

Approved: 2-17-97
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Senator Lana Oleen at 11:00 a.m. on February 3, 1997 in Room 254-E of the Capitol.

All members were present.

Committee staff present: Mary Galligan, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Midge Donohue, Committee Secretary

Conferees appearing before the committee:
Daniel R. Stanley, Jr., Secretary of Administration

Others attending: See attached list.

Senator Oleen announced that bills previously heard would be worked Thursday, instead of today as the agenda indicated.

Senator Oleen advised that Senator Gooch's request for information pertaining to the composition of employees of the Kansas Lottery had been answered by Mr. Ziemak, the Executive Director, and the information made available to Senator Gooch, along with the number of retailers in Sedgwick County. She said she would be happy to share this information and, if other committee members are interested in the number of retailers in their respective districts, the information is easily generated and can be obtained by calling Mr. Ziemak.

The following were made available to the committee: a summary of the Legislative Post Audit findings in a review of operations of the Board of Indigent Defense Services and the fiscal note on **SB 28**, recoupment of expenditures to provide counsel and other defense services to indigent defendants.

In regard to testimony on **SB 29**, accessible parking for the disabled, which was heard by the committee on January 28, Senator Oleen advised that additional written testimony had been received from the following and would be a part of the official record: Gary L. Robbins, Kansas Optometric Association (Attachment #1); letter to Bob Burke, Shawnee County District Attorney's Office, from Donald L. Kearns, Director of Parking, University of Kansas (Attachment #2); Harold Riehm, Executive Director of the Kansas Association of Osteopathic Medicine (Attachment #3); Meg Henson, Director of Government Affairs, Kansas Medical Society (Attachment #4); Ms. Sherry C. Diel, Deputy Director, Kansas Advocacy and Protective Services, Inc. (Attachment #5).

Committee members were also given fiscal notes on **SB 69**, pertaining to contraband in correctional institutions, and **SB 71**, concerning treatment of inmates, which were prepared by the Division of Budget.

Confirmation hearing on Daniel R. Stanley, Jr., Secretary of Administration

Senator Oleen called attention to information on Mr. Stanley which was provided to each committee member in the Appointments Questionnaire from the Office of the Governor and the resume attached.

Senator Oleen welcomed Mr. Stanley who thanked the committee for taking the time to consider his appointment and said it was an honor to be back in his home state. He related his background, stressing that service has always been an important part of his life and he was honored to have been asked to continue that service in his present capacity. He described himself as fiscally conservative and a tough manager with a service and customer oriented philosophy which he brought to the Department of Administration when he was appointed November 11, 1996.

After summarizing his background, he explained the composition of the Department of Administration which

CONTINUATION SHEET

MINUTES OF THE SENATE FEDERAL & STATE AFFAIRS COMMITTEE, Room 254-E- Statehouse, at 11:00 a.m. on February 3, 1997.

has approximately 800 employees and pointed out its widely diverse functions. In addition to the responsibilities attached to the Secretary of Administration position, he said he is assigned to 27 boards and commissions, 20 of which are set by statute.

Several committee members were highly complimentary in their comments concerning the cooperation, service and assistance they had received from Mr. Stanley when working with him prior to his appointment and indicated they were pleased with his decision to accept the position.

Senator Becker made the motion that the appointment of Mr. Stanley be favorably recommended to the full Senate; Senator Harrington seconded the motion which carried by unanimous voice vote.

Mary Galligan presented a staff briefing on the Economic Development Initiative Fund (Attachment #6) which included information regarding who is responsible for gambling revenue in Kansas, how gambling revenue is distributed, figures on gambling revenue collected, and the number of jobs generated by the legalization of gambling in Kansas. She discussed statutory requirements of the State Gaming Revenue Fund and provided information on racing and parimutuel finances, as well as information on the handles of live horse and dog races.

Information on expenditures from the Fund, along with a listing by agency of approved allocations from the Fund (Attachment #7), was also provided to the committee. Other information made available were excerpts from the Governor's Budget Report, Recommendations and Budget Schedules for FY 98, (Attachment #8) regarding EDIF, along with maps reflecting, by county, EDIF expenditures and Lottery sales (Attachment #9).

Senator Becker moved that the minutes of the January 27 meeting be approved. Senator Schraad seconded the motion and the minutes were approved.

The meeting adjourned at 12:05; the next meeting is scheduled for February 4.

SENATE FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: 2-3-97

NAME	REPRESENTING
Mark Barcellina	KDOCAH
My Henson	KS Medical Society
Bob Burke	SW Co. District Attorney
Vern Dorwood	KDOA
Lori Rost	KTEC
DAN STANLEY	DoA
Betty M. Vines	KAPE
Pam Evans	Kansas Lottery
Patricia SAWALTER	LOUIS
Leslie Kaufman	Ks Farm Bureau
Amy Campbell	R. Rice, Law Office
Gary Robbins	KS Opt Assn
Dave Polue	KS Council on Voc Ed
Kelly Kultala	City of OP

Kansas Optometric Association

1266 SW Topeka Blvd., Topeka, KS 66612
913-232-0225

February 3, 1997

TO: SENATOR LANA OLEEN, CHAIR
MEMBERS OF THE FEDERAL AND STATE AFFAIRS COMMITTEE

FROM: GARY L. ROBBINS, CAE

RE: SENATE BILL 29

We have some concerns about the confidentiality of patient records aspect of this legislation. We would request that Section 7 be deleted from this legislation for the reasons outlined in our testimony. As I testified, I strongly believe that this is a serious matter which requires education of all the parties involved.

After conferring with the Kansas Medical Society and Kansas Association of Osteopathic Medicine, we have all agreed to initiate educational efforts among our memberships to address potential problems. We also want to be sure that those who truly need disabled parking privileges receive them. We are offering a three-step educational approach with our members. First, we will include educational articles in our publications. Second, we will encourage our local societies and specialty organizations to discuss the issue at future meetings. Third, we will discuss this issue when we offer educational seminars for our members.

In addition, the Kansas Medical Society and the Kansas Optometric Association are willing to offer the services of our public relations directors to develop appropriate educational news releases for the public. We would be pleased to work with the organizations representing the interests of the disabled, law enforcement and the Director of Vehicles Office in developing news stories regarding disabled parking issues which would be used during law enforcement recognition activities and public awareness efforts.

cc Interested Organizations



Affiliated with
American Optometric Association

Sen. Federal & State Affairs Comm.
Date: 2-3-97
Attachment: #1

The University of Kansas

Parking Department

January 31, 1997

Bob Burke
c/o Shawnee County
District Attorney's Office
Topeka, KS

Re: **Senate Bill 29.**

Dear Bob,

It is my understanding that Senate Bill 29 is now being considered by the Kansas Legislature. This bill would allow enforcement officers to contact medical providers to verify that an individual using a handicap placard is indeed a patient of the medical provider. I believe that the limited freedom allowed by this legislation would help end - or at least curtail - the handicap placard abuse which currently takes place.

Please be advised that I am in full and complete support of Senate Bill 29. I look forward to hearing from you soon regarding the status of this legislation.

Sincerely,



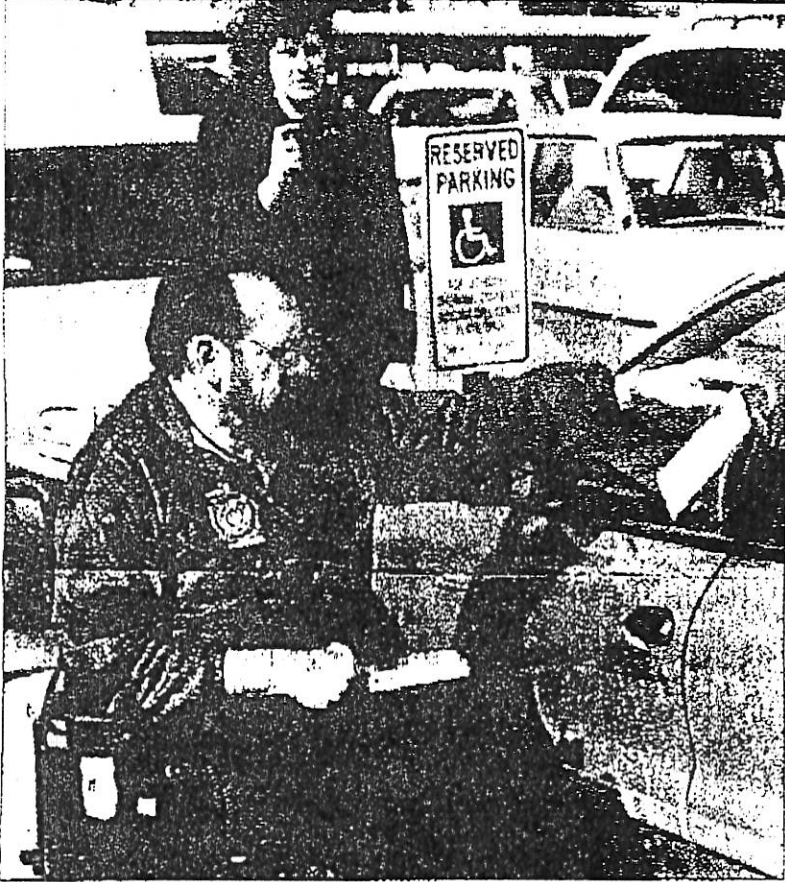
Donald L. Keams,
Director of Parking

DLK:mbo

USA Today 2-8-96

Curbing parking cheats

Fraudulent placards becoming big business



Patrol Harlon and Sandra Cauthron issue citations in Phoenix. They work through the fire department because under state law, police can't go onto private property except to investigate a felony

EASY TO GET DOCTORS FINE

COVER STORY 2-8-96

USA TODAY

'This is a national problem'

Continued from 1A

In lost meter money; in San Francisco, it's in the millions. Cities and states are fighting back, stiffening penalties and creating citizen patrols — many manned by disabled volunteers — to ferret out cheaters.

"This is a national problem," says John Newlin, head of San Francisco's parking department, which in the last two years has seized almost 1,000 illegal blue-and-white placards. "We've found nuns using them illegally, attorneys using ones that belonged to clients, and multimillionaires using placards that belonged to their deceased wives."

Abuse of handicapped parking seems to have taken off since 1991, when placard use was adopted. Unlike handicapped license plates, placards follow the disabled person from car to car. Regulations vary from state to state. But typically, an applicant needs little more than a doctor's note certifying the person cannot walk 200 feet unassisted or without stopping to rest.

The bulk of the abuse is from family members. Many other fudge applications. As a result, states are taking action:

- ▶ Last year in Michigan, a new law upped fines from \$100 to \$500 (and a possible 30 days in jail) for anyone making false statements to get a handicapped parking permit. The law also applies to doctors who knowingly sign such applications.
- ▶ Louisiana bumped fines from \$100 to \$300 last year. Doctors who falsely certify applications can be fined \$1,000 and serve up to 90 days in jail.
- ▶ On Jan. 1, Illinois raised minimum fines from \$50 to \$100. Cities can increase that to \$200. Officials are looking into adding photos or other information to placards to combat abuse.
- ▶ Last fall, Texas made repeat offenders subject to \$500 in penalties and 100 hours of community service. Communities have started citizen patrols. The first, in Austin, has generated \$10,000 in fines since Sept. 1.

A common complaint is that doctors certify applicants for handicapped permits too easily. "A lot of places, if you're over 65, they'll sign it," says Pat Johnson of the Jefferson Parish Office for Citizens with Disabilities in New Orleans' suburbs.

But Richard Corlin, a board member of the American Medical Association, says if doctors do agree too readily it's usually because they don't know the legal criteria in their state. "Nobody likes to say no to a patient," he says, "but there comes a time when it's the physician's responsibility to say, 'I'm sorry, the regulations do not provide for this.'"

In Iowa City, primary care doctor Oscar Bensley says patients do occasionally pressure doctors. "And you get into fringe areas with the bad weather. It shouldn't influence you, but sometimes it does if there are multiple things wrong with a patient, they're old or have a history of fall," he says.

Using civilians to enforce handicapped parking, rather than overworked police, is the latest trend. In Phoenix, Harlon and Sandra Cauthron, both disabled, developed a patrol program in 1989. They work through the Phoenix Fire Department because under state law, police can't go onto private property uninvited, except to investigate a felony.

The other day, in front of a Phoenix K-Mart, Harlon Cauthron went up to a small car parked without a placard or special license plate in a handicapped zone. As he wrote a \$53 ticket, the woman behind the wheel, who had been waiting for her uncle, angrily backed up toward him.

Cauthron banged his hand hard on the car trunk and she stopped. "She was going to back over me," he said.

Verna Spayth, state organizer for ADAPT/Michigan, an advocacy group, says she'll never forget one summer day in 1994. She and a friend had blocked a man into the space he'd occupied illegally and were waiting for police to arrive.

But she says the man slammed his car into reverse, bowling over both their electric carts and nearly crushing them. "People just don't seem to care any more," Spayth says.

The 1990 Census says 4.3% of Americans define themselves as mobility impaired. Advocates for the disabled say hundreds of major disabilities are not visible. Still, the growth of placards in recent years can't be accounted for by legitimate users.

In Massachusetts, the number grew 600% to 70,000 in four years. In the same period, the state's population grew less than 1%. In Florida, the number exploded 47% in a single year, with 1.5 million in force in 1995 — a number many doubt can be attributed to the state's elderly population.

Similarly, in Texas the number jumped 214% between 1993 and 1995. In Illinois, it rose 139% in four years. Officials say they are seeing similar patterns in other states. Even in relatively rural Colorado, placard use rose 58% in four years while the state's population increased 8%.

"The abuse is infuriating to many who really need the spaces," says Karen Tamley, a Denver disabled advocate and a paraplegic. "I've seen way too many people who look way too healthy to me using those spaces."

Officials say they don't have time or money to monitor fraud. "The placards only cost \$1.25," says Paul Natale of Colorado's Motor Vehicles Division. "You'd have to have a police

COVER STORY

Handicapped parking abuse mushrooms

'We've found nuns using them illegally, attorneys using ones that are clients'

By Mark Potok
USA TODAY

Skulking in the shadows of Chicago's City Hall, furive young men rent out handicapped parking placards for as much as \$50 an hour.

In Houston, phony placards, which allow people to park in spaces reserved for the disabled, commonly are sold in grocery store parking lots.

And in Boston, a gang was using a computer, a laser printer and a stolen placard to produce counterfeit.

In many places, handicapped placards, hung from rear-view mirrors, allow free parking at meters as well as prime parking spots outside public buildings. And across the country, fraudulent use of these placards is on the rise.

In urban areas, where parking is at a premium, the problem means less revenue for cities. Tampa, Fla., officials estimate handicap permit fraud costs the city \$280,000 a year.

...theaters... every one of them...
In New York City, where a private parking space can be worth tens of thousands of dollars a year, city-issued disabled permits allow parking almost anywhere. That's made handicapped placards so desirable that applicants must see a city health department doctor to verify disabilities.
The result: In a city of 7.5 million, says parking director Larry Relly, just 5,000 people have qualified for the permits.

THURSDAY, FEBRUARY 8, 1996

NY City



Please see COVER STORY next page

Kansas Association of Osteopathic Medicine

Harold E. Riehm, Executive Director

1260 S.W. Topeka Blvd.
Topeka, Kansas 66612
(913) 234-5563
(913) 234-5564 Fax

February 03, 1997

To:  Sen. Lana Oleen, Chairperson, Senate Federal & State Affairs Committee
From:  Harold Riehm, Executive Director, KS Association of Osteopathic Medicine
Subject: Testimony (Written) on S.B. 29

I regret being unable to testify on S.B. 29 at the time you held hearings last week.

For those I represent, though, I do want to express our concern about the patient records confidential provisions found in Sec. 7 of the Bill. Our concerns parallel those presented in testimony of The Kansas Medical Society.

I have talked with representatives of KMS and The Kansas Optometric Association and we have agreed to make a major, three-part public relations effort to inform our members of the concerns which prompted Sec. 7 provisions in this Bill and to encourage them to be especially attentive to determination of patient eligibility for disability designation.

We respectfully suggest that this approach be given a try, in lieu of the provision in Sec. 7 which we think an inappropriate approach endangering the importance of the confidentiality of patient records.

Thank you for this opportunity to express this late comment on S.B. 29.


Sen. Federal & State Affairs Comm
Date: 2-3-97
Attachment: #3



KANSAS MEDICAL SOCIETY

January 31, 1997

To: Senate Federal and State Affairs Committee

From: Meg Henson 
Director of Government Affairs

Subject: SB 29 - Accessible Parking

The Kansas Medical Society would like to again express its concerns with proposed changes included in Senate Bill 29, relating to accessible parking permits. KMS has questions about whether this language, contained in Section 7 of the bill, solves the problems that the bill's advocates are trying to address. This language allows any law enforcement official to obtain otherwise confidential information without a court order. We ask that the law not be changed in this area; there are too many questions left unanswered and problems associated with the amendments as currently written.

Confidentiality

KMS has concerns that the changes proposed would jeopardize the confidentiality of the information requested by law enforcement. We believe that information contained in patients' medical records should only be released to other entities if state law requires it or after the patient has given consent. This bill would place physicians in a difficult position, with law enforcement asking for information contained in the medical records but without a written authorization by their patients to disclose such information.

"Chilling Effect"

If physicians are constantly questioned by law enforcement officials, they might become so frustrated that they would refuse to authorize any devices, even to their patients who legitimately qualify for them. The time spent answering inquiries from these officials could be substantial. Consider the following: An individual in Johnson County parks in handicapped parking spaces in Leawood, Overland Park, Olathe and Prairie Village in the course of a week. Four different people call to report that the individual appears not to qualify for a permit. Four law enforcement officials contact the same physician about the same patient. If physicians are required to deal with too many instances like this, they will probably not authorize the use of any devices whatsoever, which is not the intent of this legislation.

Will This Solve the Problem?

No one disputes that a problem exists. But what causes this problem? How many people are using relatives' tags? How many people are using expired tags, which can easily be determined by

checking the date on the tag? How many people legitimately need these permits but whose condition is not readily apparent? No data has been presented on this issue. KMS does not think that shifting the burden to physicians to check their patients' records will stop, or even reduce the frequency of these occurrences.

As we stated at the committee hearing on Tuesday, KMS suggests inserting language into the law requiring permit applications to include language spelling out the penalties of falsely signing a physician's name (see attached sheet). This will educate physicians think twice before falsely authorizing these devices.

KMS pledges to educate its members on the current law in this area, including penalties for noncompliance. An article will appear in the February edition of *Kansas Physician*, our newsletter.

Thank you for your consideration of this issue. Please contact me with any questions or comments you might have.

KAPS

KANSAS ADVOCACY & PROTECTIVE SERVICES, INC.

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Martha Blue-Banning
Jane Rhys
Kate Shaer

Reply To: Topeka Office

January 29, 1997

TO: Members of Senate Federal and State Affairs Committee
RE: SB 29--Proposed Amendments to the Accessible Parking Act

Kansas Advocacy & Protective Services, Inc. (KAPS) is a federally funded non-profit corporation. Our Agency serves as the designated protection and advocacy agency for persons with disabilities for the state of Kansas. Each state and territory in the United States has a similar type organization. Our role is to advocate for the rights of persons with disabilities.

KAPS' Services

KAPS currently administers four federal programs:

(1) Protection and Advocacy for Individuals with Developmental Disabilities (PADD). The PADD Program serves persons who have a life-long disability which manifests itself prior to age 22 and impairs three (3) out of seven (7) life activities including mobility, learning, ability to live independently, language, economic self-sufficiency, self care and self-direction;

(2) Protection and Advocacy for Individuals with Mental Illness (PAIMI). The PAIMI Program serves persons with mental illness who are in 24-hour residential facilities or if an issue arises within 90 days of the person's discharge from the residential facility;

(3) Protection and Advocacy for Individual Rights (PAIR). The PAIR Program is the "catch-all" program. The PAIR Program can serve anyone with a life-long disability who is not eligible for services under either PADD or PAIMI. Because KAPS obviously does not have the staff or funding to serve this large population base, our priorities are generally limited to Americans with Disabilities Act issues, particularly, access to state and local governmental services and access to public accommodations.

Sen. Federal & State Affairs Comm.
Date: *2-3-97*
Attachment #: *5*

(4) Protection and Advocacy for Assistive Technology (PAAT). The PAAT Program is administered by the University Affiliated Program at Parsons. KAPS performs the legal advocacy component of the program to advocate for persons with disabilities to obtain assistive technology from public or private funding sources so that they can live, work and recreate independently in the community.

Each program has a different federal funding source. We average approximately 130 requests for assistance per month. KAPS limits the number of cases accepted for representation based upon program priorities which are developed annually based upon public comment and feedback. KAPS provides information, legal advice and referrals to those persons whose situation does not fall within one of the program priorities. For those cases which KAPS accepts for representation KAPS is authorized by federal law to pursue resolution of disputes through use of legal, administrative and other appropriate remedies.

KAPS' Position on SB 29

Overall, KAPS supports the premise of SB 29. We believe that there is a significant amount of abuse concerning access to, and the use of, handicapped placards and accessible parking spaces. We support the use of increased fines for abuses of the system. For example, a family member of a person with a disability who uses the handicapped placard or license plate improperly by parking in an accessible space should be subject to a fine when they are not transporting or picking up a person with a disability. The addition of placing any snow and debris in an accessible space is also an excellent addition to the law.

We would urge the Committee to consider the proposed amendments submitted by the Committee On The Status of Persons With Disabilities. The Wichita organization's comments were well-reasoned and based on careful thought. Many times, items other than snow or debris are placed in accessible parking spaces; therefore, we concur with request for the addition of [page 5, line 40] "or any other items". Meter parking personnel have limited authority to issue parking violations; consequently, the recommended addition of "or any other duly authorized municipal officials" [page 6, line 5] to this section may step up enforcement of abuses. KAPS also urges this Committee to consider the addition of a new section to SB 29 setting forth a penalty for those places of public accommodation who fail to provide accessible parking and required signage. Enforcement of such violations should not be left only in the hands of building and zoning officials. Businesses may decide that its cheaper to correct the deficiencies rather than face the possibility of significant penalties being imposed for recurrent violations.

We would also encourage the Committee to consider the concerns raised by the Kansas Medical Society regarding confidentiality of medical records/information. Medical information should only be disclosed by a physician to law enforcement personnel based upon an authorization from the person with the disability or by subpoena. As SB 29 is currently written, physicians may be placed in an ethical dilemma if law enforcement personnel may contact them, without notice, to obtain

January 29, 1997

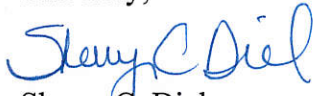
Page 3

information for enforcement purposes. KAPS also was encouraged by the Kansas Medical Society's willingness to educate its members as to the abuses which are allegedly occurring with respect to improper certifications. Also, the recommendation that the application form contain a statement warning physicians and other persons authorized to complete certifications of the penalties for falsification of information is a sound idea.

KAPS realizes that fixing the "holes" which allow for abuses of accessible parking privileges is difficult. We encourage the Committee to keep in mind that disabilities are not always visible to the passing motorist. Any action taken by this Committee with respect to eliminating methods of abusing the system should be handled in a manner which has no detrimental effect on those persons with disabilities and their families who properly use the privilege.

Thank you for consideration of our comments. If any of the Committee members have questions or comments, please do not hesitate to contact me.

Sincerely,



Sherry C. Diel
Deputy Director

September 10, 1996

GAMBLING REVENUE

Who is Responsible for Gambling Revenue in Kansas?

Kansas statutes provide for collection and allocation of revenue from three types of gambling: bingo, parimutuel wagering on dog and horse races, and the Kansas Lottery. Bingo license fees and tax receipts are collected by the Department of Revenue. Taxes and fees related to parimutuel wagering are collected by the Kansas Racing and Gaming Commission, and lottery revenue is collected by the Kansas Lottery. The Secretary of Revenue, members of the Lottery and Racing and Gaming commissions, and the directors of the Lottery and Racing and Gaming Commission are all appointed by the Governor.

In 1995, casino gambling was legalized at tribal casinos on four Indian reservations located in the state. All revenue from those enterprises accrues to the tribe that operates the casino. The state is reimbursed by the tribes for expenses it incurs fulfilling its responsibilities under tribal/state gaming compacts that authorize tribal casinos. Revenue received by the state under provisions of the compacts supports the state gaming agency, which is attached to the Racing and Gaming Commission. Since state receipts from tribal gambling operations are reimbursements for expenses, they are not discussed in this memorandum.

Does All Kansas Gambling Revenue Go Into the Same Account?

No. Revenue from each type of gambling is distributed slightly differently.

Bingo license and registration fees and taxes are all remitted by the Secretary of Revenue to the State Treasurer. License and registration fees are credited to the Bingo Regulation Fund. Bingo tax revenue is divided equally between the State Bingo Regulation Fund, the County and City Bingo Tax Fund, and the State General Fund. The State Bingo Regulation Fund finances enforcement of bingo laws by the Department of Revenue. Revenue to the County and City Bingo Tax Fund is returned to those counties and cities in which bingo licensees are located. Those funds are to be used to assist in enforcement of state bingo laws. (K.S.A. 79-4710)

Receipts from the sale of lottery tickets are deposited by the Executive Director of the Kansas Lottery in the Lottery Operating Fund in the state treasury. Statutorily, moneys in that Fund are used to support operation of the Lottery; pay prizes to lottery winners (*via* a transfer to the Lottery Prize Payment Fund); and provide funding for correctional and juvenile facilities, and economic development *via* the State Gaming Revenues Fund (SGRF). Not less than 45 percent of net monthly receipts from the sale of lottery tickets must be awarded as prizes. Not less than 30 percent of net monthly receipts from the sale of lottery tickets must be credited to the SGRF. (As required by appropriation act, in FY 1997 not less than 30.75 percent must

be credited to the SGRF.) The remainder may be used to operate the Lottery and to pay a fee to merchants who sell lottery tickets.

Other transfers of lottery revenue have been made over the years. During the first year of Lottery operation, FY 1988, a statutorily required transfer was made from the Lottery Operating Fund to repay to the State General Fund the amount utilized to establish the Lottery. (K.S.A. 74-8712) In FY 1989 a transfer was made from the Lottery Operating Fund directly to the County Reappraisal Fund. (Those funds were in addition to amounts transferred from the SGRF to cover a portion of the cost of statewide reappraisal. See discussion of transfers from the SGRF below.) In every year since FY 1993, transfers have been made from the Lottery Operating Fund to the Kansas Bureau of Investigation (KBI) for the purpose of financing the KBI's gaming investigation unit.

The *Kansas Constitution* requires that the parimutuel tax cannot be less than 3 percent, nor more than 6 percent of the total amount wagered. The Parimutuel Racing Act establishes the tax on the amount wagered daily at Kansas tracks. The parimutuel tax is a 3/18 of the takeout¹ from parimutuel pools on live horse races at any track and for the first four years of live greyhound racing and wagering at a greyhound-only track. In the fifth and subsequent years of live greyhound racing and wagering at a greyhound-only track, the tax is 3/18 of the first \$400,000 wagered, 4/18 of the next \$200,000 wagered, and 5/18 of any amounts wagered in excess of \$600,000. For dual horse-dog racetracks the tax rate is 3/18 of the takeout from wagers on live greyhound races for the first seven years of greyhound racing with wagering. In the eighth and subsequent years the tax rate is 3/18 of the first \$600,000 wagered, 4/18 of the next \$200,000 wagered, and 5/18 of any amounts in excess of \$800,000. The parimutuel tax on all simulcast races, regardless of whether they are horse or greyhound races, is 3/18 of takeout.

In addition to the parimutuel wagering tax, a 10 percent tax is imposed on admission fees to tracks. An additional 20 cent admission tax is imposed on admission to tracks exempt from *ad valorem* property taxes.

With three exceptions, all taxes on parimutuel wagering, admission tax, application fees, license fees, and fines collected by the Kansas Racing and Gaming Commission are credited to

¹ Takeout is statutorily defined as the total amount of money withheld from each parimutuel pool (the amount wagered) for payment of purses, taxes and the share to be kept by the organization licensee (nonprofit organization licensed to conduct races). Takeout does not include breakage (odd cents by which the amount payable on each dollar wagered exceeds \$.10, or other number of cents as required by law of the host jurisdiction in the case of interstate wagering pools). After deduction of takeout, the balance of each pool, less breakage, is distributed to holders of winning parimutuel tickets.

The amount of takeout is calculated as follows: After wagering has been closed for each live race conducted by the licensee, the organization licensee may deduct an amount not exceeding 18 percent of each parimutuel pool and pay the balance, less the breakage, to holders of winning tickets for that pool in accordance with procedures authorized by the commission. The commission may authorize a higher amount not exceeding 22 percent to be deducted from the total amount wagered in parimutuel pools for multiple and exotic bets.

the State Racing Fund. The exceptions are: the additional \$.20 admission tax² (K.S.A. 74-8824); investigation fees which are collected from certain license applicants to cover the cost of background investigations (K.S.A. 74-8827); and one-third of the parimutuel tax collected on the takeout from simulcast races (K.S.A. 74-8838), which is used to finance certain expenses associated with horse racing at county fairs.

Expenditures are made from the State Racing Fund to operate the Racing and Gaming Commission.³ As required by statute, a transfer was made from the State Racing Fund to repay the State General Fund for amounts expended to establish and operate the Commission prior to realization of any revenue to the Fund. Amounts in the Racing Fund in excess of those needed to operate the Commission are transferred monthly to the SGRF. (K.S.A. 74-8826) In addition, transfers have been made from the Racing Fund to finance the KBI's Gaming Unit every year since FY 1990.

Breakage and unclaimed winnings from live and simulcast horse races are collected by the Commission and credited to the Kansas Horse Breeding Development Fund in the state treasury. (Breakage is the odd cents by which the amount payable on each dollar wagered in a parimutuel pool exceeds a multiple of \$.10.) The Horse Breeding Development Fund is used to provide:

- purse supplements to owners of Kansas-bred horses;
- stakes and awards to owners of winning Kansas-bred horses in certain races;
- a stallion award to each owner of a Kansas-registered stallion which is the sire of a Kansas-bred horse that wins any race conducted at a Kansas race meeting;
- a breeder's award to each owner of a Kansas-registered mare that is the dame of a Kansas-bred horse that wins any race conducted at a Kansas race meeting; and
- funds for equine research through institutions of higher education under the State Board of Regents. (K.S.A.'s 74-8821 and 74-8822)

² The additional admission tax is allocated to cities and counties in which racetracks subject to the tax are located. The county in which such a track is located gets one-half of the amount collected at that track and the city in which the track is located gets the other one-half. For tracks that are not located in a city, the county gets the whole amount. Neither Wichita Greyhound Park nor the Woodlands are subject to the admission tax. The tax has been collected only at Anthony Downs and Eureka Downs.

³ The 1996 Legislature created the State Gaming Agency and attached it to the Racing Commission for certain administrative purposes. The same legislation changed the Commission's name to Racing and Gaming Commission. The State Gaming Agency's activities are not financed from the State Racing Fund.

Breakage from live greyhound races is directly distributed by organization licensees and is not remitted to the Commission. One-half the breakage from live greyhound races is used to supplement open stakes races as approved by the Racing Commission. The other one-half is used for purses to breeders of Kansas-whelped greyhounds. (K.S.A. 74-8821) Breakage from simulcast greyhound races conducted by a horse-only licensee must be distributed to benefit greyhound racing as determined by the Commission.

Unclaimed winnings from live and simulcast greyhound races are remitted to the Commission and credited to the Greyhound Breeding Development Fund in the state treasury. Moneys credited to that fund are allocated as follows:

- 15 percent to the Greyhound Tourism Fund;
- 35 percent for research conducted within Kansas relating to the prevention of injury and disease of greyhounds;
- a minimum of \$30,000, as determined by the Commission, to pay a portion of the administrative costs of the official greyhound registration agency; and
- the balance to be used by racetrack facilities to supplement stake races for Kansas-whelped greyhounds as approved by the Commission. (K.S.A. 74-8831)

Moneys in the Greyhound Tourism Fund can be used only for promotion of greyhound-related tourism. Expenditures from the fund are made under the authority of the Secretary of Commerce and Housing. (K.S.A. 74-8831)

Applicants for organization, facility manager, and facility owner licenses must make a deposit with the Commission at the time of application. Those deposits are refunded to unsuccessful applicants, but deposits from licensees are held by the Commission until the facility is completed in accordance with terms of the license. If the licensee does not complete the track in accordance with the terms of the license, the deposit, and any interest accrued on the deposit are forfeited. In the case of a forfeiture, the deposit and any interest is credited to the Racing Fund. (K.S.A. 74-8828)

As explained above, some revenue from both the Lottery and parimutuel wagering is transferred to the SGRF. That fund is used essentially as a holding fund from which further transfers are made on a monthly basis. No more than \$50 million can be credited to the SGRF in any fiscal year. Amounts in excess of \$50 million are credited to the State General Fund. FY 1994 was the first year during which transfers to the SGRF exceeded \$50 million. The excess, approximately \$3.75 million, was transferred to the SGF at the beginning of FY 1995 in accordance with the statute. Since then, the \$50 million cap on the SGRF has resulted in approximately \$17.5 million being transferred to the SGF.

Beginning on July 1, 1995, transfers from the SGRF were made as follows:

- 85 percent to the Economic Development Initiatives Fund (EDIF);

- 10 percent to the Correctional Institutions Building Fund; and
- 5 percent to the Juvenile Detention Facilities Fund.

Distribution of moneys credited to the SGRF has changed since the Fund's inception. Prior to June 30, 1990, 30 percent of the SGRF was used to defray a portion of costs incurred by counties during statewide reappraisal.⁴ At that time 60 percent of the Fund was used to finance economic development projects and 10 percent financed correctional facilities. From FY 1991 until the end of FY 1995, 90 percent of SGRF revenue was earmarked for the EDIF and 10 percent for the Correctional Institutions Building Fund (to finance adult correctional facilities). (K.S.A. 79-4804)

Attached is a table that displays amounts transferred from lottery and parimutuel wagering revenues to various funds and charts that depict the generalized flow of racing and the lottery revenue.

How Does the Amount of Revenue Realized from the Lottery and Parimutuel Wagering Compare with Estimates?

Preliminary gambling revenue estimates were included in material presented to the Legislature during the 1985 and 1986 sessions, when proposed lottery and parimutuel wagering constitutional amendments were under consideration. Estimates provided at that time are displayed in the table below with actual average annual revenue.

Those revenue estimates were prepared prior to enactment of the implementing legislation for lottery and parimutuel wagering, so could not be based on the tax rates (parimutuel) and state share (lottery) currently in statute.

An economic impact study prepared at the request of proponents of parimutuel wagering probably contained the most often cited estimate of anticipated state revenue from parimutuel wagering. The author of that study assumed a 5.5 percent parimutuel tax rate and made other assumptions about disposition of revenue that are not consistent with the current Racing Act.

Estimates of lottery revenue were presented during consideration of the proposed constitutional amendment in 1986. The Department of Revenue estimated net revenue of \$30 million to \$35 million annually. Other estimates ranged up to "\$40 million, plus."

⁴ In addition, for each of fiscal years 1991-1995, the Legislature appropriated approximately \$3 million, \$14.9 million total, to the Department of Revenue from the EDIF for county reappraisal aid.

	(In Millions) ^a	
	Projected Annual State Revenue	Actual Average Annual Revenue FY 1988-FY 1996
Parimutuel Tax	\$34	\$5.2
State Lottery	\$30-\$40	\$29.2

a) Revenue does not include operating expenditures.

The average for the Lottery is for fiscal years 1988 through 1996. The average for the parimutuel tax is for fiscal years 1989 through 1996.

How Much Gambling Revenue Has the State Collected Since the Inception of Legalized Gambling?

Revenue from the Bingo Enforcement Tax was first collected in FY 1975. Revenue from the State Lottery was first collected in FY 1988. Revenue from parimutuel wagering was first collected in FY 1989.

The table below displays revenue allocations from those three types of gambling since their inception. Included in the table as state revenue are amounts credited to the State General Fund (Bingo Enforcement Tax since FY 1978 and transfers from lottery and racing) and to the State Gaming Revenues Fund (lottery and parimutuel, less amounts transferred or appropriated to the County Reappraisal Fund). Also included as state revenue are amounts expended to operate the Lottery,⁵ Racing Commission,⁶ and Bingo Enforcement unit; and transfers from the Lottery and Racing and Gaming Commission to the Kansas Bureau of Investigation (KBI) to fund its gaming investigation unit. (In addition to these transfers, any payments to the KBI for specific work done for the Lottery and Racing and Gaming Commission are included as part of those agencies' expenditures for state operations.) Since FY 1985, one-third of the Bingo Enforcement Tax has been used to fund bingo enforcement conducted by the Department of Revenue.

Of the total amount of gambling revenue collected by the state since FY 1975, 61 percent has gone to the State General Fund and the State Gaming Revenues Fund (not including reappraisal funds), 32 percent has been used for state operations (including transfers to the KBI), and 7.4 percent has gone to local units of government via the Reappraisal Fund, the

⁵ Player prizes are not included in this tally of operating expenses, but retailer commissions are included.

⁶ For the Racing Commission, the only amounts included here as state operations are those expenditures financed from the Racing Fund (repository of most Commission-collected taxes and fees) and the Horse Fair Fund (where one-third of simulcast tax is deposited).

County and City Bingo Tax Fund, and the Parimutuel Admissions Tax. A total of \$30.8 million was provided to counties to finance reappraisal expenses from FY 1988 through FY 1995.

**State Gambling Revenue
FY 1975-FY 1996
(Thousands)**

Bingo Enforcement Tax to SGF	\$ 5,106
Lottery—Transfers to SGRF and SGF	291,922
Parimutuel—Transfers to SGRF and SGF	42,018
LESS SGRF AND EDIF AMOUNTS TO COUNTY REAPPRAISAL	<u>(30,790)</u>
Subtotal	<u>\$ 308,256</u>

State Operations

Lottery (not including prizes or retailer commissions)	\$ 138,374
Racing and Gaming Commission	14,696
Department of Revenue (Bingo Enforcement)	3,521
Direct transfers to KBI	<u>2,866</u>
Subtotal	<u>\$ 159,457</u>
GRAND TOTAL STATE REVENUE	<u><u>\$ 467,713</u></u>

Local Gambling Revenue FY 1975-FY 1996

Lottery—direct transfers to Reappraisal Fund	\$ 2,940
SGRF and EDIF to County Reappraisal Fund	30,790
County and City Bingo Tax Fund	3,521
Racing Admissions Tax	<u>28</u>
Subtotal Local Revenue	<u>\$ 37,279</u>

GRAND TOTAL STATE AND LOCAL REVENUE	<u><u>\$ 504,992</u></u>
--	--------------------------

State income tax is withheld from large gambling winnings just as for wage income. State tax withheld from large lottery winnings totaled approximately \$4.4 million for calendar years 1988 through 1994. Figures currently available from the Racing and Gaming Commission show that approximately \$2.9 million state income taxes were withheld from large parimutuel wagering winnings from calendar years 1989-1992. (Figures on withholding from winnings at Wichita Greyhound Park are for 1991 and 1992 only.) There is no way to ascertain how much of those amounts withheld are retained by the state after winners' total income tax liability is calculated. State income tax also is collected on lesser winnings that are reported in the same manner as other income from which taxes are not withheld. There is no way to identify taxes paid on those smaller winnings.

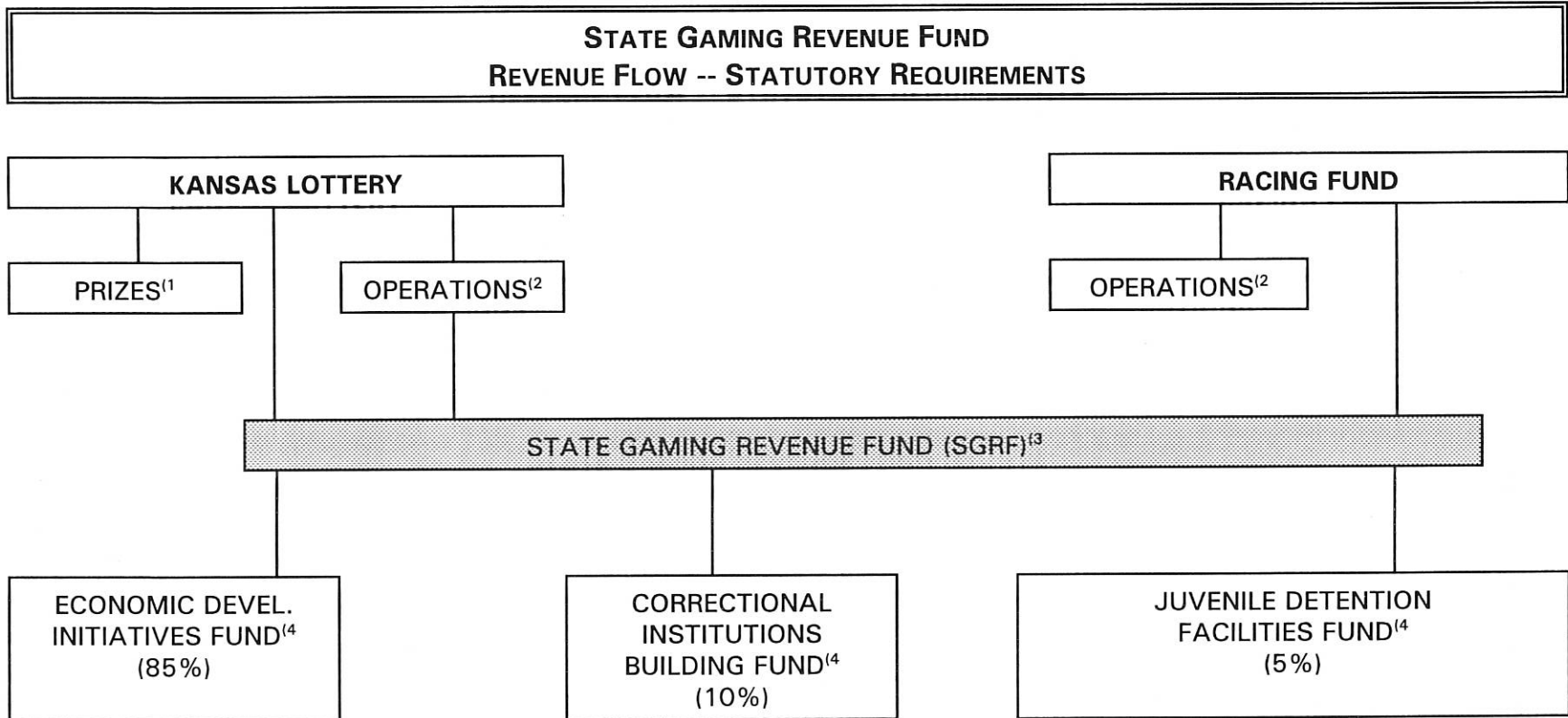
How Many Jobs Have Been Created by Legalization of Gambling in Kansas?

Approximately 150 full-time equivalent (FTE) positions are authorized for the Lottery and the Racing and Gaming Commission combined. In addition, the Lottery contracts with GTECH for support of the on-line lottery games. GTECH employs 29 people in Kansas to work with the lottery. Bingo enforcement activities of the Division of Alcoholic Beverage Control involves approximately 5.5 FTE positions. Race tracks employ personnel for various lengths of time during the year. Approximately 6,000 occupation licenses were issued at the two operating tracks in 1993; however, many of those licenses were issued to racing animal owners who are not employed by the track, strictly speaking.

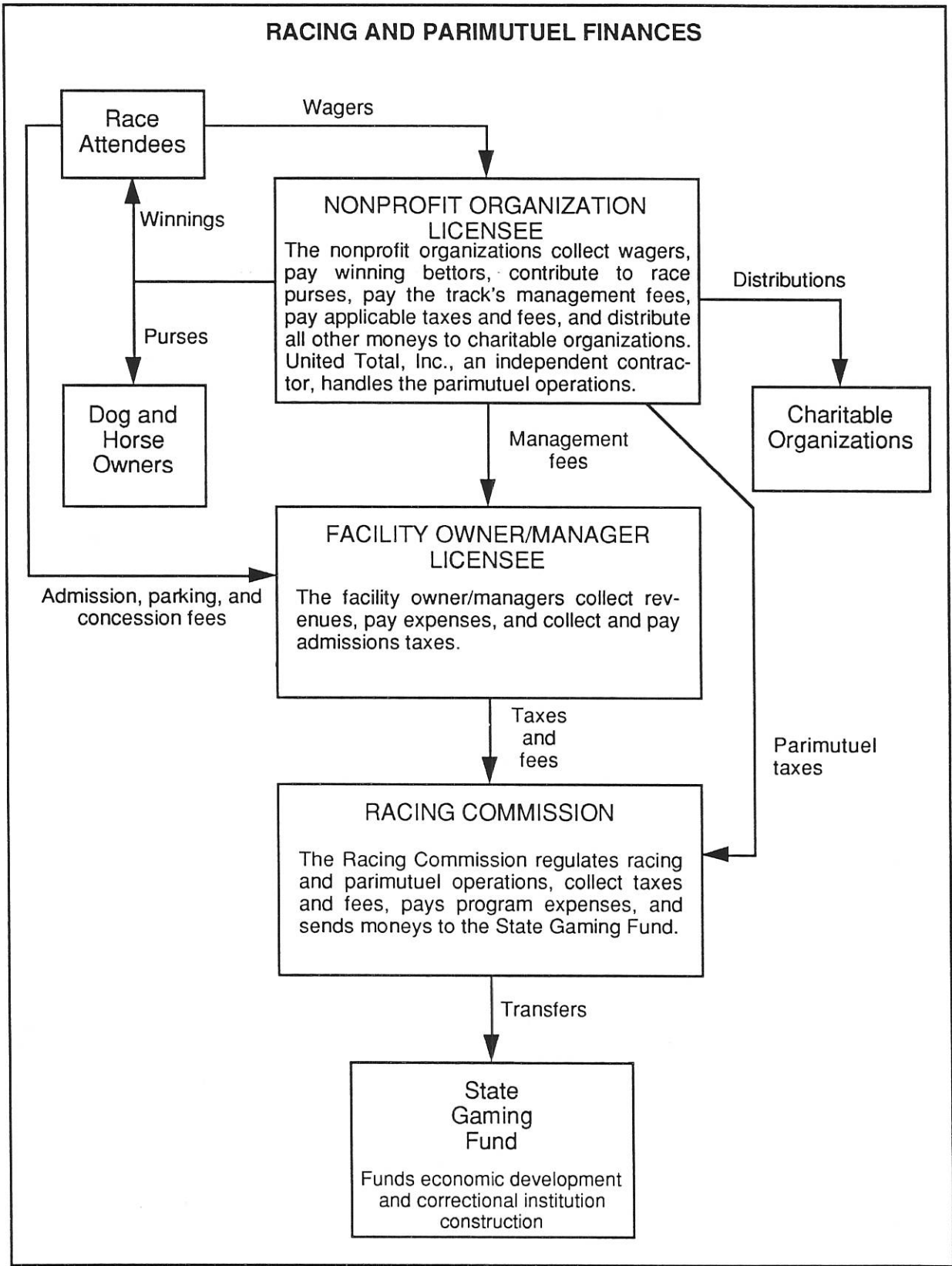
A 1996 Legislative Post Audit that examined the impact of racing in Kansas on the state's racehorse and greyhound industries estimated that approximately \$6.4 million that annually accrues to Kansas breeders and owners is directly attributable to legal racing in the state. Directly or indirectly, at least a portion of that impact can be expected to support employment in the state. Some jobs also may have been created in businesses that provide goods and services to the tracks, but there is no reliable tally of those positions.

Likewise, there is no reliable means of determining how many positions may have been created in those entities receiving funds from the State Gaming Revenue Fund for economic development activities or those recipients of grants from the nonprofit organization licensees that are required to donate racing revenue to charities. As of the end of calendar year 1995, the Kansas Racing Commission reported that approximately \$2.9 million had been distributed to nonprofit organizations by tracks since gambling on races became legal in 1987.⁷ Bingo licensees must be nonprofit organizations, some of which use Bingo proceeds for charitable purposes, but there are no reliable means of determining how many jobs have been created due to Bingo revenue used for those purposes.

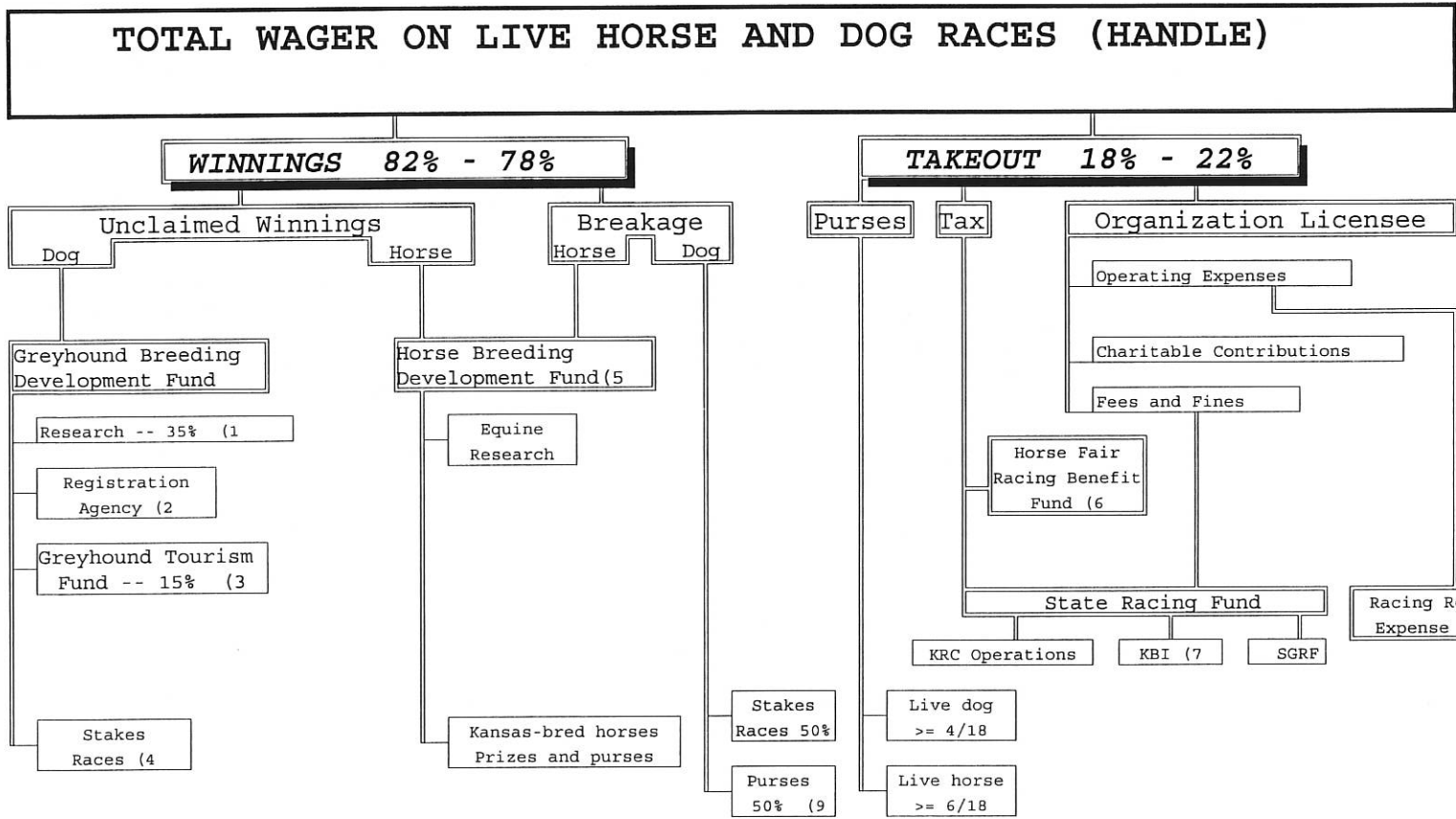
⁷ In May, 1995, TRAKEast (the nonprofit organization licensee at the Woodlands) stopped receiving charitable contributions from Sunflower Racing, Inc. (the track owner/manager). Pursuant to an order of the federal bankruptcy court, after August 1, 1996, Sunflower Racing, Inc. will pay TRAKEast 10 percent of all excess net cash flow due to banker-debtors. The Racing Commission approved in June 1996 a modification of the agreement between Wichita Greyhound Park (the owner/manager licensee) and Wichita Greyhound Charities, Inc. (the organization licensee). That modification provides that one-half of the amount formerly used for charitable contributions will be used for advertising through May 31, 1997. The revised agreement also provides that if additional types of gambling are legalized for operation at the track, Wichita Greyhound Charities, Inc. will receive 1.5 percent of daily live handle for the first 12 months.



- 1) Minimum 45 percent.
- 2) Established in appropriations acts.
- 3) Minimum 30 percent of Lottery sales, all Racing Fund receipts not otherwise appropriated.
- 4) Allocation percentage effective July 1, 1995.



SOURCE: LEGISLATIVE DIVISION OF POST AUDIT, 1994



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6-12

Footnotes:

- 1) Research conducted within the state relating to prevention of injury to and disease of greyhounds.
- 2) An amount determined by the Commission, but not more than \$30,000 per fiscal year to pay a portion of the administrative costs of the official registering agency designated by the Commission.
- 3) Expenditures from the fund are made by authority of the Secretary of Commerce and Housing.
- 4) An amount equal to 50 percent of all moneys credited to the fund in a fiscal year, less the amount used to finance the administration of the greyhound registration agency.
- 5) Expenditures from the fund are made by the Commission. Moneys credited to the fund must be apportioned into categories corresponding with the various breeds of horses participating in races conducted by organization licensees in proportion to each category's contribution to the fund. Moneys in the fund must be used to provide: purse supplements to owners of Kansas-bred horses; stakes and awards to the owners of winning Kansas-bred horses in certain races as determined by the Commission; a stallion award to each owner of a Kansas-registered stallion that meets certain requirements and that is the sire of a Kansas-bred horse that wins, places, or shows; and a breeder's award to each owner of a Kansas-registered mare that is the dam of a Kansas-bred horse that wins, places, or shows.
- 6) One-third of the Parimutuel Tax on simulcast races is credited to this fund. Expenditures from the fund are made by the Commission for statutorily enumerated expenses associated with the conduct of racing by county fair associations.
- 7) The Legislature, from time-to-time, authorizes via appropriations acts direct transfers from the State Racing Fund to the KBI to support that agency's Gaming Enforcement Unit.
- 8) Revenue to the fund includes fees for processing fingerprints of license applicants and licensees and reimbursements for services of stewards, judges, and assistant animal health officers. Expenditures from the fund are made by the Racing Commission to pay salaries of stewards, racing judges, and assistant animal health officers.
- 9) Purses from this fund are only to be paid to breeders of Kansas-whelped grey hounds pursuant to rules and regulations of the Commission.

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TRANSFERS FROM LOTTERY AND RACING FUNDS TO OTHER STATE FUNDS

	Actual FY 1988	Actual FY 1989	Actual FY 1990	Actual FY 1991	Actual FY 1992	Actual FY 1993	Actual FY 1994	Actual FY 1995	Actual FY 1996	Cumulative Total
State Gen. Fund (SGF) Receipts/Offsets:										
Lottery Transfers to SGF	\$ 2,843,321	--	--	--	\$ 1,500,000	--	--	--	--	\$ 4,343,321
Lottery Transfers to KBI	--	--	--	--	--	150,000	100,684	122,124	124,008	496,816
Racing Transfer to SGF	--	--	--	1,646,665	--	--	--	--	--	1,646,665
Racing Transfers to KBI	--	--	350,000	364,000	303,872	289,984	322,580	366,368	372,023	2,368,827
Total Transfers	\$ 2,843,321	\$ 0	\$ 350,000	\$ 2,010,665	\$ 1,803,872	\$ 439,984	\$ 423,264	\$ 488,492	\$ 496,031	\$ 8,855,629
State Gaming Rev. Fund (SGRF) Receipts:										
Regular Lottery Transfers	\$ 8,500,000	\$ 20,115,848	\$ 19,081,989	\$ 19,453,470	\$ 22,847,019	\$ 32,479,362	\$ 45,787,329	\$ 50,806,564	\$ 54,614,751	\$ 273,686,331
Special Lottery Transfers	--	1,444,696	150,000	--	2,800,000	--	2,000,000	2,318,130	3,375,788	12,088,614
Racing Transfers	--	--	3,682,246	7,577,665	7,103,667	5,822,316	5,963,172	4,073,564	2,476,790	36,699,420
Total Funds Available	\$ 8,500,000	\$ 21,560,544	\$ 22,914,235	\$ 27,031,135	\$ 32,750,686	\$ 38,301,678	\$ 53,750,501	\$ 57,198,258	\$ 60,467,329	\$ 322,474,365
SGRF Transfers Out:										
To Econ. Devp. Initiatives Fund	\$ 5,100,000	\$ 12,936,326	\$ 13,748,541	\$ 24,328,021	\$ 29,475,617	\$ 34,471,510	\$ 45,000,000	\$ 45,000,000	\$ 42,500,000	\$ 252,560,016
To County Reappraisal Fund	2,550,000	6,468,163	6,874,271	***	***	***	***	***	***	15,892,434
To State General Fund ****	0	0	0	0	0	0	3,750,501	7,198,258	10,467,329	21,416,088
To Juvenile Detention Fund	0	0	0	0	0	0	0	0	2,500,000	2,500,000
To Correctional Insts. Bldg. Fund	850,000	2,156,054	2,291,424	2,703,113	3,275,069	3,830,168	5,000,000	5,000,000	5,000,000	30,105,828
Total SGRF Transfers	\$ 8,500,000	\$ 21,560,544	\$ 22,914,235	\$ 27,031,135	\$ 32,750,686	\$ 38,301,678	\$ 53,750,501	\$ 57,198,258	\$ 60,467,329	\$ 322,474,366
✓ *** No 30% statutory transfer for reappraisal after June 30, 1990. ✓/**** Only when SGRF receipts exceed \$50.0 million annually.										
Transfer to Co. Reapprsl. Fund (a)	--	\$ 2,915,318	\$ 24,316	--	--	--	--	--	--	\$ 2,939,634
a) Recapture of lapsed encumbrances per 1988 H.B. 3091.										
TOTAL ANNUAL GAMING TRANSFERS	\$ 11,343,321	\$ 24,475,862	\$ 23,288,551	\$ 29,041,800	\$ 34,554,558	\$ 38,741,662	\$ 54,173,765	\$ 57,686,750	\$ 60,963,360	\$ 334,269,629
Cumulative Transfers	\$ 11,343,321	\$ 35,819,183	\$ 59,107,734	\$ 88,149,534	\$ 122,704,092	\$ 161,445,754	\$ 215,619,519	\$ 273,306,269	\$ 334,269,629	

Sec. 32.

K.S.A. 1995 Supp. 79-4804 is hereby amended to read as follows: 79-4804. (a) ~~Before July 1, 1995, an amount equal to 90% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund which is hereby created in the state treasury. On and after July 1, 1995,~~ [fn*] An amount equal to 85% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund. Expenditures from the state economic development initiatives fund shall be made in accordance with appropriations acts for the financing of such programs supporting and enhancing the existing economic foundation of the state and fostering growth through the expansion of current, and the establishment and attraction of new, commercial and industrial enterprises as provided by this section and as may be authorized by law and not less than one half of such money shall be distributed equally among the congressional districts of the state. Except as provided by subsection (g), all moneys credited to the state economic development initiatives fund shall be credited within the fund, as provided by law, to an account or accounts of the fund which are created by this section.

Purpose

(b) There is hereby created the Kansas capital formation account in the state economic development initiatives fund. All moneys credited to the Kansas capital formation account shall be used to provide, encourage and implement capital development and formation in Kansas.

Account:

(c) There is hereby created the Kansas economic development research and development account in the state economic development initiatives fund. All moneys credited to the Kansas economic development research and development account shall be used to promote, encourage and implement research and development programs and activities in Kansas and technical assistance funded through state educational institutions under the supervision and control of the state board of regents or other Kansas colleges and universities.

(d) There is hereby created the Kansas economic development endowment account in the state economic development initiatives fund. All moneys credited to the Kansas economic development endowment account shall be accumulated and invested as provided in this section to provide an ongoing source of funds which shall be used for economic development activities in Kansas, including but not limited to continuing appropriations or demand transfers for programs and projects which shall include, but are not limited to, specific community infrastructure projects in Kansas that stimulate economic growth.

(e) Except as provided in subsection (f), the ~~pooled money investment board~~ [fn*] director of investments may invest and reinvest moneys credited to the state economic development initiatives fund in accordance with investment policies established by the pooled money investment board under K.S.A. 75-4232, and amendments thereto, in ~~obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof~~ [fn*] the pooled money investment portfolio. All moneys received as interest earned by the investment of the moneys credited to the state economic development initiatives fund shall be deposited in the state treasury and credited to the Kansas economic development endowment account of such fund.

(f) Moneys credited to the Kansas economic development endowment account of the state economic development initiatives fund may be invested in government guaranteed loans and debentures as provided by law in addition to the investments authorized by subsection (e) or in lieu of such investments. All moneys received as interest earned by the investment under this subsection of the moneys credited to the Kansas economic development endowment account shall be deposited in the state treasury and credited to the Kansas economic development endowment account of the state economic development initiatives fund.

(g) In each fiscal year, the director of accounts and reports shall make transfers in equal amounts on July 15 and January 15 which in the aggregate equal \$2,000,000 from the state economic development initiatives fund to the state water plan fund created by K.S.A. 82a-951, and amendments thereto. No other moneys credited to the state economic development initiatives fund shall be used for: (1) Water-related projects or programs, or related technical assistance; or (2) any other projects or programs, or related technical assistance, which meet one or more of the long-range goals, objectives and considerations set forth in the state water resource planning act.

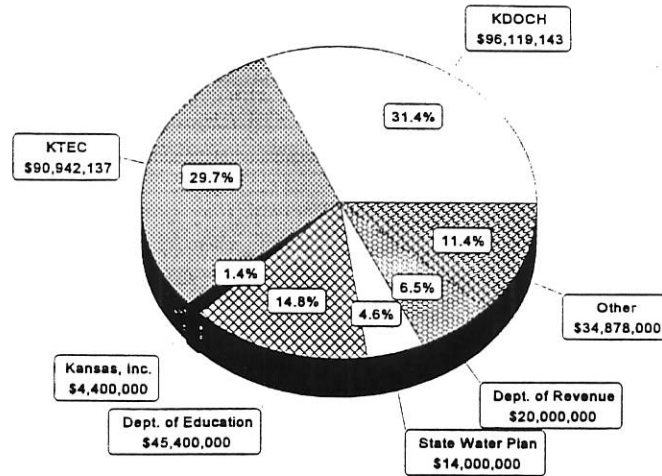
Water Plan Transfer

Sec. 33.

Sec. 5.

K.S.A. 79-4801 is hereby amended to read as follows: 79-4801. There is hereby created the state gaming revenues fund in the state treasury. All moneys credited to such fund shall be expended or transferred only for the purposes and in the manner provided by this act and all expenditures from the state gaming revenues fund shall be made in accordance with appropriation acts. All moneys credited to such fund shall be allocated and credited monthly to the funds and in the amounts specified by this act except that the total of the amounts credited to such funds in any one fiscal year pursuant to this act shall not exceed \$50,000,000. All amounts credited to such fund in any one fiscal year which are in excess of \$50,000,000 shall be transferred and credited to the state general fund on ~~July 15 following such fiscal year~~ ~~[fn*]~~ July 15, 1996, and June 25, 1997, and each year thereafter on June 25.

**ECONOMIC DEVELOPMENT INITIATIVES FUND
CUMULATIVE EXPENDITURES BY AGENCY
FY 1988-FY 1997 (Approved)**



Agency	Dollars	% of Total
Kansas Department of Commerce and Housing	\$ 96,119,143	31.4%
Kansas Technology Enterprise Corporation	90,942,137	29.7
Kansas, Inc.	4,400,000	1.4
Department of Education	45,400,000	14.8
State Water Plan	14,000,000	4.6
Department of Revenue	20,000,000	6.5
Department of Agriculture	2,300,000	0.7
State Fair	628,000	0.2
Wildlife and Parks	5,700,000	1.9
School for the Blind (Accessible Arts)	390,000	0.1
Kansas Arts Commission	5,500,000	1.8
Historical Society	2,195,000	0.7
State Library	3,100,000	1.1
Department of Administration	1,575,000	0.5
Board of Regents/Regents Institutions	9,400,000	3.1
Department of Human Resources	600,000	0.2
Kansas Development Finance Authority	990,000	0.3
Social and Rehabilitation Services	2,500,000	0.8
TOTAL	\$ 305,739,280	100.0%*

* Detail does not add to total due to rounding.

Excerpt
The Governor's
Budget
Report

Volume 1

Recommendations
and
Budget Schedules

Fiscal Year 1998

Gaming Revenues

The State Gaming Revenues Fund receives transfers from certain receipts generated by the Kansas Lottery and the Kansas Racing and Gaming Commission. Transfers are then made from the gaming fund for economic development initiatives, prison construction and maintenance projects, and local juvenile detention facilities. Transfers are also made to the State General Fund.

Transfers from the State Gaming Revenues Fund are made based on a formula in statute. The current formula transfers 85.0 percent to the Economic Development Initiatives Fund (EDIF), 10.0 percent to the Correctional Institutions Building Fund (CIBF), and 5.0 percent to the Juvenile Detention Facilities Fund (JDFF). Transfers for these purposes are limited to \$50.0 million in a given fiscal year. Any receipts above that amount that are credited to the State Gaming Revenues Fund are required to be transferred to the State General Fund in the fiscal year in which the revenues are received.

The amounts transferred to the State Gaming Revenues Fund from the Kansas Lottery and the Kansas Racing and Gaming Commission relate not only to gaming activity but also to the cost of financing the activities of these agencies. All operating costs of the Kansas Lottery and the Kansas Racing and Gaming Commission are funded by their respective gaming revenues, and remaining balances are transferred to the State Gaming Revenues Fund.

The monthly transfer to the State Gaming Revenues Fund from the Kansas Lottery is designated to be any money in excess of what is needed for lottery operations, or 30.0 percent of net sales, whichever is greater. Receipts from racing activities are determined monthly by the Executive Director of the Racing Commission. Excess receipts contained in the State Racing Fund are transferred, taking into consideration such factors as adequate fund balances, encumbrances,

anticipated revenues, and actual revenues and expenditures to date.

Prior to FY 1997, transfers from the Gaming Revenues Fund have been made at the beginning of a given fiscal year, and they have been based on the revenues generated in the previous fiscal year. Therefore, revenues funding the \$7,968,000 transfer in FY 1996 noted in the following table were actually generated by

Gaming Revenues Fund <i>(Dollars in Thousands)</i>			
	FY 1996	FY 1997	FY 1998
Transfers In:			
Lottery	57,991	55,373	56,676
Racing & Gaming	2,477	1,496	475
Total	\$60,468	\$56,869	\$57,151
Transfers Out:			
EDIF	45,000	42,500	42,500
JDFF	2,500	2,500	2,500
CIBF	5,000	5,000	5,000
SGF (Prior Year)	7,968	10,468	-
SGF (Current Year)	-	6,869	7,151
Total	\$60,468	\$67,337	\$57,151

FY 1995 activities. The 1996 Legislature changed this process so that revenues gained in the current fiscal year are transferred during that year. The State General Fund transfer is unusually large in FY 1997 because a \$10.4 million transfer from FY 1996 was made at the beginning of FY 1997. In accordance with the new methodology, a transfer of \$6.9 million will be made at the end of FY 1997. Accordingly, in the Gaming Revenues Fund table above the \$7,151,000 State General Fund transfer projected for FY 1998 reflects the amount of revenues deposited in the Gaming Revenues Fund during FY 1998, minus \$50.0 million in transfers to the EDIF, CIBF, and JDFF.

Economic Development Initiatives Fund

The Economic Development Initiatives Fund (EDIF) receives 85.0 percent of the receipts deposited in the State Gaming Revenues Fund. Coupled with the fact that the Gaming Revenues Fund is limited to \$50.0 million, estimated transfers to the EDIF can reach a maximum of \$42.5 million in each fiscal year.

Without a change in the law, therefore, any initiatives for economic development will need to be funded from a different revenue source or through reallocation of existing resources. The following section of this report details the Governor's recommendations for use of the EDIF. The Governor has targeted the limited resources to priority areas for economic development that affect the business community. These are primarily contained in the budgets of the Department of Commerce and Housing and the Kansas Technology Enterprise Corporation.

Revenue Estimates. The Governor's recommendations are based on available resources in the EDIF of \$46.9 million in FY 1997 and \$44.2 million in FY 1998. The table on the status of the EDIF details the balances and receipts for the fund in FY 1996, FY 1997, and FY 1998. The Governor recommends transfers and expenditures of \$45.7 million from the EDIF in FY 1997 and expenditures and transfers of \$43.9 million in FY 1998. It should be noted that beginning balances provide funding above the statutory amount of \$42.5 million. These balances are recommended for expenditure in FY 1998.

The primary recipients of grants from the Economic Development Initiatives Fund in FY 1998 are the Department of Commerce and Housing (\$19.1 million), the Kansas Technology Enterprise Corporation (\$13.3 million), and the Department of Education (\$8.9 million). The recommendations include the statutory demand transfer of \$2.0 million to the State Water Plan Fund. Also included is a total of just over \$160,000 for operation of Kansas, Inc. and \$500,000 for the Department of Human Resources related to development of a One-Stop Career Center System.

Geographic Distribution. By statute, half of all expenditures from the EDIF must be distributed equally

among the state's congressional districts. For FY 1996, as illustrated in the following table, each of the four

Economic Development Initiatives Fund Status			
<i>(Dollars in Thousands)</i>			
	FY 1996	FY 1997	FY 1998
Beginning Balance:	5,668	3,761	1,226
Gaming Revenues	42,506	42,500	42,500
Other Revenue	2,119	650	500
Total Available	\$50,293	\$46,911	\$44,226
Transfers	46,532	45,686	43,873
Balance Forward	3,761	1,225	353

congressional districts is to receive a minimum of 12.5 percent of expenditures from the fund. Given that expenditures from the EDIF totaled \$45,685,458 in FY 1996, each congressional district was entitled to a minimum of \$5.7 million. Clearly, each of the districts

EDIF Geographic Distribution		
<i>(Dollars in Thousands)</i>		
	FY 1996	Percent
District 1	8,872	19.5
District 2	15,780	34.8
District 3	11,448	25.2
District 4	9,283	20.5
Total	\$45,383	

received far more than the amount required by statute. As noted in the table above, District 1 received the least amount of grant monies from the Economic Development Initiatives Fund, but it still received 7.0 percent more than what was required by the statutory minimum. The second congressional district is where the majority of EDIF recipients have their headquarters; therefore, it has received the largest share of expenditures.

Economic Development Initiatives Fund

	FY 1996 Actual	FY 1997 Gov. Rec.	FY 1998 Gov. Rec.
State Water Plan	2,000,000	2,000,000	2,000,000
Department of Commerce and Housing			
Small Business Development Centers	325,000	525,000	525,000
Certified Development Companies	474,990	475,000	475,000
Kansas Industrial Training/Retraining	2,999,349	3,250,000	3,250,000
Trade Show Promotion	210,127	270,000	270,000
Strategic Planning Grants	490,500	200,000	250,000
Tourism Promotion	371,642	379,600	479,600
Wichita World Trade Center	50,000	50,000	--
Training Equipment	--	250,000	500,000
Agriculture Product Development	167,500	300,000	350,000
Olathe Travel Information Center	76,429	61,000	35,000
Economic Opportunity Initiatives Fund	4,000,000	4,000,000	4,000,000
High Performance Incentive Grants	73,417	75,000	75,000
Micro-Loan Program	100,000	400,000	--
Existing Industry Expansion	--	950,000	950,000
Main street Development Grants	221,412	200,000	200,000
Railroad Mitigation Fund	--	--	500,000
Operations	5,584,980	6,712,160	7,245,784
Subtotal Commerce and Housing	15,145,346	18,097,760	19,105,384
Kansas Technology Enterprise Corporation			
Research Matching Grants	1,259,613	1,060,000	1,260,000
Business Innovative Research Grants	85,000	526,000	526,000
Training Equipment	250,000	--	--
Industrial Liaison	300,000	--	--
Centers of Excellence	4,350,000	4,350,000	4,350,000
Seed Capital	3,252,221	--	--
EPSCoR	3,332,517	3,400,000	3,200,000
Special Projects	152,748	79,303	109,303
Commercialization Grants	1,237,514	1,526,539	1,550,000
Agricultural Value Added Center	921,634	--	--
Mid-America Manufac. Tech. Ctr.	994,707	1,149,905	1,137,628
Operations	1,858,534	1,240,575	1,151,083
Subtotal KTEC	17,994,488	13,332,322	13,284,014
Department of Education			
At-Risk/Innovative Program Assistance	1,485,000	1,485,000	--
Matching Grants--AVTS	500,000	200,000	200,000
Postsecondary Aid--AVTS	6,050,000	6,570,000	6,714,007
Cultural Arts Center	20,000	--	--
Foundation for Agriculture	25,000	--	--
Capital Outlay--AVTS	1,650,000	1,650,000	2,000,000
Subtotal Education	9,730,000	9,905,000	8,914,007
Agriculture Market Promotion	366,707	--	--
Kansas, Inc.	137,926	160,376	160,376
Wildlife and Parks	144,898	--	--
State Fair	114,000	95,000	--
Arts Commission	500,000	--	--
Historical Society	187,490	45,000	--
Department of Human Resources	--	500,000	409,940
Performance Review Board	--	150,000	--
Board of Regents and Institutions	--	1,400,000	--
State Library	211,200	--	--
Total EDIF Transfers/Expenditures	46,532,055	45,685,458	43,873,721

Investment in Economic Development

For FY 1997 and FY 1998, the Governor recommends that the focus of Economic Development Initiatives Fund financing remain in programs conducted by the Department of Commerce and Housing, Kansas Technology Enterprise Corporation, and Department of Education. This recommendation maximizes the use of the EDIF for clearly identified economic development programs, especially those relating to research, investment in job training, and business expansion. Expenditures at the Department of Education focus on vocational-technical training and allow for the preparation of students for the technical work environment.

The table below highlights the percentage of EDIF expenditures used to finance the seven boundaries of economic development. As the table shows, the Governor's recommendation does not use the EDIF for "Quality of Life" initiatives. Those programs are funded from State General Fund revenues in both FY 1997 and FY 1998.

Economic Development Initiatives Fund <i>(Percent of Expenditures by Foundation)</i>			
	FY 1996	FY 1997	FY 1998
Human Capital	28.4 %	32.7 %	28.9 %
Technological Development	17.0	18.9	20.1
Business Capacity	31.3	30.5	32.7
Business Environment	1.3	3.6	3.6
Financial Capital	7.2	0.1	--
Quality of Life	1.8	--	--
Infrastructure Assistance	13.0	13.1	14.8
Other	0.2	0.2	--
Total	100.0 %	100.0 %	100.0 %

All state operations are assumed to contribute to Business Capacity. Totals do not add because of rounding.

Major Investments

Department of Commerce and Housing. The Governor recommends a total budget of \$19.1 million from the EDIF for the Department of Commerce and Housing that will maintain the agency's job training assistance programs. Investment in the Kansas Industrial Training and Retraining Program maintains a total state investment of \$3,250,000. This

recommendation reflects increased demand for the program.

Further, the Governor has recommended \$479,600 for Tourism Promotion, which allows the agency to pursue more aggressively increased exposure to the state. Also recommended for FY 1998 is \$4.0 million from the EDIF for the Kansas Economic Opportunity Initiatives Fund (KEOIF) grant program. The remainder of the EDIF programs is continued at the same level of support as in the current year. These programs include assistance to Small Business Development Centers and Certified Development Companies, Trade Show Promotions, and High Performance Incentive Grants.

Railroad Mitigation Program. The Governor's FY 1998 EDIF recommendation includes \$500,000 for the development of a new Railroad Mitigation Program. These funds would be used to aid localities which have been adversely affected by the Union Pacific/Southern Pacific Railroad merger. As a result of the merger, a number of communities in the state will experience much greater railway traffic. In a proactive effort to thwart any negative economic effect which may result from this traffic, the Governor recommends extending these funds to communities for necessary traffic studies or infrastructure enhancements. These funds would be distributed in the form of grants, and priority would be given to communities willing to match state funds, increasing the overall effect of the program's resources.

Kansas Technology Enterprise Corporation. The budget recommended by the Governor for KTEC maintains and builds on the level of services and performance recommended by the Governor and enacted by the Legislature last year. Programs continued at this level include applied research matching grants, innovation research grants, support for Centers of Excellence, and the Mid-America Manufacturing Technology Center. Financing for EPSCoR of \$3.2 million is recommended by the Governor, which will leverage at least \$4.0 million in federal research and development expenditures at the state's research universities. This program, aimed at

8.5
~~8.4~~

strengthening the basic research capability of the universities, is critical to ensuring the future success of other KTEC programs designed to provide the necessary framework for developing emerging technological companies. The Governor also recommends \$1,260,000 from the EDIF for Research Matching Grants in FY 1998, representing a \$200,000 increase over FY 1997.

The Governor's focus is also strengthened through the recommendation of increased support for KTEC's commercialization network, for a total state commitment of \$1.5 million. This level of support will allow for continued expansion of the network to include areas of the state not currently served.

Existing Industry Expansion. The recommended budget for the Department of Commerce and Housing includes \$950,000 for the Kansas Existing Industry Expansion Program (KEEP). This program focuses on providing assistance to small existing Kansas industries to aid in their expansion, especially in small communities and rural areas. Establishing this program has allowed the financing from the Kansas Economic Opportunity Initiatives Fund (KEOIF) to focus on major or larger employers and industrial recruitment, thereby providing a real increase in available funding by maintaining the current level of support but redirecting the uses of the fund.

Department of Education. The Governor recommends support in the amount of \$8,914,007 from the EDIF for postsecondary education at area vocational-technical schools. The FY 1998 awards for capital outlay at the schools continue this practice. No financing is recommended in the Department for any program not directly related to technical or vocational training.

Department of Human Resources. The Governor recommends \$409,940 in FY 1998 to continue the development of a one-stop career center system. This system is anticipated to transform a collection of separate workforce development programs, administered by several agencies, into a customer-focused system accessible to all Kansans. The system is to include the following programs: Job Training Partnership Act, Job Service, Unemployment Insurance, Veterans Employment Services, Senior Community Employment, and other similar programs. A total of \$500,000 is provided in FY 1997 to begin the development of this system. The agency will apply for a federal grant in FY 1998 to supplement the state's efforts in developing this system.

Kansas, Inc. The Governor recommends just over \$160,000 for Kansas, Inc. to continue its active research and policy agenda at the current level.

State EDIF Expenditures by County FY 1996

Cheyenne	Rawlins	Decatur	Norton	Phillips	Smith	Jewell	Republic	Washington	Marshall	Nemaha	Brown	Doniphan
108,359	108,359	138,259	168,074	81,543	269,043	104,914	108,514	71,793	69,757	105,733	106,344	183,665
Sherman	Thomas	Sheridan	Graham	Rooks	Osborne	Mitchell	Cloud	Clay	Riley	Pottawatomie	Jackson	Atchison
710,672	84,203	72,488	152,851	101,576	100,771	412,806	71,286	79,043	4,352,762	164,555	141,589	210,867
Wallace	Logan	Gove	Trego	Ellis	Russell	Lincoln	Ottawa	Dickinson	Geary	Wabaunsee	Shawnee	Leavenworth
86,180	101,635	73,320	72,792	479,964	136,833	76,852	290,003	347,403	485,781	69,156	4,783,486	134,592
Greeley	Wichita	Scott	Lane	Ness	Rush	Barton	Saline	McPherson	Marion	Morris	Lyon	Wyandotte
86,180	86,180	87,830	86,180	87,238	69,688	433,463	1,158,942	601,703	236,383	101,356	948,460	1,459,632
Hamilton	Kearny	Finney	Hodgeman	Pawnee	Stafford	Reno	Ellsworth	Harvey	Butler	Greenwood	Coffey	Johnson
86,180	86,180	398,152	72,488	81,343	69,043	714,618	150,122	302,143	208,135	93,151	389,098	3,589,483
Stanton	Grant	Haskell	Gray	Edwards	Ford	Pratt	Rice	Sedgwick	Chase	Woodson	Anderson	Franklin
86,180	86,180	72,488	86,180	69,323	354,101	187,012	75,523	5,898,944	80,157	109,354	125,148	157,056
Morton	Stevens	Seward	Meade	Clark	Kiowa	Barber	Pawnee	Kingman	Sumner	Elk	Wilson	Miami
128,282	72,488	471,809	83,538	72,488	78,043	90,243	81,343	113,688	168,872	93,152	85,920	354,865
					Comanche	Harper	Stafford	Harper	Cowley	Chautauqua	Montgomery	Linn
					85,543	92,985	69,043	92,985	516,936	112,968	732,571	324,237
											Labette	Bourbon
											123,037	234,756
												Allen
												159,835
												Woodson
												109,354
												Butler
												208,135
												Greenwood
												93,151
												Woodson
												109,354
												Allen
												159,835
												Bourbon
												234,756
												Wilson
												85,920
												Neosho
												158,710
												Crawford
												1,175,662
												Cherokee
												71,690

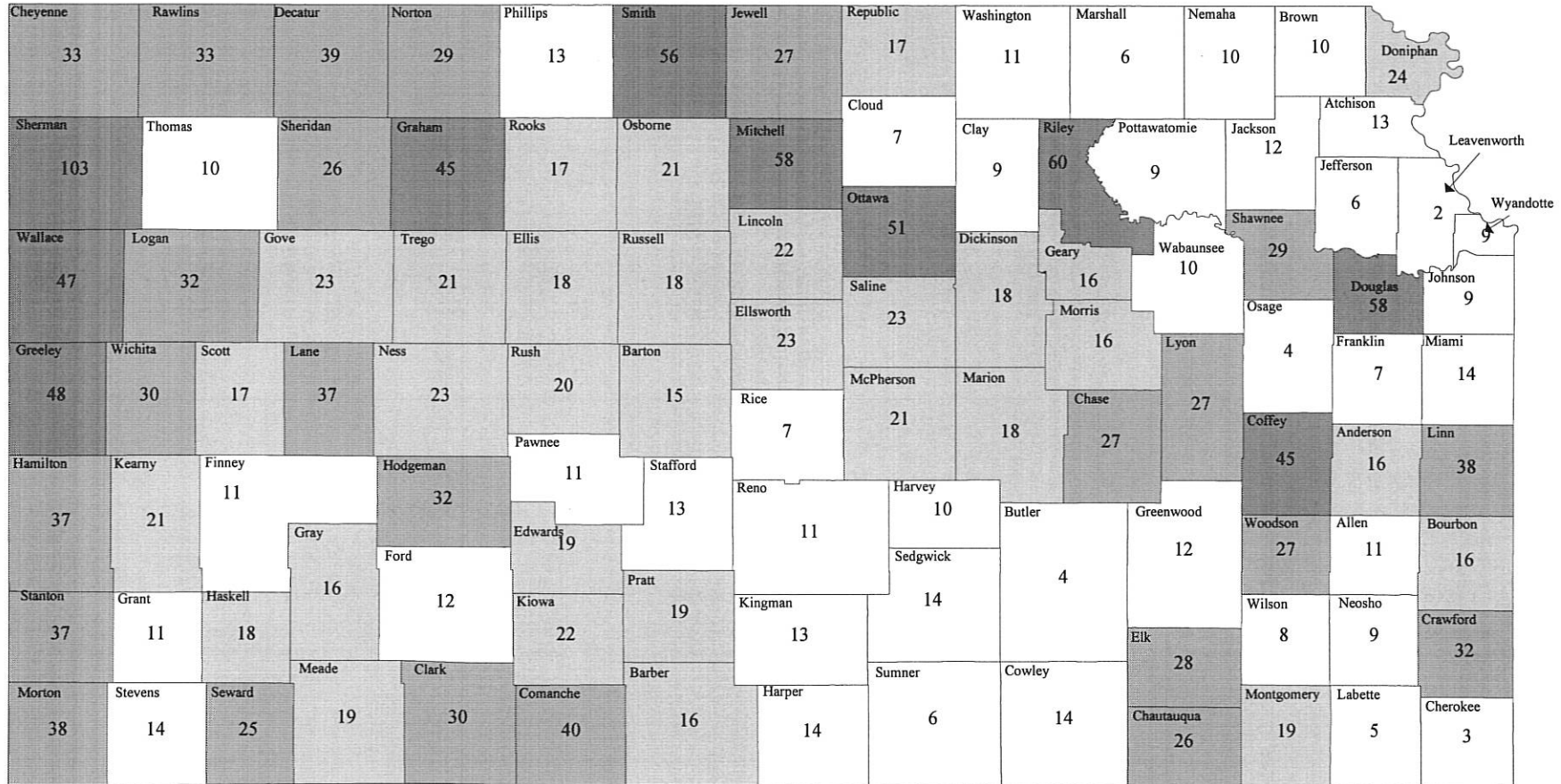
Expenditures made by:
 Commerce and Housing, Water Office,
 Dept. of Education, KTEC, Ks. Inc.,
 Historical Society, Agriculture, St. Fair,
 Wildlife and Parks, Arts Comm., St. Library

Amount Expended
 (xx)=Number of Counties

- \$60,000 to \$99,999 (42)
- \$100,000 to \$319,000 (38)
- \$320,000 to \$3,579,000 (20)
- \$3,580,000 to \$5,900,000 (5)

FY 1996 Per Capita EDIF Expenditures

Expenditures made by:
 Commerce and Housing, Water Office,
 Dept. of Education, KTEC, Ks. Inc.,
 Historical Society, Agriculture, St. Fair,
 Wildlife and Parks, Arts Comm., St. Library

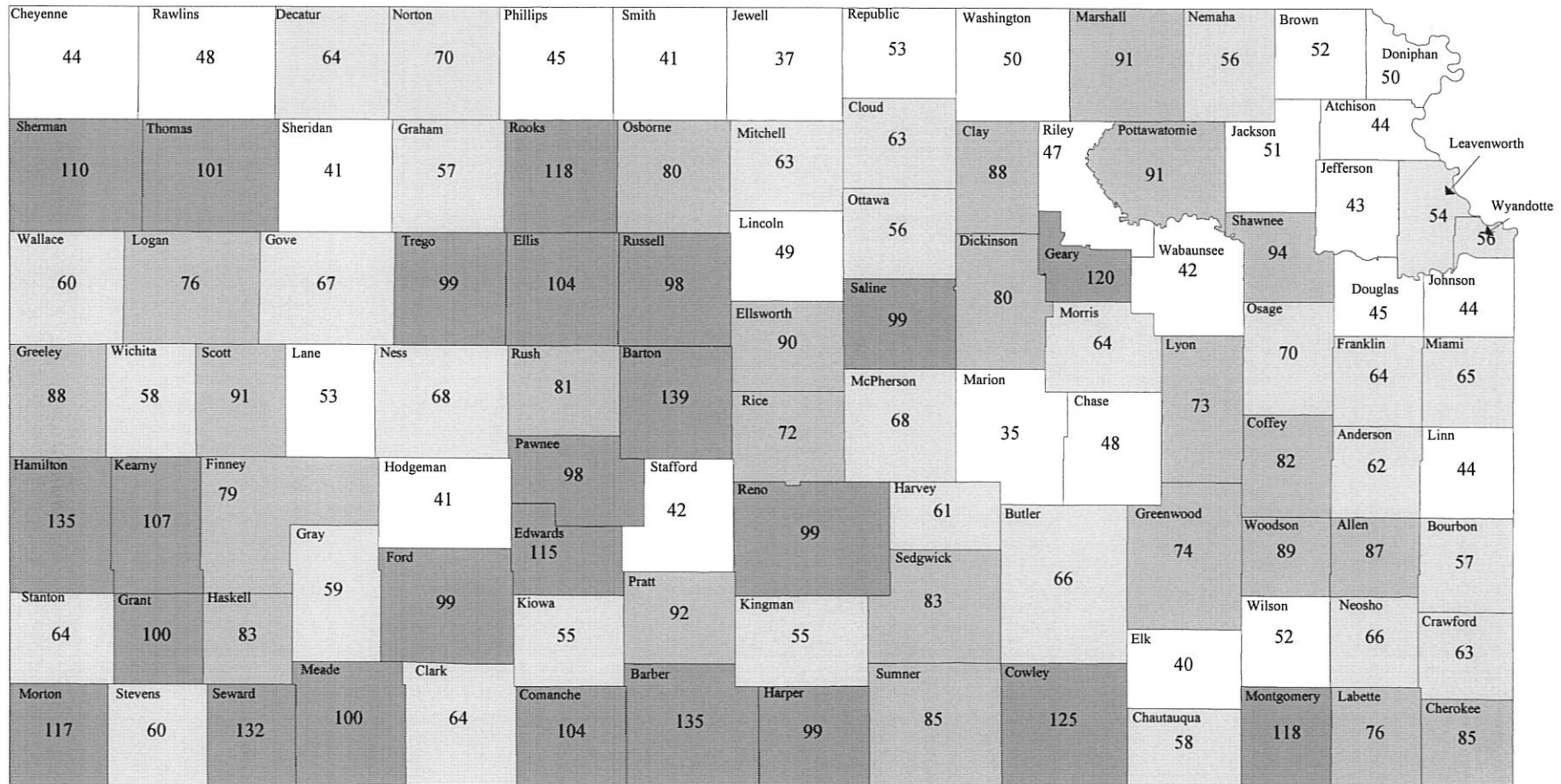


Per Capita Expenditures

(xx)=Number of Counties

- \$2 to \$14 (40)
- ▒ \$15 to \$24 (31)
- ▓ \$25 to \$44 (24)
- \$45 to \$103 (10)

FY 1996 Lottery Sales per capita



Per capita Sales
 (xx)= Number of Counties

- >=\$35 to <\$54 (26)
- ▒ >=\$54 to <\$72 (31)
- ▓ >=\$72 to <\$98 (24)
- >=\$98 to <\$139 (24)

FY 1996 EDIF EXPENDITURES BY COUNTY

Sorted by EDIF Per Capita

COUNTY	EDIF Total	Net	EDIF/capita	Lottery/capita
Sherman	710,672	536,219	103	110
Riley	4,352,762	3,566,274	60	47
Mitchell	412,806	310,850	58	63
Douglas	5,119,063	4,209,854	58	45
Smith	269,043	223,581	56	41
Ottawa	290,003	217,061	51	56
Greeley	86,180	49,603	48	88
Wallace	86,180	61,242	47	60
Graham	152,851	108,179	45	57
Coffey	389,098	226,790	45	82
Comanche	85,543	34,061	40	104
Decatur	138,259	85,193	39	64
Linn	324,237	238,349	38	44
Morton	128,282	36,663	38	117
Stanton	86,180	52,249	37	64
Hamilton	86,180	14,274	37	135
Lane	86,180	58,087	37	53
Cheyenne	108,359	75,597	33	44
Rawlins	108,359	72,229	33	48
Crawford	1,175,662	649,599	32	63
Hodgeman	72,488	51,568	32	41
Logan	101,635	46,512	32	76
Clark	72,488	36,924	30	64
Wichita	86,180	47,440	30	58
Norton	168,074	76,001	29	70
Shawnee	4,783,486	1,213,333	29	94
Elk	93,152	62,282	28	40
Chase	80,157	48,180	27	48
Lyon	948,460	369,322	27	73
Woodson	109,354	27,025	27	89
Jewell	104,914	71,517	27	37
Chautauqua	112,968	54,888	26	58
Sheridan	72,488	45,734	26	41
Seward	471,809	(110,180)	25	132
Doniphan	183,665	95,511	24	50
Ellsworth	150,122	16,926	23	90
Gove	73,320	24,658	23	67
Ness	87,238	27,482	23	68
Saline	1,158,942	(17,519)	23	99
Lincoln	76,852	38,222	22	49
Kiowa	78,043	32,571	22	55
Osborne	100,771	14,358	21	80
McPherson	601,703	165,076	21	68
Trego	72,792	(6,202)	21	99
Keamy	86,180	(15,328)	21	107
Rush	69,688	7,910	20	81
Edwards	69,323	(24,739)	19	115
Meade	83,538	(14,910)	19	100
Prairie	187,012	(16,088)	19	92
Montgomery	732,571	(292,355)	19	118
Haskell	72,488	(3,515)	18	83
Marion	236,383	129,891	18	35
Ellis	479,964	(155,365)	18	104
Russell	136,833	(36,809)	18	98
Dickinson	347,403	(16,502)	18	80
Republic	108,514	32,413	17	53
Rooks	101,576	(59,856)	17	118
Scott	87,830	(20,140)	17	91
Barber	90,243	(83,626)	16	135
Morris	101,356	8,201	16	64
Gray	86,180	13,257	16	59
Anderson	125,148	12,408	16	62
Bourbon	234,756	38,433	16	57
Gearly	485,781	(374,696)	16	120
Barton	433,463	(488,270)	15	139
Miami	354,865	(16,309)	14	65
Sedgewick	5,898,944	(2,114,008)	14	83
Stevens	72,488	500	14	60
Harper	92,985	(59,491)	14	99
Cowley	516,936	(550,865)	14	125
Kingman	113,688	6,555	13	55
Stafford	69,043	18,182	13	42
Phillips	81,543	16,368	13	45
Atchison	210,867	39,408	13	44
Ford	354,101	(292,055)	12	99
Jackson	141,589	4,185	12	51
Greenwood	93,151	(42,500)	12	74
Finney	398,152	(229,016)	11	79
Reno	714,618	(704,527)	11	99
Grant	86,180	(89,770)	11	100
Allen	159,835	(135,890)	11	87
Washington	71,793	(6,202)	11	50
Pawnee	81,343	(93,320)	11	98
Wabaunsee	69,156	4,605	10	42
Nemaha	105,733	(27,616)	10	56
Thomas	84,203	(108,843)	10	101
Brown	106,344	(24,711)	10	52
Harvey	302,143	(144,967)	10	61
Pottawatomie	164,555	(198,788)	9	91
Wyandotte	1,459,632	(522,583)	9	56
Neosho	158,710	(98,402)	9	66
Johnson	3,589,483	(422,346)	9	44
Clay	79,043	(109,013)	9	88
Wilson	85,920	(37,715)	8	52
Rice	75,523	(94,612)	7	72
Cloud	71,286	(82,185)	7	63
Franklin	157,056	(181,926)	7	64
Jefferson	108,233	(59,315)	6	43
Sumner	168,872	(349,586)	6	85
Marshall	69,757	(164,973)	6	91
Labette	123,037	(283,220)	5	76
Osage	69,456	(192,340)	4	70
Butler	208,135	(642,168)	4	66
Cherokee	71,690	(359,853)	3	85
Leavenworth	134,592	(571,611)	2	54
STATE TOTAL	\$45,387,938		18	72

EDIFMAP6

FY 1996 EDIF EXPENDITURES BY COUNTY

Sorted by Lottery Sales Per Capita

COUNTY	EDIF Total	Net	EDIF/capita	Lottery/capita
Barton	433,463	(488,270)	15	139
Hamilton	86,180	14,274	37	135
Barber	90,243	(83,626)	16	135
Seward	471,809	(110,180)	25	132
Cowley	516,936	(550,865)	14	125
Gearly	485,781	(374,696)	16	120
Rooks	101,576	(59,856)	17	118
Montgomery	732,571	(292,355)	19	118
Morton	128,282	36,663	38	117
Edwards	69,323	(24,739)	19	115
Sherman	710,672	536,219	103	110
Keamy	86,180	(15,328)	21	107
Comanche	85,543	34,061	40	104
Ellis	479,964	(155,365)	18	104
Thomas	84,203	(108,843)	10	101
Meade	83,538	(14,910)	19	100
Grant	86,180	(89,770)	11	100
Saline	1,158,942	(17,519)	23	99
Harper	92,985	(59,491)	14	99
Trego	72,792	(6,202)	21	99
Ford	354,101	(292,055)	12	99
Reno	714,618	(704,527)	11	99
Russell	136,833	(36,809)	18	98
Pawnee	81,343	(93,320)	11	98
Shawnee	4,783,486	1,213,333	29	94
Prairie	187,012	(16,088)	19	92
Scott	87,830	(20,140)	17	91
Pottawatomie	164,555	(198,788)	9	91
Marshall	69,757	(164,973)	6	91
Ellsworth	150,122	16,926	23	90
Woodson	109,354	27,025	27	89
Clay	79,043	(109,013)	9	88
Greeley	86,180	49,603	48	88
Allen	159,835	(135,890)	11	87
Sumner	168,872	(349,586)	6	85
Cherokee	71,690	(359,853)	3	85
Sedgewick	5,898,944	(2,114,008)	14	83
Haskell	72,488	(3,515)	18	83
Coffey	389,098	226,790	45	82
Rush	69,688	7,910	20	81
Dickinson	347,403	(16,502)	18	80
Osborne	100,771	14,358	21	80
Finney	398,152	(229,016)	11	79
Labette	123,037	(283,220)	5	76
Logan	101,635	46,512	32	76
Greenwood	93,151	(42,500)	12	74
Lyon	948,460	369,322	27	73
Rice	75,523	(94,612)	7	72
Osage	69,456	(192,340)	4	70
Norton	168,074	76,001	29	70
Ness	87,238	27,482	23	68
McPherson	601,703	165,076	21	68
Gove	73,320	24,658	23	67
Butler	208,135	(642,168)	4	66
Neosho	158,710	(98,402)	9	66
Miami	354,865	(16,309)	14	65
Decatur	138,259	85,193	39	64
Clark	72,488	36,924	30	64
Stanton	86,180	52,249	37	64
Morris	101,356	8,201	16	64
Franklin	157,056	(181,926)	7	64
Cloud	71,286	(82,185)	7	63
Crawford	1,175,662	649,599	32	63
Mitchell	412,806	310,850	58	63
Anderson	125,148	12,408	16	62
Harvey	302,143	(144,967)	10	61
Stevens	72,488	500	14	60
Wallace	86,180	61,242	47	60
Gray	86,180	13,257	16	59
Wichita	86,180	47,440	30	58
Chautauqua	112,968	54,888	26	58
Bourbon	234,756	38,433	16	57
Graham	152,851	108,179	45	57
Ottawa	290,003	217,061	51	56
Wyandotte	1,459,632	(522,583)	9	56
Nemaha	105,733	(27,616)	10	56
Kingman	113,688	6,555	13	55
Kiowa	78,043	32,571	22	55
Leavenworth	134,592	(571,611)	2	54
Republic	108,514	32,413	17	53
Lane	86,180	58,087	37	53
Wilson	85,920	(37,715)	8	52
Brown	106,344	(24,711)	10	52
Jackson	141,589	4,185	12	51
Doniphan	183,665	95,511	24	50
Washington	71,793	(6,202)	11	50
Lincoln	76,852	38,222	22	49
Chase	80,157	48,180	27	48
Rawlins	108,359	72,229	33	48
Riley	4,352,762	3,566,274	60	47
Douglas	5,119,063	4,209,854	58	45
Phillips	81,543	16,368	13	45
Atchison	210,867	39,408	13	44
Johnson	3,589,483	(422,346)	9	44
Cheyenne	108,359	75,597	33	44
Linn	324,237	238,349	38	44
Jefferson	108,233	(59,315)	6	43
Wabaunsee	69,156	4,605	10	42
Stafford	69,043	18,182	13	42
Sheridan	72,488	45,734	26	41
Smith	269,043	223,581	56	41
Hodgeman	72,488	51,568	32	41
Elk	93,152	62,282	28	40
Jewell	104,914	71,517	27	37
Marion	236,383	129,891	18	35
STATE TOTAL	\$45,387,938		18	72

EDIFMAP6

FY 1996 EDIF EXPENDITURES BY COUNTY

Sorted by EDIF Total

COUNTY	EDIF Total	Net	EDIF/capita	Lottery/capita
Sedgwick	5,898,944	(2,114,008)	14	83
Douglas	5,119,063	4,209,854	58	45
Shawnee	4,783,486	1,213,333	29	94
Riley	4,352,762	3,566,274	60	47
Johnson	3,589,483	(422,346)	9	44
Wyandotte	1,459,632	(522,583)	9	56
Crawford	1,175,662	649,599	32	63
Saline	1,158,942	(17,519)	23	99
Lyon	948,460	369,322	27	73
Montgomery	732,571	(292,355)	19	118
Reno	714,618	(704,527)	11	99
Sherman	710,672	536,219	103	110
McPherson	601,703	165,076	21	68
Cowley	516,936	(550,865)	14	125
Geary	485,781	(374,696)	16	120
Ellis	479,964	(155,365)	18	104
Seward	471,809	(110,180)	25	132
Barton	433,463	(488,270)	15	139
Mitchell	412,806	310,850	58	63
Finney	398,152	(229,016)	11	79
Colley	389,098	226,790	45	82
Miami	354,865	(16,309)	14	65
Ford	354,101	(292,055)	12	99
Dickinson	347,403	(16,502)	18	80
Linn	324,237	238,349	38	44
Harvey	302,143	(144,967)	10	61
Ottawa	290,003	217,061	51	56
Smith	269,043	223,581	56	41
Marion	236,383	129,891	18	35
Bourbon	234,756	38,433	16	57
Atchison	210,867	39,408	13	44
Butler	208,135	(642,168)	4	66
Pratt	187,012	(16,088)	19	92
Doniphan	183,665	95,511	24	59
Sumner	168,872	(319,586)	6	85
Norton	168,074	76,001	29	70
Pottawatomie	164,555	(198,788)	9	91
Allen	159,835	(135,890)	11	87
Neosho	158,710	(98,402)	9	66
Franklin	157,056	(181,926)	7	64
Graham	152,851	108,179	45	57
Ellsworth	150,122	16,926	23	90
Jackson	141,589	4,185	12	51
Decatur	138,259	85,193	39	64
Russell	136,833	(36,809)	18	98
Leavenworth	134,592	(5716,111)	2	54
Morton	128,282	36,663	38	117
Anderson	125,148	12,408	16	62
Labette	123,037	(283,220)	5	76
Kingman	113,688	6,555	13	55
Chautauqua	112,968	54,888	26	58
Woodson	109,354	27,025	27	89
Republic	108,514	32,413	17	53
Rawlins	108,359	72,229	33	48
Cheyenne	108,359	75,597	33	44
Jefferson	108,233	(59,315)	6	43
Brown	106,344	(21,711)	10	52
Nemaha	105,733	(27,616)	10	56
Jewell	104,914	71,517	27	37
Logan	101,635	46,512	32	76
Rooks	101,576	(59,856)	17	118
Morris	101,356	8,201	16	64
Osborne	100,771	14,358	21	80
Elk	93,152	62,282	28	40
Greenwood	93,151	(42,500)	12	74
Harper	92,985	(59,491)	14	99
Barber	90,243	(83,626)	16	135
Scott	87,830	(20,140)	17	91
Ness	87,238	27,482	23	68
Kearny	86,180	(15,328)	21	107
Wichita	86,180	47,440	30	58
Stanton	86,180	52,249	37	64
Wallace	86,180	61,242	47	60
Greeley	86,180	49,603	48	88
Lane	86,180	58,087	37	53
Gray	86,180	13,257	16	59
Grant	86,180	(89,770)	11	100
Hamilton	86,180	14,274	37	135
Wilson	85,920	(37,715)	8	52
Comanche	85,543	34,061	40	104
Thomas	84,203	(108,843)	10	101
Meade	83,538	(14,910)	19	100
Phillips	81,543	16,368	13	45
Pawnee	81,343	(93,320)	11	98
Chase	80,157	48,180	27	48
Clay	79,043	(109,013)	9	88
Kiowa	78,043	32,571	22	55
Lincoln	76,852	38,222	22	49
Rice	75,523	(94,612)	7	72
Gove	73,320	24,658	23	67
Trego	72,792	(6,202)	21	99
Stevens	72,488	500	14	60
Sheridan	72,488	45,734	26	41
Clark	72,488	36,924	30	64
Haskell	72,488	(3,515)	18	83
Hodgeman	72,488	51,568	32	41
Washington	71,793	(6,202)	11	50
Cherokee	71,690	(359,853)	3	85
Cloud	71,286	(82,185)	7	63
Marshall	69,757	(164,973)	6	91
Rush	69,688	2,910	20	81
Osage	69,456	(192,340)	4	70
Edwards	69,323	(24,739)	19	115
Wabunsee	69,156	4,605	10	42
Stafford	69,043	18,182	13	42
STATE TOTAL	\$45,387,938		18	72

FY 1996 EDIF EXPENDITURES BY COUNTY

Sorted by Net EDIF

COUNTY	EDIF Total	Net	EDIF/capita	Lottery/capita
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Riley	4,352,762	3,566,274	60	47
Shawnee	4,783,486	1,213,333	29	94
Crawford	1,175,662	649,599	32	63
Sherman	710,672	536,219	103	110
Lyon	948,460	369,322	27	73
Mitchell	412,806	310,850	58	63
Linn	324,237	238,349	38	44
Colley	389,098	226,790	45	82
Smith	269,043	223,581	56	41
Ottawa	290,003	217,061	51	56
McPherson	601,703	165,076	21	68
Marion	236,383	129,891	18	35
Graham	152,851	108,179	45	57
Doniphan	183,665	95,511	24	59
Decatur	138,259	85,193	39	64
Norton	168,074	76,001	29	70
Cheyenne	108,359	75,597	33	44
Rawlins	108,359	72,229	33	48
Jewell	104,914	71,517	27	37
Elk	93,152	62,282	28	40
Wallace	86,180	61,242	47	60
Lane	86,180	58,087	37	53
Chautauqua	112,968	54,888	26	58
Stanton	86,180	52,249	37	64
Hodgeman	72,488	51,568	32	41
Greeley	86,180	49,603	48	88
Chase	80,157	48,180	27	48
Wichita	86,180	47,440	30	58
Logan	101,635	46,512	32	76
Sheridan	72,488	45,734	26	41
Atchison	210,867	39,408	13	44
Bourbon	234,756	38,433	16	57
Lincoln	76,852	38,222	22	49
Clark	72,488	36,924	30	64
Morton	128,282	36,663	38	117
Comanche	85,543	34,061	40	104
Kiowa	78,043	32,571	22	55
Republic	108,514	32,413	17	53
Ness	87,238	27,482	23	68
Woodson	109,354	27,025	27	89
Gove	73,320	24,658	23	67
Stafford	69,043	18,182	13	42
Ellsworth	150,122	16,926	23	90
Phillips	81,543	16,368	13	45
Osborne	100,771	14,358	21	80
Hamilton	86,180	14,274	37	135
Gray	86,180	13,257	16	59
Anderson	125,148	12,408	16	62
Morris	101,356	8,201	16	64
Kingman	113,688	6,555	13	55
Wabunsee	69,156	4,605	10	42
Jackson	141,589	4,185	12	51
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Stevens	72,488	500	14	60
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Wilson	85,920	(37,715)	8	52
Greenwood	93,151	(42,500)	12	74
Jefferson	108,233	(59,315)	6	43
Harper	92,985	(59,491)	14	99
Rooks	101,576	(59,856)	17	118
Cloud	71,286	(82,185)	7	63
Barber	90,243	(83,626)	16	135
Grant	86,180	(89,770)	11	100
Pawnee	81,343	(93,320)	11	98
Rice	75,523	(94,612)	7	72
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Barton	433,463	(488,270)	15	139
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