to the Department of Labor [Occupational Outlook Quarterly, Fall 1990], seven new and emerging fields offer potential for growth in employment opportunities: health care, robotics, aerospace, computer graphics, information technology, biotechnology, and lasers. Each of these areas are relying on new technologies which demand greater skills on the part of the employee in operating and maintaining equipment.

One example of an area which an AVTS could use the Kansas Skills Program in developing new curriculum is the growing area of fiberoptic repair. As telephone companies, businesses, and the State move from analog to digital technology, there will be a need to install and repair fiberoptic cable. While the AVTSs and Community Colleges may normally not be able to respond to this market need, under the Kansas Skills Program they will have access to financial resources. This assistance will help them in developing courses and programs which

meet this need or any other which may arise.

CONCLUSION

Senate Bill No. 33 establishes an innovative approach to building on the State's human capital foundation. The most significant accomplishment of this bill is that it creates an opportunity for Community Colleges and AVTSs to become more responsive to the needs of the market. The result will benefit three areas: (a) AVTS and Community Colleges will gain access to greater financial resources, be able to develop better, market-driven programs, and work more closely with business; (b) businesses will have access to training opportunities which will improve the skills of their employees, and in turn, the competitiveness of the firms' products and processes; and (c) employees will benefit from increasing their skills and employability in competitive, growing firms.

KANSAS ASSOCIATION OF AREA VOCATIONAL-TECHNICAL SCHOOLS

Richard Kingston
President

Keith Stover
President Elect

Robert Stinson
Secretary

Richard McWhorter
Treasurer

Date: March 28, 1991
To: House Committee on Economic Development
From: Kevin Robertson
Director of Governmental Affairs
Re: SB 33 - Kansas Skills Program

Mr. Chairperson and members of the committee, my name is Kevin Robertson. I am Director of Governmental Affairs for the Kansas Association of Area Vocational-Technical Schools (KAAVTS). I am here today in support of SB 33.

As you are aware, SB 33 is an interim recommendation by the Joint Committee on Economic Development. The origin of this legislation is contained within the Institute for Public Policy and Business Research study, "Work Force Training" The Challenge for Kansas."

Since I began working with Kansas' 16 AVTSS in 1988 I have from time to time heard them criticized, often by members of this committee, for not integrating her high-tech "on the cutting edge" programs into their school's offerings as quickly as you would like. AVTS funding and program development is enrollment driven; therefore, AVTSS must divert funds from existing programs to implement new ones. Schools are reluctant to begin a new "innovative" program, bear the start-up costs of equipment and salary, and implement a program without guarantees that students will enroll by the necessary numbers to make the new program feasible.

SB 33 will assist and encourage AVTSS to explore new innovative technologies with area industry. An industry may need new workers trained in a new high-tech field. If the business is willing to provide the equipment, money or other support necessary to meet one-half of the start-up costs of the program, the state will supply the remaining 50%. By combining the current practice of recruitment of industry support for new programs with state money, programs which have important economic impact implications would have a better chance of being developed and implemented. It is conceivable that new AVTS programs could begin immediately.

SB 33 further would assist AVTSS to provide their instructors with business and industry internships. The best, most complete ongoing training for a vocational-technical instructor is hands-on industry experience. By working in the field for a period of 6 to 12 weeks or

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longer, the instructor is able to see new technologies and techniques first-hand, then better relate them to the students back in the classroom.

At least two AVTSS are working with business and industry to provide some type of internship opportunities for their instructors. Schools and teachers have generally been reluctant to participate in internship programs because they can be cost prohibitive from the schools point of view and teachers often have other commitments during their off time. A business, especially in the current economic situation, may not be willing to pay a teacher internship a full salary if it is not in need of workers. In this case, the AVTS would have to pay a full salary or at least part.

By providing state assistance to supplement salaries, etc., an AVTS and businesses would be more likely to allow and encourage teachers into their place of work and also allow a representative to teach at their school for a period of time.

Though Kansas' AVTSS do support SB 33, we are concerned over the available funding to make it work. The Senate Ways and Means Committee allocated \$500,000 in EDIF funds.

Thank you for your attention. If you have any questions, I will be happy to try to answer them at this time.



717 KANSAS AVE • TOPEKA, KANSAS 66603-3811
913-296-2451

Robert Thiry, Chair
Coordinator
Ks. Carpentry Apprenticeship
Perry

Eddie Estes, Ph.D., Vice Chair
President, Western Kansas
Manufacturers Association
Dodge City

Frances Graham
Executive Committee Member
Vocational Counselor
Johnson County AVTS
Olathe Center
Olathe

Dr. David L. DePue
Executive Director

TO: Representative Diane Gjerstad, Chairperson
and Members
House Economic Development Committee

FROM: David DePue
Executive Director, KCOVE

SUBJECT: Testimony on SB 33

DATE: March 28, 1991

J.C. "Cash" Bruner
Business Representative
International Assn. of Machinists
and Aerospace Workers
Wichita

Karen A. Conklin
Market & Survey Research Analyst
Johnson Co. Community College
Overland Park

Allene Knedlik
Director of Adult Education
Coffeyville Community College
Coffeyville

Jule E. Kuhn
Counselor/Placement Coordinator
Manhattan AVTS
Manhattan

Janis Lee
State Senator
Farmer/Rancher
Kensington

D. Joe Mildrexler
Dean of Community Services
Colby Community College
Colby

Carol Nigus, Director
Brown County Kansas Special
Education Cooperative
Hiawatha

Lee Reeve
Agribusiness Entrepreneur
Garden City

Dick Rogenmoser
Senior Vice President
Martin Tractor Company
Topeka

Roland Walsh
President and CEO
Pratt Regional Medical Center
Pratt

Chair Gjerstad and Committee Members, thank you for the opportunity to address you on this important legislation. The State Council represents each of the constituent groups of vocational-technical education programs, including business, industry, labor, and the various populations of learners served. We would like to congratulate the sponsors of SB 33 for the appropriateness and timeliness of this bill. This legislation would remove significant barriers to economic development.

AVTSS and Community Colleges are in an ideal position to supply the human resources needed for job development, expansion, and upgrading. When a company needs skills, they should count on quick response from their local training institution. The local institution which shows up on their tax rolls should be there to serve.

We have some state and federal funds for program improvement and customized training, but these funds could be as much as a year away from local availability, and some categories are very competitive. This year we lost approximately \$700,000 in federal funds that we had been using for customized training. The new Perkins legislation more narrowly focuses this grant and sends most of these funds directly to the local education agency.

A good example of appropriate seed money is the Industrial Production Technology program at Garden City Community College. Let me overview this success story. The meat packing industry in the area was "using up" workers in a 1960 style production line. The company was looking for opportunities to add technology and reduce the workload; they were pioneering in their industry. However, the newer equipment was only as effective as their maintenance and production workers.

This legislature provided the means for a \$70,000 KTEC Grant which was matched with a \$222,000 equipment grant by FESTO, a West German hi-tech training company. Additional small grants were provided by Federal Perkins Funds, IBP, and Monfort Meat Packing as well as the Garden City Chamber of Commerce. Last year John Deere Corporation added equipment and funding. Kansas now has a hi-tech training program serving a critical industry component in the State. This first of its kind program is funded by one third of a million in resources generated from the legislature's \$70,000 seed. SB 33 provides an even more responsive source of such innovative projects.

A second challenge that is addressed in SB 33 is keeping technical instructors up-to-date as technology continues to change at a rapid pace. This legislation provides for industry training of instructors and the use of technical resource people from industry to teach in the classroom. The State of Illinois has been upgrading over 1000 teachers annually in such an industry-education partnership over the past six years. They have recently included guidance counselors and administrators in this work experience program. Their program is funded by a 1.5 million dollar appropriation in contrast to SB 33 in which the cost is almost negligible. Such ongoing education and training is critical in most business and industry in Kansas.

The State Council urges your support of this legislation. I would welcome the opportunity to attempt to answer you questions.

DLD:vdc