

Approved WFO. 4-1-92
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Dan Thiessen at
Chairperson

11:00 a.m. ~~pm~~ on Wednesday, March 18, 1992 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bill Edds, Revisor's Office
Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Mark Burghart, Legal Counsel, Department of Revenue
Jolene Grabill, representing Representative Wagnon-House Taxation Committee, Chairman
Marilyn S. Ward, Executive Director, DependaCare

Chairman Dan Thiessen called the meeting to order at 11:08 and said the agenda calls for a hearing on HB2637 and HB2696 and he recognized Chris Courtwright to review the bills for the committee.

HB2637: Tax collection moratorium on certain sales:

Chris Courtwright, Research Department said HB2637 would impose a moratorium until July 1, 1991 on requiring retailers operating on an Indian reservation to collect and remit state taxes including, sales, cigarettes, tobacco products, or motor fuels taxes. He said, if the tribe on the reservation imposes a tribal tax which is substantially equivalent to the corresponding state tax, the moratorium would extend to January 31, 1992.

He said, the bill would not relieve any retailer from the requirement to collect and remit local sales taxes on sales to nontribal members.

He said, there is also a provision where the particular revenue on each quarter beginning July 15, 1991 would have been required to certify to the Director of Accounts and Records the estimated amount of revenue that could have been received from sales of motor fuels on reservations to nonprofit members during the preceeding calendar quarter. He said, the Director of Accounts and Reports, based upon that estimate would have transferred from the state highway fund to the city and county highway fund an amount equal to 40.5%. He said, it is obvious that the bill needs to be updated.

Chairman Thiessen said we received the bill in committee last year on April 29, 1991 and that was too late in the session.

Mark Burghart said what the bill was intended to do was to put off any litigation against the Department and the State of KS by the Attorney General until tax compacts could be worked out with the tribe. He said the game plan was to bring the tax compacts and the legislation to this session for consideration. He said, the bill and the compact have been presented to the House Tax Committee, and it may be a little late since the Attorney General has already sued in the Shawnee County District Court. He said the suit is basically a mandamus action to determine whether or not state taxes have been collected on the reservations.

He said, the U.S. Supreme Court decision that came down early last year dealt with an Oklahoma situation and basically the court said in that scenario, regarding cigarette tax that the taxes had to be collected and remitted on the reservation on sales to nontribal members. He said, in the same decision the court said, "that's fine you have to collect and remit, but we can't tell you how to enforce it". He said, this is the problem and that is why this approach has been taken, to try and get some tax compacts in place to address the issue of comprehensive.

He said, this Supreme Court decision was counted as a major victory for the State of Oklahoma, in February of last year.

During committee discussion a committee member asked Mr. Burghart if the Department would support this bill. Mark Burghart said this bill really does not address the tax compact,

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,

room 519-S, Statehouse, at 11:00 a.m./~~pm~~ on Wednesday, March 18, 1992
but there is a bill in the House HB2735 that would address that. He said, the Department would support HB2735.

Chairman Thiessen concluded the hearing on HB2637 and turned attention to HB2696 and recognized Jolene Grabill, Administrative Assistant-Speaker Pro Tem Office.

HB2696:Child day care assistance income tax credit.

Jolene Grabill, said she was representing Joan Wagnon, Chairman of the House Tax Committee. She said, HB2696 was introduced by Special Committee on Children's Initiatives. She said, the hand-out she passed called "The Business of Children" from the Topeka-Capital Journal in February. She said, this is about a Topeka Company that plans to take advantage of the child care tax credit, The Security Benefit.

She said, Security Benefit will soon have a day care center in their facility, at a cost of \$320,000 in remodeling cost. She said, they want their child care fees to be competitive with the community, so they are going to subsidize as a Company at \$149,000. She said, they estimate they will have a tax benefit under this bill at \$45,000.

She said, this bill is just to eliminate the sunset, and current law it is sunseting, so this bill would remove the sunset and would also add on page 1, lines 23 and 24 "provision of the service of locating such services for such children;" (ATTACHMENT 1)

Marilyn S. Ward, Executive Director, said, DependCare was developed to enable employers a way of offering assistance to their employees in locating child care or elder care. She said, its enhanced services save employees time and worry on the job and allow them to give 100% of their attention to their work. She said, DependCare is a corporate contract and is purchased by employers as an employee benefit.

She said, she felt this service of locating child care for their employees would be an added incentive for KS employers to become involved in such a program. (ATTACHMENT 2)

Chairman Thiessen concluded the hearing on HB2696 and turned attention to HB2811.

HB2811:Change in value of real property for taxation purposes;when

Senator Phil Martin moved to favorably pass HB2811, 2nd by Senator Gerald Karr.

After committee discussion; Senator Martin withdrew his above motion, 2nd by Senator Karr.

Senator Phil Martin moved to amend HB2811 by changing page 1, line 21 from "1992" to "1993" the date to be effective January 1, 1993, 2nd by Senator Jack Steineger. The motion carried.

Senator Phil Martin moved to favorably pass HB2811 as amended, 2nd by Senator Gerald Karr. The motion carried.

Chairman Thiessen turned attention to HB2812 for action.

Senator Phil Martin moved to amend HB2812 back to the original language on lines 18 through 20 and lines 30 and 31, as introduced and delete the new language on lines 26, 27 and 28, and change the date from January 1, 1993 to July 31, 1993, 2nd by Senator Jack Steineger. The motion carried.

After committee discussion;

Senator Phil Martin made a motion to favorably pass HB2812 as amended, 2nd by Senator Steineger. On a division call the motion failed 5-4.

Chairman Dan Thiessen adjourned the meeting at 12:05 p.m.

SENATE ASSES. STAFF
3-18-92
ATT. 1-1

The business of children

Employees welcome child-care center

Debbie Pryer is excited about the plans of her Topeka company to establish a child-care center for employees. Pryer is a secretary for the Security Benefit Group of Companies, headquartered at 700 S.W. Harrison in downtown Topeka. SBG has announced plans to open an employee child care center across the street in late August.

"I wish it were open this summer," Pryer said. "I'm really pleased with the day care I can find. It seems like they're only there to babysit."

Pryer has two girls, ages 6 and 2. Her older daughter is in first grade, while her younger daughter stays with her grandmother.

Joy Bachmann, an equities trader for SBG, also is enthusiastic about her company's day care center plans. Her girls, now in a private day care center, are 3 and 1½ years old.

"There is a problem finding day care," she said. About 75 percent of the 600 SBG employees in Topeka are women, but they aren't the only ones interested in the company child-care center.

Dennis Wiseman, manager of computer operations, has four children. The two not yet in school are a 4-year-old girl and a 3-year-old boy.

Wiseman said his wife quit a good job after their youngest child was born because they had trouble finding quality day care. His wife now works part-time, on Wiseman's days off and evenings, but his wife would like to resume a full-time

The SBG child care center will make that possible. "It's going to be convenient," he said. "We would be able to see each other at night and on weekends again."

Topeka companies, government consider opening child-care centers for employees

Several Topeka companies, and the state of Kansas, are considering opening child-care centers for employees.

That discussion is being coordinated by Thelma Hunter Gordon, a high-ranking SRS official. She is executive community coordinator of the Workforce Development Division.

"If employers look at child care, everybody is going to win," she said.

Gordon, the mother of four adult children, said she had problems finding good, affordable day care when she was younger. She noted that changes in the work place have made child care an increasingly important issue.

In 1950, only 12 percent of married mothers with children under age 6 were in the labor force. The number had risen to 54 percent by 1985, according to the U.S. Department of Labor.

Gordon said a group of private employers began meeting in September to talk about a possible jointly operated child-care center. Several state agencies began discussing the same issue in November.

Private firms that have expressed interest in child care include KPL Gas Service, Hallmark and Jostens. In addition, Stormont-Vail Regional Medical Center and St. Francis Hospital and Medical Center are

considering a jointly operated center for their employees.

Gordon said firms interested in looking at child care first should survey their employees to see if there is a sufficient demand for a child-care center.

Gordon said most private employers don't know that the state has approved tax incentives for firms that start child-care centers for their workers. Businesses can be eligible for a tax credit of 50 percent of the cost of establishing and operating a center.

State agencies meeting include Social and Rehabilitation Services, the Attorney General's office, the Kansas Department of Health and Environment and the Department of Administration.

Gordon said the state agencies are interested in opening a downtown child-care center that would be open to all state workers.

"We want to do that very quickly," she said.

Bills that would allow the establishment of a child-care center for state workers passed the House last year, and is waiting for Senate action. Gordon said Senate hearings on the proposed laws, House bills 2330 and 2332, haven't yet been scheduled.

For more information about employers and child-care centers, call Gordon at 296-3273.



see each other at night and on weekends again."

SBG president Howard Fricke said the center will have a registered nurse and a playground on the north side of the building at 634 S.W. Harrison.

"It's going to be a day care center of the highest quality," he said. "This is not baby sitting. It should be a great learning experience for the child."

SBG has contracted with Menninger to provide the child-care providers.

Menninger opened a child-care center at 5301 S.W. 7th for its employees in January 1989. The center has three aspects: day care for children ages 6 weeks to 5 years, a special-care unit for children with mild illnesses and a summer camp for children ages 5-12.

Older children of employees often work as volunteers at the center during the summer.

The SBG child-care center also will have those three elements.

Kathie Leon, director of the Menninger Child Care Center, said the center has proved to be a wise investment for Menninger.

The special-care unit for ill children alone has saved Menninger about \$28,000 yearly in worker productivity that otherwise would be lost, she said. Reduced employee turnover has translated into about \$50,000 in yearly savings, while reduced sick leave has saved Menninger another \$3,000 yearly.

A publication by the U.S. Department of Labor titled "Employers and Child Care: Benefiting Work and Family," mentioned three nationwide surveys of employers with child care centers or similar benefits.

Some of the key benefits cited by employers were: enhanced recruitment, lower absenteeism, improved morale, lower job turnover rate, improved public image and improved productivity. In one survey of 204 employers, more than three-fourths believed the benefits of their child care programs outweighed the costs.

By Mark Enoch
Photo by Scott Weaver



Tammy Gartner, upper left, watches children during play time at the Menninger Child-Care Center.

Kansas Chamber of Commerce focuses on children

Children's issues no longer are topics just for politicians and social workers.



Cheryl Hayes

The Kansas Chamber of Commerce and Industry focused on children this week during its 1992 caucus at the Ramada Inn Downtown. A Tuesday afternoon Chamber workshop was titled, "Facing the Future of Kansas - Children and Families." So why should business leaders care about children? It is in their economic self interest, according to Cheryl Hayes, executive director of the National Commission on Children. Hayes was one of the workshop speakers.

The 34-member bi-partisan commission, appointed by Congress and President Bush, examined a wide range of children's issues.

Hayes said American corporations spent \$25 billion in 1989 for remedial education of their new employees.

"Employers nationwide are beginning to see the effects of a changing workplace," she said.

That changing workplace includes more female and minority employees. Child care is one issue for many of those workers.

Hayes said employers can do a variety of things to

help their workers with child care, ranging from company child-care centers to child-care subsidies, referrals and flexible work hours.

She provided a few more statistics to show the importance of younger workers:

In 1960, there were about 15 working Americans for each retired employee. Today, there about three workers for each retiree.

That trend makes children even more important as future workers, she said.

Two other speakers at the workshop helped provide the business perspective.

David King, executive vice president of United Telecom-U.S. Sprint in Kansas City, Mo, said the quality of the work force is a key issue for the changing telephone industry. Companies need "people who can read and write and solve problems."

John Moore is senior vice president of Cessna Aircraft, Wichita. He said Cessna easily gets a quality work force, with 400 applications for each job opening.

Moore is concerned about issues such as the quality of life, and how to find future customers.

King said the quality of life for children is vital for one reason.

"I believe it's the survival of our society."

Several youth-oriented groups had exhibits during the Chamber event. The Chamber also published a directory of such groups, which is available to anyone who contacts the Kansas Chamber at 357-6321.



Everywoman's Resource Center
1002 S.W. Garfield, Suite 109
Topeka, Kansas 66604-1309
913-357-0012

TESTIMONY ON HB 2696
PRESENTED TO THE SENATE TAXATION COMMITTEE
MARCH 18, 1992

BY MARILYN S. WARD
EXECUTIVE DIRECTOR
ERC/RESOURCE AND REFERRAL
REPRESENTING AND ERC PROGRAM, DEPENDACARE
AND
THE KANSAS ASSOCIATION OF CHILD CARE RESOURCE AND REFERRAL
AGENCIES (KACCRRA)

My name is Marilyn Ward. I represent ERC/Resource and Referral and more especially ERC's program, DependaCare. DependaCare was developed to enable employers a way of offering assistance to their employees in locating child care or elder care. Its enhanced services save employees time and worry on the job and allow them to give 100% of their attention to their work. DependaCare is a corporate contract and is purchased by employers as an employee benefit. Therefore a tax benefit for employers who provide this service of locating child care for their employees would be an added incentive for Kansas employers to become involved in such a program. I also represent KACCRRA, the statewide organization of child care resource and referral agencies. In supporting House Bill 2696, I speak for KACCRRA representatives from all across the state.

Changes in both today's families and workforce have prompted the need for government support of the family structure and needs. High divorce rates, the depressed economy and the changing role of women in society are making new demands upon employers. Nearly half of all children in Kansas under the age of six have mothers in the work force. Two-thirds of Kansas children between six and eighteen have mothers working outside the home. According to the the U.S. Labor Department the surge of women into the workforce will continue. Women will represent 60% of the labor force growth between now and the year 2000. The private and public sector must work together to ensure quality child care for these children, our most precious resource.

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ATT. 2-1

In most families where there are two parents, both parents are working. In the alternative single parents also must work, so that for one reason or another the majority of parents are in the workforce. In general, companies report that over half their women employees and over a third of the men experience unproductive time on the job resulting directly from child care difficulties. Employers are looking for economically feasible ways to combat these difficulties and avoid the negative impact that these domestic problems can have on the "bottom line". companies.

Reports indicate that companies offering child care benefits either directly or indirectly find that they see substantial improvements in recruitment, absenteeism, morale, job turnover rate and productivity. Your support of House Bill 2696 would give Kansas employers an additional tool in helping to turn our economy around and would be a show of compassion and empathy where Kansas families are concerned.

I urge you to recommend this bill for passage.

Thank you.

How Depend*Care* Works

- Carry this card in your billfold for easy access to telephone numbers.

FOR CHILDCARE INFORMATION
CALL

(913) 357-0012
M - F 8:30 - 4:30

FOR ELDERCARE INFORMATION, ILL
OR HANDICAPPED CALL

(913) 354-5055
1-800-457-5005
M - F 8:30 - 4:30

- Identify your employer.
- State your dependent care needs.
- Our professional resource specialist will furnish you with information.

DependaCare
does not visit facilities nor in
any way attempt to evaluate
their services.

Responsibility for
screening, interviewing and
hiring any provider rests with
individual families.



A JOINT PROJECT OF
EVERYWOMAN'S RESOURCE
CENTER.

(Child Care Referral)

AND



STORMONT-VAIL REGIONAL
MEDICAL CENTER

(ElderCare Referral)

ERC and SV have a common goal . . . to help
people become knowledgeable consumers of
dependent care and to facilitate the match
between the person's needs and the
providers of service.

Printing courtesy of the
Kansas Department of Human Resources.

Dependa*Care*

Employee Brochure



Caregiving

providing care for the physical and emotional needs of a family member or a friend . . .

If you have caregiving responsibilities for a child, older family member or handicapped love one . . .

DependaCare CAN ASSIST YOU!

- Prompt assistance in locating dependent care services
- Referrals to community agencies offering in-home and long term care services.
- Specific information and training on how to select the most appropriate dependent care arrangement.
- Written information, fact sheets, a computer printout, and brochures mailed directly to you - adapted to your specific needs.
- Follow-up by our staff to see if satisfactory dependent care has been found or if additional help is needed.



Child Care

for employees in Topeka and Shawnee County

The DependaCare specialist will:

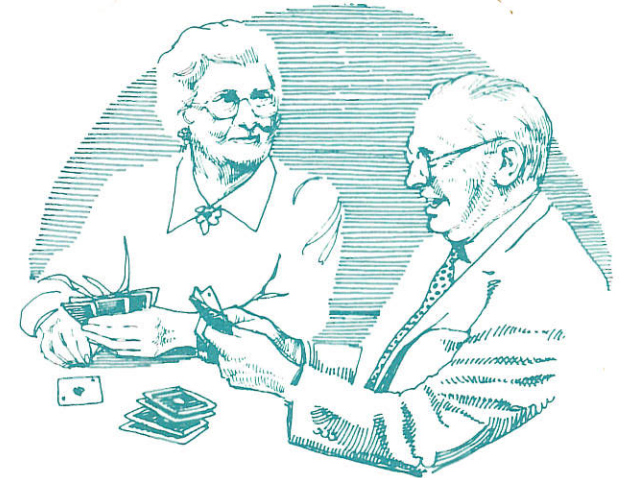
- Answer your call on a dedicated telephone line.
- Match your criteria with available child care providers.
- Check with facilities and providers to locate at least three vacancies (when possible).
- Call you back within 24 working hours.
- Send computer printout with specific names and other printed materials as needed.



Elder Care

The resource specialist will:

- Assist in identifying needs.
- Discuss options and services.
- Make referrals to other agencies or programs within the community.
- Offer information about geriatric case management. A discount for initial assessment for residents of NE Kansas will be offered.
- Send specific printed information as needed.
- Provide national referrals.





KACCRRA Members

Child Care Assn. of Johnson Co.
5750 W. 59th St., Suite 140
Overland Park, KS 66207 913-341-6200

Child Care Assn. of Wichita/Sedgwick Co.
1069 Parklane Office Park
Wichita, KS 67218 316-682-1853

Day Care Connection
7763 Quivira
Lenexa, KS 66216 913-962-2020

Douglas County Child Dev. Assn.
P.O. Box 1373
Lawrence, KS 66044 913-842-9679

Everywoman's Resource Center
1002 S.W. Garfield, Suite 109
Topeka, KS 66604 913-357-5171

First Choice Support Services, Inc.
120 S. Market, Suite 100
Wichita, KS 67202 316-262-2020

Heart of America Family Services
8047 Parallel Parkway
Kansas City, KS 66112 913-788-5791

Kansas Assn. for Child Development
3801 N. 55th
Kansas City, KS 66104 913-287-4162

Kansas University Dependent Care Res. Ser.
111 Carruth O'Leary
Lawrence, KS 66045 913-864-4946

Reno County Child Care Assn.
915 S. Main
Hutchinson, KS 67501 913-669-0291

YWCA of Salina
651 E. Prescott
Salina, KS 67401 913-825-4861

A statewide network of public and private non-profit agencies working collectively and independently to improve:

QUALITY

AVAILABILITY

AFFORDABILITY

of child care across Kansas



Kansas Association of Child Care Resource & Referral Agencies

Serving parents, caregivers
and employers for the
benefit of
children in Kansas

What is KACCRRA?

KACCRRA

is a statewide network of agencies assisting families and child caregivers.

KACCRRA

agencies assist 21,000 families each year in finding child care.

KACCRRA

agencies recruit 2000 new family child care homes each year.

KACCRRA

agencies counsel and provide consumer education materials to parents.

KACCRRA

agencies offer 1000 hours of training for caregivers annually.

KACCRRA

agencies offer a wide variety of support services to caregivers and families, including resource and toy libraries, support groups, phone counseling, newsletters, equipment loan programs, financial assistance, informational literature and much more.



What Are KACCRRA's Goals

- To share information and ideas with child care resource and referral agencies throughout Kansas.

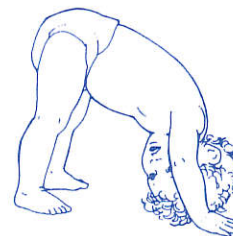


- To provide support and technical assistance to establish child care resource and referral programs across Kansas.
- To assure parental choice of child care in all Kansas communities.



- To advocate for high quality, affordable, accessible care for all Kansas families.

- To provide services to Kansas employers including consulting, child care referral and on-site parenting seminars.



How Does KACCRRA Serve Employers?



- By consulting with employers about the child care needs of their employees and recommending child care options.
- By offering enhanced referral services as an employee benefit.
- By developing child care resources specific to the organization's needs.
- By presenting parenting seminars for employees at the worksite.