

Approved: 2-24-97  
Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on February 17, 1997 in Room 423-S of the Capitol.

All members were present except: Senator Donald Biggs (E)  
Senator Christine Downey (E)

Committee staff present: Raney Gilliland, Legislative Research Department  
Jill Wolters, Revisor of Statutes  
Nancy Kippes, Committee Secretary

Conferees appearing before the committee:  
Dr. James A. Wilson, Trio Research, Inc.

Others attending: See attached list

**SB 149:**                    **Concerning agriculture, creating the Kansas Agricultural Seed Commission**

Hearing on **SB 149** was continued with testimony from Dr. James A. Wilson, Trio Research, Inc., in opposition to the bill (Attachment 1). Dr. Wilson stated his company has taken this position as a result of their interest in surviving as a family corporation. Dr. Wilson said even with the amendments they would suggest, misgivings remain.

Chris Wilson, Director of Member Services of Kansas Seed Industry Association, provided handouts in answer to a question by Senator Downey at last week's hearing on **SB 149** concerning sources of funding which would be available to a seed commission which are not available to the Kansas Seed Industry Association (Attachment 2).

Senator Clark made a motion to table **SB 149**. Senator Corbin seconded the motion. The motion carried.

The meeting was adjourned at 10:35 a.m.

The next meeting is on call of the Chairman.



## TRIO AGAINST BILL 149

Trio Research Inc., a Kansas corporation, has taken a position of being against Bill 149 as a result of our interest in surviving as a family corporation that has been privately funded and developed over the past 15 years. We are not here to dominate with our vested interest but to protect against others doing so.

Even as a small corporation, we believe that we can survive in a free enterprise system given our advanced technology in the area of wheat genetic research and development. However, we continue to be burdened by unnecessary taxes that support our competition: the Kansas State University seed business, a tax-supported business whose products compete directly with ours.

Given the history of the University to use various commissions and organizations to siphon off additional financial support, we are concerned that the proposed commission could become yet another source of tax dollars for the University seed business, especially if they think that more tax dollars would hold back the growing influence of private research and development.

Should Bill 149 survive the Agricultural Committee, at minimum we believe the following amendments must be made:

that article (d) in section 2 be eliminated, which currently provides for a Kansas State University official to have ongoing input into this proposed commission even though the rest of the committee members have term limits.

that under article (b) of Section 1, the membership be changed to include not only seed distributors but also grain producers and private genetic developers.

that under article (g) in section 2 of this bill, that the office of the proposed commission not be in close proximity to Kansas State University to help discourage undue influence of University vested interest and to encourage the independent judgment of the vested interests of the proposed commission.

In spite of these amendments, misgivings remain. A commission of this nature could evolve into a regulatory authority that could threaten the right of private enterprise to not only compete but to prosper in a free market.

*Senate Agriculture  
February 17, 1997  
Attachment 1*



Christina M. Wilson  
Director of Member Services  
4210 Wam-Teau Drive  
Wamego, Kansas 66547  
913-456-9705 phone & fax

February 17, 1997

**TO: Members of the Senate Agriculture Committee**

**RE: S.B. 149, Establishing the Kansas Seed Commission**

Senator Downey asked us to prepare a list of sources of funding which would be available to a seed commission which are not available to KSIA. KSIA is a 501(C)(6) trade, professional, and lobbying organization. As such, there are numerous sources of funding which are available only to governmental instrumentalities and private non-profit 501(c)(3) organizations.

There are basically three types of such funding:

1. Government: Many government grants are available only to government instrumentalities. By being statutorily created, commodity commissions qualify as government instrumentalities. (See attachment.)
2. Foundations: Foundations may grant funds only to tax-exempt organizations in order to protect their tax exemption. Commissions also qualify in this regard, where a 501(c)(6) does not. We have researched foundations which provide grants in areas for which seed commission projects might be submitted. (See attachment.)
3. Corporate giving: Many corporate funds are available only to tax-exempt, non-lobbying organizations.

A commission structure provides optimum flexibility and opportunity to apply for funds available to either government instrumentalities or private non-profit organizations.

In addition, relative to the criticism of the bill by Dr. James Wilson, we have met and propose to amend the bill on page 1, line 43, by inserting a new sentence at the beginning of the line: "Members of the commission shall include representatives of seed product development, distribution and production."

Also, concerning the ex officio membership of the commission, we have consulted with the Director of the Agricultural Products Development Division of the Department of Commerce and Housing. We suggest making the said Director an ex officio member of the commission.

Thank you for your consideration.

*Chris Wilson*

*Senate Agriculture  
Attachment 2  
February 17, 1997  
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FOUNDATIONS WITH A HISTORY OF MAKING NATURAL RESOURCE AND  
AGRICULTURALLY-RELATED GRANTS  
FOR WHICH A SEED COMMISSION WOULD QUALIFY

Ameritech Foundation  
Archer-Daniels-Midland Foundation  
Beldon Fund  
Patrick and Ana M. Cudahy Fund  
The Nathan Cummings Foundation, Inc.  
The Educational Foundations of America  
The Ford Foundation  
Dane G. Hansen Foundation  
W. Alton James Foundation, Inc.  
The Joyce Foundation  
W.K. Kellogg Foundation  
J. Roderick MacArthur Foundation  
Charles Stewart Mott Foundation  
The Samule Roberts Noble Foundation  
Jessie Smith Noyes Foundation  
The Pew Charitable Trusts  
Public Welfare Foundation  
Z. Smith Reynolds Foundation  
Rockefeller Brothers Fund  
The Winthrop Rockefeller Foundation  
Surdna Foundation  
Wallace Genetic Foundation  
General Service Foundation  
The George Gund Foundation  
John D. and Catherine T. MacArthur Foundation  
The Florence and John Schwann Foundation  
The McKnight Foundation  
The Needmor Fund

DEPARTMENT OF AGRICULTURE

Cooperative State Research, Education, and Extension Service

Request for Proposals (RFP): Fund for Rural America Program

AGENCY: Cooperative State Research, Education, and Extension Service, USDA.

ACTION: Announcement of availability of grant funds and request for proposals for the Fund for Rural America Program.

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SUMMARY: The Federal Agriculture Improvement and Reform Act of 1996 established an account in the Treasury of the United States to provide funds for rural development programs and a competitive grant program to support research, education, and extension activities.

This notice pertains only to the competitive grant program for research, education, and extension activities. It identifies eligible participants in the program, the program areas to be supported, and the funding levels for each area; provides instructions for preparing and submitting proposals; and describes the selection process and evaluation criteria to be used to make funding decisions. To obtain program application materials, please contact the Proposal Services Unit, Grants Management Branch; Office of Extramural Programs; USDA/CSREES at (202) 401-5048. When calling the Proposal Services Unit, please indicate that you are requesting forms for the Fund Program. These materials may also be requested via Internet by sending a message with your name, mailing address (not e-mail) and phone number to [psb@reeusda.gov](mailto:psb@reeusda.gov) which states that you want a copy of the application materials for the Fiscal Year 1997 Fund Program. The materials will then be mailed to you (not e-mailed) as quickly as possible.

Planning Grant Applications must be received on or before March 24, 1997. Planning Grant proposals received after March 24, 1997, will not be considered for funding.

Standard Project Grant Applications must be received on or before April 28, 1997. Standard project proposals received after April 28, 1997, will not be considered for funding.

FOR FURTHER INFORMATION CONTACT: Dr. Patrick O'Brien, Cooperative State Research, Education, and Extension Service, U.S. Department of Agriculture, STOP 2240, Washington, D.C. 20250-2240; telephone (202) 401-1761.

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### Part I. General Information

#### A. Legislative Authority

The Fund for Rural America (The Fund), authorized under Section 793 of the Federal Agriculture Improvement and Reform Act of 1996 (FAIR Act) (7 U.S.C. 2204(f)), is established as an account in the Treasury of the United States. The Fund will provide \$100 million in each of three years for rural development programs and a competitive grant program for research, education, and extension activities. Not less than one-third of the funds will be available for research, education, and extension activities, one-third will be available for the Department's rural development programs, and one-third will be allocated between the rural development and research activities according to the Secretary's discretion.

Grants are to be awarded on the basis of merit, quality, and relevance to advancing the purposes of federally supported agricultural research, extension, and education provided in Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended (7 U.S.C. 3101). Section 1402 identifies the following purposes:

- “(1) Enhance the competitiveness of the United States agriculture and food industry in an increasingly competitive world environment;
- (2) Increase the long-term productivity of the United States agriculture and food industry while maintaining and enhancing the natural resource base on which rural America and the United States agricultural economy depend;
- (3) Develop new uses and new products for agricultural commodities, such as alternative fuels, and develop new crops;
- (4) Support agricultural research and extension to promote economic opportunity in rural communities and to meet the increasing demand for information and technology transfer throughout the United States agriculture industry;
- (5) Improve risk management in the United States agriculture industry;
- (6) Improve the safe production and processing of, and adding of value to, United States food and fiber resources using methods that maintain the balance between yield and environmental soundness;
- (7) Support higher education in agriculture to give the next generation of Americans the knowledge, technology, and applications necessary to enhance the competitiveness of United States agriculture; and
- (8) Maintain an adequate, nutritious, and safe supply of food to meet human nutritional needs and requirements.”

Section 793(c)(2)(A) of the FAIR Act authorizes the Secretary to use the Fund for competitive research, education, and extension grants to:

- “(i) Increase international competitiveness, efficiency, and farm profitability;
- (ii) Reduce economic and health risks;
- (iii) Conserve and enhance natural resources;
- (iv) Develop new crops, new crop uses, and new agricultural applications of biotechnology;
- (v) Enhance animal agricultural resources;
- (vi) Preserve plant and animal germplasm;
- (vii) Increase economic opportunities in farming and rural communities; and
- (viii) Expand locally-owned, value-added processing.”

## B. General Definitions

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### C. Eligibility

Proposals may be submitted by Federal research agencies, national laboratories, colleges or universities or research foundations maintained by a college or university, or private research organizations. National laboratories include Federal laboratories that are government-owned contractor-operated or government-owned government-operated. If the applicant is a private organization, documentation must be submitted establishing that the private organization has an established and demonstrated capacity to perform research or technology transfer. A programmatic decision on the eligibility status of the private organization will be made based on the information submitted.

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of Availability of Pollution Prevention Grants.

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SUMMARY: EPA is announcing the availability of approximately \$5 million in fiscal year 1997 grant/cooperative agreement funds under the Pollution Prevention Incentives for States (PPIS) grant program. The grant dollars are targeted at State and Tribal programs that address the reduction or elimination of pollution across all environmental media: air, land, and water. Grants/cooperative agreements will be awarded under the authority of the Pollution Prevention Act of 1990.

FOR FURTHER INFORMATION CONTACT: Your EPA Regional Pollution Prevention Coordinator. Contact names for each Regional Office are listed under Unit VI. of this preamble.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

Approximately \$30 million has been awarded to more than 100 State, Tribal, and regional organizations under EPA's multimedia pollution prevention grant program, since its inception in 1989.

In November 1990, the Pollution Prevention Act of 1990 (the Act) (Pub. L. 101-508) was enacted, establishing as national policy that pollution should be prevented or reduced at the source whenever feasible. Section 6603 of the Act defines source reduction as any practice that:

- (1) Reduces the amount of any hazardous substance, pollutant, or

contaminant entering any waste stream or otherwise released into the environment (including fugitive emissions) prior to recycling, treatment, or disposal.

(2) Reduces the hazards to public health and the environment associated with the release of such substances, pollutants, or contaminants.

EPA further defines pollution prevention as the use of other practices that reduce or eliminate the creation of pollutants through increased efficiency in the use of raw materials, energy, water, or other resources, or protection of natural resources, or protection of natural resources by conservation.

Section 6605 of the Act authorizes EPA to make matching grants to States

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to promote the use of source reduction techniques by businesses. In evaluating grant applications, the Act directs EPA to consider whether the proposed State program will:

(1) Make technical assistance available to businesses seeking information about source reduction opportunities, including funding for experts to provide onsite technical advice and to assist in the development of source reduction plans.

(2) Target assistance to businesses for which lack of information is an impediment to source reduction.

(3) Provide training in source reduction techniques.

In addition to this grant making authority, the Act authorized EPA to establish a national source reduction clearinghouse and expanded EPA's authorities to collect data to better track source reduction activities. The Act also requires EPA to report periodically to Congress on EPA progress in implementing the Act.

In June 1996, EPA published the Pollution Prevention Incentives for States Assessment Study. The study documents the full range of activities funded by the PPIS grant program during its first 5 years. It represents an accounting of how grantees used EPA funds to stimulate and enhance pollution prevention awareness and initiatives throughout the country. For a copy of the report, including the Executive Summary, contact the Pollution Prevention Information Clearinghouse at 202-260-1023.

## II. Availability of FY 97 Funds

With this publication, EPA is announcing the availability of approximately \$5 million in grant/cooperative agreement funds for FY 1997. The Agency has delegated grant making authority to the EPA Regional offices. Regional offices are responsible for the solicitation

of interest, the screening of proposals, and the actual selection of awards. PPIS grant guidance will be provided to all applicants along with any supplementary information the Regions may wish to provide.

All applicants must address the national program criteria listed under Unit V.2. of this document. In addition, applicants may be required to meet any supplemental Regional criteria. Interested applicants should contact their Regional Pollution Prevention Coordinator for more information.

### III. Catalogue of Federal Domestic Assistance

The number assigned to the PPIS program in the Catalogue of Federal Domestic Assistance is 66.708 (formerly 66.900).

### IV. Matching Requirements

Organizations receiving pollution prevention grant funds are required to match Federal funds by at least 50 percent. For example, the Federal government will provide half of the total allowable cost of the project, and the State will provide the other half. A grant request for \$100,000 would support a total allowable project cost of \$200,000, with the State also providing \$100,000. State contributions may include dollars, in-kind goods and services, and/or third party contributions.

### V. Eligibility

1. Applicants. In accordance with the Act, eligible applicants for purposes of funding under this grant program include the 50 States, the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, any territory or possession of the United States, any agency or instrumentality of a State including State universities, and all Federally recognized Native American tribes. For convenience, the term "State" in this notice refers to all eligible applicants. Local governments, private universities, private nonprofit entities, private businesses, and individuals are not eligible. The organizations excluded from applying directly are encouraged to work with eligible applicants in developing proposals that include them as participants in the projects. EPA strongly encourages this type of cooperative arrangement.

2. Activities and criteria.--(i) General. The purpose of the PPIS grant program is to support the establishment and expansion of State, Regional, Tribal, or local multimedia pollution prevention programs. EPA specifically seeks to build State pollution prevention capabilities or to test, at the State level, innovative pollution prevention approaches and methodologies.

②

Description - Grants for establishing and operating centers for rural technology or cooperative development for the primary purpose of improving the economic condition of rural areas by promoting the development and commercialization of new products and services that can be produced or provided in rural areas, new processes that can be used in the production of products in rural areas, and new enterprises or cooperatives that can add value to on-farm production through processing or marketing.

Who Makes the Grant?

The Rural Business - Cooperative Service, USDA.

Who Is Eligible?

Private nonprofit institutions, awarded competitively.

Grant Amount

No limit.

Other Criteria

Applications are solicited annually and scored according to defined selection criteria, including likelihood of project being effective, innovativeness, applicant experience, transferability of project to other rural areas, ability to improve economic conditions, geographical distribution, and interagency cooperation.

Timeframes for

Turn Around

FY 1996 applications are due May 10; scoring, ranking, and selection of grants will be made in August 1996.

FY 1996

Funding Level>

\$1.33 Million

## RURAL BUSINESS ENTERPRISE GRANTS

Description - Grants to facilitate development of small and emerging business enterprises in rural areas. Use of grant funds may include acquisition and development of land and the construction of buildings, plants, equipment, access roads, parking areas, and utility extensions; refinancing; fees; technical assistant and training; working capital; financial assistance to third parties; production of television programs to provide information to rural residents; and distance learning networks.

②

Who Makes  
the Grant?

Rural Business - Cooperative Service, USDA

Who Is  
Eligible?

Public bodies, private nonprofit corporations, and Federally  
recognized Indian Tribal  
Groups.

Grant Amount

Based on need and available appropriated funds.

Other Criteria

Applicants for grants to establish a revolving loan fund must  
include detail on the applicant's  
experience operating a revolving loan program, proposed  
projects, applicant's financial  
ability to operate a revolving fund, and plans for leveraging. All  
community projects funded  
are subject to an environmental assessment in accordance with  
the National Environmental  
Policy Act.

FY 1996  
Funding  
Level

\$45 Million

