

Approved: 2-3-98
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT.

The meeting was called to order by Chairman Bill Mason at 3:30 p.m. on January 27, 1998 in Room 423-S of the Capitol.

All members were present except: Barbara Allen
Lisa Benlon

Committee staff present: Lynne Holt, Legislative Research Department
Renaë Jefferies, Revisor of Statutes

Conferees appearing before the committee: Jill Crumpacker, Department of Human Resources
Erin Newport, Program Consultant, Dept. of Human Resources
Christopher K. McKenzie, League of Kansas Municipalities

Others attending: See attached list

Jill Crumpacker, Director of Employment and Training, Kansas Department of Human Resources, presented a brief overview of the Division of Employment and Training. The division oversees federal programs including: Wagner-Peyser; One-Stop; Job Training Partnership Act; Dislocated Worker Services; Veterans Employment Services; Older Worker Employment programs, and the Apprenticeship program. A Neighborhood Improvement and Youth Employment Act hand-out was given to all committee members (Attachment 1). She stated that work force training is an increasingly important issue as states compete for skilled workers.

Chairman Mason asked about the efforts of getting people off welfare and to work. Ms. Crumpacker responded that Candace Shively would have information pertaining to those programs.

Discussion followed regarding concern for the working poor.

Erin Newport, Program Consultant, Dept. of Human Resources, gave a brief overview of the Neighborhood Improvement and Youth Act (NIYEA) (Attachment 2). She responded to questions about the program.

HB 2590:

Christopher McKenzie was recognized and offered amendments to **HB 2590** that were proposed the previous day (Attachment 3). He explained the changes and recommended that the bill be amended as follows:

On page 2, in line 40, after the period, by inserting: "If the secretary fails to agree with the findings, the secretary shall advise the governing body in writing of the specific reasons therefor.";

On page 7, in line 8, after "obligation: by inserting "bonds";

On page 8, by striking all in line 43;

On page 9, by striking all in lines 1 through 32;

And by renumbering existing section 14 as section 11;

On page 1, in the title, in line 11, by striking all after "counties"; in line 12, by striking all before the period.

Chairman Mason closed the hearing on **HB 2590**.

Representative Long moved that **HB 2590** pass favorably, as amended. Representative Tomlinson seconded the motion and the motion carried.

Chairman Mason adjourned the meeting at 4:40 p.m.

The next meeting is February 3, 1998.

Human Resources Report

NEIGHBORHOOD IMPROVEMENT AND YOUTH EMPLOYMENT ACT (NIYEA)

Department of Human Resources
Report to the 1998 Session of the
House Economic Development Committee

Presented January 27, 1998
by Jill M. Crumpacker

House Economic Development
1-27-98
Attachment 1

NEIGHBORHOOD IMPROVEMENT AND YOUTH EMPLOYMENT ACT (NIYEA)

REPORT TO THE 1998 SESSION OF THE
HOUSE ECONOMIC DEVELOPMENT COMMITTEE

TABLE OF CONTENTS

I.	BACKGROUND	2
A.	Legislation	2
B.	Funding	3
C.	Project Administration	3
II.	NIYEA PROJECT INFORMATION	3
A.	Program Year 1996 Response and Selection	3
B.	Program Year 1996 Grant Awards	4
C.	Program Year 1997 Response and Selection	4
D.	Program Year 1997 Grant Awards	5
III.	CHARACTERISTIC INFORMATION	5
V.	SIGNIFICANT ACCOMPLISHMENTS	7
VI.	RECOMMENDATIONS	7
A.	Type of Work	7
B.	Eligible Youth	8
C.	Mandating a Project in Each Congressional District	8
VII.	CONTINUANCE OF THE PROGRAM	9

INCOME GUIDELINES
CHARACTERISTIC DATA

Neighborhood Improvement and Youth Employment Act (NIYEA)

Report to the 1998 Session of the House Economic Development Committee

Contact and Phone Number: Jill M. Crumpacker
Director, Division of Employment and Training
785/296-7874

Grant Period: July 1, 1996 - June 30, 1998

Date: January 27, 1998

I. BACKGROUND

A. Legislation

The Neighborhood Improvement and Youth Employment Act (NIYEA) was made possible by the 1996 Kansas Legislature through House Bill 3091, codified at K.S.A. 44-1401 et. seq. Legislation mandates the following requirements:

1. Work projects must provide employment opportunities to eligible individuals through payments for labor and related costs associated with the repair, maintenance and renovation of essential community facilities; community services; and/or work with low-income senior citizens.
2. Entities qualified to apply for NIYEA awards are units of local government, non-profit organizations, Native American Indian tribes, or private businesses¹ which agree to:
 - a. Submit a plan to provide summer and/or after school employment opportunities to eligible individuals;
 - b. Assign a mentor or advisor to each eligible individual employed by the entity; and
 - c. Abide by guidelines as may be required by the Secretary of Human Resources.
3. At least one grant recipient must be located in each congressional district of the State.

¹ Private business must pay at least 50% of the wages and fringe benefits for individuals it employs pursuant to this act.

4. Eligible individuals must be enrolled in and attending a secondary school and must meet Income Guidelines.²

B. Funding

Funding became available July 1, 1996. Funding was divided between the Program Years of the Act's duration, resulting in two rounds of proposal competition. The first round funded projects operating during the period of July 1, 1996, to June 30, 1997. The second round of funded projects operating during the period of July 1, 1997, to June 30, 1998. Funding used in Program Years 1996 and 1997 is as follows:

Funding Period	Grantee Awards	Administrative Funding	Total Funding
July 1, 1995 - June 30, 1996 (Encumbered funds)	\$35,399.16	\$ 0	\$35,399.16
July 1, 1996 - June 30, 1997	\$64,134.00	\$ 6,164.42	\$70,298.42
July 1, 1997 - June 30, 1998	\$63,000.00	\$ 7,000.00	\$70,000.00
	\$162,533.16	\$13,164.42	\$175,697.58

C. Project Administration

Project administration is provided by the Division of Employment and Training, Kansas Department of Human Resources (KDHR). Administrative costs are held at 10%, obedient to Section 1404 of the Act which states:

"Not more than 10% of amounts received from a grant received under K.S.A. 1996 Supp. 44-1402 and amendments thereto for any fiscal year may be used for the cost of administration..."

Administrative costs include items such as development of the Request for Proposals (RFP); printing of the RFP; publication announcement in Kansas newspapers and the Kansas Register; postage; fiscal management; project orientation, contract negotiation; on-going technical assistance; travel to and from sites to perform oversight; oversight; and reporting.

II. NIYEA PROJECT INFORMATION

A. Program Year 1996 Response and Selection

Eligible entities were notified of Program Year 1996 funding, through legal notices published in the Hays Daily News, Kansas City Star, Pittsburg Morning Sun, Salina Journal, Topeka Capital Journal, Wichita Eagle, and the Kansas Register. In addition, RFP packages were submitted to all Kansas legislators.

² Income Guidelines attached.

A total of nine (9) proposals were received. The proposals were ranked by a six (6) member Review Committee. One (1) proposal was ineligible and was disqualified before ranking. No eligible proposal was received from Congressional District IV resulting in the decision to fund the next highest scoring proposal. Awarded Program Year 1996 funds are:

B. Program Year 1996 Grant Awards

Interfaith Housing Services, Hutchinson \$24,988.00
 Congressional District I 1920 points

Interfaith Housing Services employed four (4) individuals in an after school and summer project. The project rehabilitated non-occupied houses to provide permanent, affordable housing for low-income or homeless individuals. Interfaith Housing Services provided twelve months of building skills training to individuals who had dropped out of high school. To participate in this project, individuals were required to return to classroom instruction to master the skills necessary to complete requirements for their general equivalency diplomas. Participation was structured to include three (3) hours of daily GED training, and three (3) hours of daily building skills training. Participants were required to keep daily journals and received one (1) hour of Leadership Development and Life Skills instruction. During this hour students learned a variety of skills, such as remedial car maintenance, nutrition, leadership training, health care, and how to balance check books.

City of Junction City, Junction City \$24,989.44
 Congressional District II 1665 points

The City of Junction City partnered with the high school to identify and employ eight (8) individuals in an after school and summer project. Individuals were placed in work activities with the Police Department, United Way, City Clerk, Water Department, and Highland Park Cemetery.

Harvest America, Kansas City \$24,989.44
 Congressional District III 1728 points

Harvest America employed seven (7) youth in a summer project. Individuals were placed in work activities at St. Catherine Hospital, Garden City Community College, Garden City Zoo, Garden City Library, League of United Latin American Citizens (LULAC), and other various not-for-profit agencies. Though the project was administered in Kansas City, participating individuals were located in Kansas City, Leoti, Garden City, and Goodland.

City of Ottawa, Ottawa \$23,740.56
 Congressional District II 1627 points

The City of Ottawa employed twelve (12) individuals in an after school and summer project. Individuals were placed in work activities at Ottawa University, Ransom Memorial Hospital, B. Peck Animal Shelter, East Central Kansas Economic Employment Corporation (ECKAN), and the Ottawa High School. The City of Ottawa matched State funding in excess of 100%, providing similar employment opportunities resulting in twice the number of individuals participating in NIYEA.

C. Program Year 1997 Response and Selection

Eligible entities were notified of Program Year 1997 funding through legal notices published in the Coffeyville Journal, Dodge City Daily Globe, Goodland Daily News,

Hays Daily News, Hiawatha Daily World, Hutchinson News, Kansas City Star, McPherson Sentinel, Olathe Daily News, Ottawa Herald, Parsons Sun, Salina Journal, Topeka Capital Journal, Wellington Daily News, Wichita Eagle, and the Kansas Register. In addition, RFPs were submitted to all Kansas legislators.

For this funding period, a total of seven (7) proposals were originally submitted. The entities selected were ranked by a six (6) member Review Committee. No eligible proposal was received from Congressional District IV, resulting in the re-issuance of the RFP throughout the Congressional District. The second notification resulted in one (1) proposal received from Congressional District IV. The proposal was funded. One (1) of the original seven (7) proposals was ineligible and was disqualified before ranking. Awarded Program Year 1996 funds are:

D. Program Year 1997 Grant Awards

Kansas Wesleyan University DBA Retired and Senior Volunteer Program, Salina
 Congressional District I \$17,500.00
 1325 points

The Retired and Senior Volunteer Program will employ approximately twenty-two (22) individuals in NIYEA eligible work activities, providing: programs stressing the benefits of a secondary education; training with area business and industry personnel to learn what employers expect; the option of participation in organized sports/recreational team activities; and leadership training. Primarily low-income individuals in State custody who are identified as "at-risk" will be served. The project began mid-January 1998, and ends June 30, 1997.

City of Ottawa, Ottawa \$17,500.00
 Congressional District II 1256 points

The City of Ottawa continues to employ approximately ten (10) individuals in after school and summer employment. Existing partnerships with NIYEA worksites in the community will be utilized and new partnerships forged. The project began July 1, 1997, and ends June 30, 1998.

Harvest America, Kansas City \$17,500.00
 Congressional District III 1886 points

Harvest America continues to employ approximately seven (7) individuals in an after school and summer employment project. Existing partnerships with NIYEA worksites in Kansas City, Leoti, Garden City, and Goodland will be utilized and new partnerships forged. The project began July 1, 1997, and ends June 30, 1998.

Wichita Indochinese Center \$17,500.00
 Congressional District IV 462 points

Wichita Indochinese Center will employ approximately ten (10) individuals in NIYEA eligible work activities while providing life and employability skills training and community service work with senior citizens. The project began in November 1997 and will end June 30, 1998.

III. CHARACTERISTIC INFORMATION

Program Year 1996 Characteristics attached.

IV. PROGRAM YEAR 1996 PROJECT EVALUATION

Interfaith Housing Services, Hutchinson

Interfaith Housing Services (IHS) successfully completed their project in summer 1997. The four (4) participants aided by the IHS grant expanded their skills and all were employed. Participants were hired: by IHS to lead volunteer groups in the development of housing for special needs populations; to work construction part time while attending classes at Hutchinson Community College; to work in retail, his primary field of interest, as he continued work to achieve his GED (three of the five tests successfully completed); to work on a ranch in New Mexico.

The Director of IHS wrote: *"While this is a brief summary ... it represents monumental achievements by each student. Some of the students came into the program on probation, others were homeless, all had very low self esteem and not one had any idea as to what they wanted to do with their lives... We are proud of each one and excited about their futures."*

City of Junction City, Junction City

The City of Junction City successfully completed their project on June 30, 1997. In May 1997, the Mayor of Junction City recognized NIYEA participants for their achievements. Each participant received a certificate of appreciation. During two performance evaluations all participants were rated outstanding to excellent.

The Director of the Junction City project wrote: *"Everyone was overwhelmingly pleased with the program and students' performance. It was determined the City should reapply for continued funding and should continue to seek other sources of possible funds to continue the program."*

Harvest America, Kansas City

Harvest America successfully bid for a second year of funding and continues to provide employment opportunities and mentors for individuals in four (4) locations across the state. In addition to their employment, participants received life skills training in credit management, substance abuse prevention, first aid techniques, and internet access.

Each of the locations has been very pleased to have participated in the NIYEA experience especially the Garden City project. The Director of the Harvest America project writes: *"The Garden City school district has been very supportive of this program and has asked about the possibility of having additional slots for next year. After learning of the positive effect NIYEA has had in Garden City, the Liberal High School has expressed interest in the program and inquired about the possible expansion of the program to Seward County."*

City of Ottawa, Ottawa

The City of Ottawa successfully bid for a second year of funding and continues to provide employment opportunities and mentors for individuals in Ottawa. The City of Ottawa has again budgeted a large match (\$22,621.38) to allow employment opportunities for individuals in the private sector which are not funded by NIYEA.

The Director of the City of Ottawa writes: *"NIYEA funding has provided the City of Ottawa a unique opportunity to provide life skills to underprivileged youth while serving the community and area employers. This program has been so successful in Ottawa that we have more employers and qualified youth than funding available to serve them. Not only do we feel that the NIYEA funds have made an impact on the underprivileged youth of Ottawa, we feel that*

continued and increased funding is vital to the success of our program and the future of area youth."

V. SIGNIFICANT ACCOMPLISHMENTS

- Of the 31 total NIYEA participants, four (4) returned to school to participate in NIYEA.
- All 31 remained in school during participation in NIYEA projects.
- Each individual was provided a mentor to guide and teach them through their employment experience.
- Of the three (3) offenders hired to participate, none re-offended.

VI. RECOMMENDATIONS

The following recommendations are offered for consideration. They illustrate areas of concern regarding project activities and eligibility while proposing solutions staff believe will benefit and strengthen the project if reauthorized to continue.

A. Type of Work

Section 44-1402 states:

"...the Secretary of Human Resources shall provide grants...that provide employment opportunities...associated with the repair, maintenance and renovation of essential community facilities and for labor and related costs associated with assisting with community services and working with low-income senior citizens."

These work activities are mandated to all eligible entities awarded NIYEA grant funds, including private businesses. Private businesses are rarely involved in paying individuals to perform community service or working with low-income senior citizens. Private businesses are involved in work associated with the repair, maintenance and renovation of essential community facilities; however, this is a small percentage of employment opportunities available to individuals.

Recommendation:

Option 1: The KDHR recommends that all reference to "private businesses" be removed from the act as they are virtually eliminated from participation in the NIYEA program because of mandated work requirements.

Option 2: The KDHR recognizes that meaningful and worthwhile work experiences and mentors may be found in private businesses; therefore, the KDHR recommends waiving the mandated work activity requirements for private employers who agree to:

"...pay at least 50% of the wages and related fringe benefits of the youths it employees pursuant to this act. (K.S.A. 44-1403)"

This recommendation would allow local communities to develop projects to best serve individuals and communities while accessing local resources and services assisting individuals.

B. Eligible Youth

Section 44-1405 states:

"An individual shall be eligible to participate in a program...only if the individual is attending a secondary school..."

In the past three years of NIYEA projects, at least three (3) individuals of eligible working age were denied participation in NIYEA because they were held back to repeat a grade level and not in secondary school. In each case, the individual was considered "at-risk" and in desperate need of a structured program or service. It is offered for consideration that individuals who are struggling in school and have been retained from advancing one or more grade levels are some of the most in need of mentoring and guidance service. Because of child labor restrictions, employers prefer working with older individuals (ages 16 and 17), virtually eliminating the youngest of working individuals (ages 14 and 15) who cannot find other employment.

Recommendation:

The KDHR recommends the legislature strike "secondary" from this section.

C. Mandating a Project in Each Congressional District

Section 44-1402 states:

"The Secretary shall ensure that at least one grant recipient is located in each congressional district in the state."

After distribution of the Program Year 1996 NIYEA RFP, no eligible proposal was received from Congressional District IV. After consideration of the time and resources expended publishing and distributing the NIYEA RFP, it was decided to fund the next highest scoring proposal.

After distribution of the Program Year 1997 NIYEA RFP, again no eligible proposal was received from Congressional District IV. After two years of no satisfactory response from eligible entities in Congressional District IV, legal counsel advised staff they could not fund the next highest scoring proposal, as the act made no provision allowing KDHR to award funds if no suitable grantee was found in any given congressional district. Though legal ads, publication, and mailing the RFPs were costly, staff responsible for NIYEA re-issued the RFP in a second attempt to award funds to this Congressional District, as mandated by K.S.A. 44-1401 et seq. In response to the second distribution of the NIYEA RFP in Congressional District IV, KDHR received one proposal which minimally met NIYEA's purpose and goals and resulted in the proposal receiving a very low rating. Legal counsel determined the law must be adhered to, resulting in the funding of a project which did not rank comparatively to other funded proposals.

Based on Legal's advice, KDHR worked from August to November 1997, assisting the sole applicant in revising the proposal until it reflected NIYEA's direction, goals, and objectives. The grantee began their project in late November 1997.

The difficulty in finding a suitable project in Congressional District IV, and the task of building it into a suitable proposal, caused significant delays caused the grantee to

recently begin to expend funds available through the grant award. To deny a promising proposal based solely upon another award in the same Congressional District, while funding a project which receives an unfair amount of support and guidance to arrive at a suitable vision and goal, is inefficient and unfair.

Recommendation:

The KDHR recommends this requirement be removed from the NIYEA Act. This requirement was not contained in the original NIYEA act.

VII. CONTINUANCE OF THE PROGRAM

In K.S.A. 1401, Section 1408, the Kansas legislature requested a recommendation for, or against, continuance of the program. This overview will endeavor to present information concerning NIYEA's continuation.

For the past decade, the Federal Government has funded the Summer Youth Employment and Training Program (SYETP) for low-income individuals under the Job Training Partnership Act (JTPA). A comparison to the SYETP is made as it is the most similar youth employment project and the continuance or discontinuance of NIYEA will affect options given to communities wishing to serve individuals through employment based strategies. Because the SYETP is a source of helpful and essential information regarding employment programs, NIYEA was modeled from this federal program for administrative purposes. Income guidelines were used and reports similar to those for SYETP were developed.

NIYEA provides several advantages over the SYETP by allowing individuals to participate in year round work experience. Year-round work experience reinforces positive work habits by offering a longer time to practice work habits; offers low income families a more stable and constant means of income; and allows more time with mentors to learn skills and provide guidance.

An advantage for NIYEA administrators is the elimination of much of the paperwork and federal regulation. In addition, NIYEA's income eligibility guidelines allow greater discretion on the part of the grantee. If a grantee cannot locate individuals who are eligible under the most unfortunate income guidelines, it may move to the next category of need by providing documentation of why it was critical the individual be served. SYETP allows the grantee no discretion regarding income. This has allowed NIYEA to serve the higher income end of low-income individuals.

Disadvantages for NIYEA include its year-round need for administrative costs. The KDHR uses the entire 10% administrative allocation for costs such as development of the Request for Proposals (RFP); printing of the RFP; announcement of fund availability in Kansas newspapers and the Kansas Register; postage; fiscal management; project orientation, contract negotiation; on-going technical assistance; travel to and from sites to perform oversight; oversight; and reporting. Past experience shows these monies may not be sufficient if one or more grantees require a substantial or excessive amount of direction and assistance. Past experience also shows that many not-for-profit services providers will not apply because they cannot afford to operate the project with no administrative funds available to support their costs. This results in a small number of applicants, though applicants who are willing to accept an award with no administrative funding are generally quite committed.

After reviewing the information contained in this report, the KDHR requests serious consideration be given to the recommendations stated in the previous section when deciding NIYEA's future. These issues are critical to NIYEA's success. The KDHR firmly believes NIYEA

is a worthwhile project providing valuable and commendable experiences to benefitted individuals. We believe it serves as a testament to our State and its commitment to its people in need. We believe it calls neighborhoods to action through creative and compassionate involvement and ownership in our communities and their development.

The KDHR presents the above information to the 1996 session of the House Economic Development Committee, the Senate Commerce Committee and to legislators key to NIYEA's passage and authorship.

Attachments: Income Guidelines
Characteristic Data

**INCOME GUIDELINES
PROGRAM YEAR 1996**

Neighborhood Improvement and Youth Employment Act
Kansas Department of Human Resources

Individuals appointed under NIYEA must meet the financial needs criteria in Category I, II, III, IV, or V. Persons with mental retardation, a physical disability or documented learning disability are excluded from this requirement. Appointments should be made in order of priority listed below. (Category I students are to be appointed before Category II, etc.)

INCOME GUIDELINES				
Family Size	Category I Income	Category II Income	Category III Income	Category IV Income
1	7,890	10,890	13,890	16,890
2	10,610	13,610	16,610	19,610
3	13,330	16,330	19,330	22,330
4	16,050	19,050	22,050	25,050
5	18,770	21,770	24,770	27,770
6	21,490	24,490	27,490	30,490
7	24,210	27,210	30,210	33,210
8	26,930	29,930	32,930	35,930
See Note	2,720*	2,720*	2,720*	2,720*

* For each additional family member, add \$2,720.

Category V
<p>Individuals in this category may be considered only after qualified candidates in Categories I-IV have been given bona fide consideration. Grantees may make appointments in this category provided they ensure individuals appointed are economically disadvantaged. This category enables grantees to consider students based on other factors such as geographic cost-of-living, unique personal circumstances, and area recruitment difficulties. It is important to document the basis for determining need under this category.</p>

The following examples of criteria can be applied in making such determinations: individual or their family qualify for Federal, State, or local public assistance projects such as housing assistance, Medicare/Medicaid, food stamps, etc...; Based on economic conditions in the local geographic area, an individual is economically disadvantaged and needs the income to continue his/her education; family income level is below the annual median household income in the local geographic area.

**CHARACTERISTIC DATA
PROGRAM YEAR 1996**

Total number of NIYEA participants	31
------------------------------------	----

Gender	Male:	17
	Female:	14

Age	14 years:	4
	15 years:	10
	16 years:	10
	17 years:	3
	18 + years:	4

Ethnic Category ³	White:	23
	Black:	3
	Hispanic:	4
	American Indian or Alaskan Native:	1

Highest Grade Completed	8th grade:	11
	9th grade:	6
	10th grade:	12
	11th grade:	2

Disabled	Yes, disability substantial barrier to employment:	0
	Yes, disability not a barrier to employment:	4
	No:	27

Offender	Yes, excluding misdemeanors:	1
	Yes, only misdemeanors:	2
	No:	28

³ Basic racial and ethnic categories are defined by the Office of Management and Budget (OMB).

**Neighborhood Improvement and Youth Employment Act (NIYEA)
Testimony to the House Economic Development Committee
January 27, 1998**

Representative Mason, members of the House Economic Development Committee, thank you for the opportunity to present this Program Years 1996 and 1997 report of the Neighborhood Improvement and Youth Employment Act, or NIYEA. My name is Erin Newport. I am with the Division of Employment and Training within the Department of Human Resources.

To begin, I would like to provide you with a little history of the NIYEA project. NIYEA is relatively new, somewhat of a "baby" in project or program lifecycles. It was introduced in 1994, by Representative Barbara W. Ballard as a youth anti-crime bill providing mentors and work experience. The bill changed slightly as it made its way through the Senate. The anti-crime wording was dropped, but the strong role for mentors and meaningful work remained and is still characteristic to the law. The bill was passed by the 1994 Kansas Legislature as House Bill 2948, appropriating \$100,000 for the project. After two years the bill was sunset, at which time it was re-introduced by Representative Ballard and passed by the 1996 Kansas Legislature as House Bill 3091.

At least two things make this project excitingly unique. The first is that each NIYEA grantee has received no funding for administration of their project. All costs related to mailings, staff salaries, supplies, etc... are incurred by the NIYEA grantee.

The second is that this project is State funded. As we see the trend move towards a more active role for local providers, we see fewer mandates and more creative solutions. So we can say this was the case with NIYEA four years ago. The Legislature essentially gave only four mandates for the projects. These are:

- First... youth must be enrolled in and attending secondary school to participate;
- Second... projects must provide work experience to eligible individuals through the repair, renovation and maintenance of essential community facilities; community service; and/or work with low income senior citizens;
- Third... each youth must be provided a mentor; and
- Fourth... one grantee must be located in each congressional district.

Project administration is provided by the Kansas Department of Human Resources. Administrative costs are held at 10%, obedient to Section 1404 of the Act which states:

"Not more than 10% of amounts received for any fiscal year...may be used for the cost of administration..."

Funding became available July 1, 1996 and was divided between the Program Years of the Act's duration, resulting in two rounds of proposal competition. The first round funded projects operated from July 1, 1996, to June 30, 1997. The second round of funded projects operate from July 1, 1997, to June 30, 1998.

Now, let me tell you a little about the projects themselves, how they were chosen and what they accomplished.

House Economic Development
1-27-98
Attachment 2

Notifications of Program Year 1996 funding were published in six Kansas newspapers. In addition, a legal notice was published in the Kansas Register and copies of the Request for Proposals (RFP) package was sent to every Kansas legislator.

A total of nine proposals were submitted. One proposal was determined ineligible and was disqualified before ranking.

Interfaith Housing Services in Hutchinson was selected from Congressional District I. Interfaith Housing Services employed four individuals in an after-school and summer project to rehabilitate non-occupied houses for low-income or homeless individuals. Participants were high school dropouts who were required to return to classroom instruction towards their GED to participate in NIYEA. Participation was structured to include three hours of daily GED training, and three hours of daily building skills training. Participants were also required to keep daily journals and received one hour of Leadership Development and Life Skills instruction. During this hour students learned a variety of skills, such as remedial car maintenance, nutrition, leadership training, health care, and how to balance checkbooks. Interfaith Housing Services completed their project in summer 1997.

The City of Junction City was awarded funds in Congressional District II. The City partnered with the high school to identify and employ eight individuals in an after-school and summer project. Individuals were placed in work activities with the Police Department, United Way, City Clerk, Water Department, and Highland Park Cemetery.

In May 1997, the Mayor of Junction City recognized NIYEA participants for their achievements. Each participant received a certificate of appreciation. During two performance evaluations all participants were rated outstanding to excellent. The City of Junction City completed their project on June 30, 1997.

The City of Ottawa was awarded funds in Congressional District II. The City employed twelve individuals in an after-school and summer project. Individuals were placed in work activities at Ottawa University, Ransom Memorial Hospital, B. Peck Animal Shelter, East Central Kansas Economic Employment Corporation (ECKAN), and the Ottawa High School. The City of Ottawa matched State funding in excess of 100%, substantially increasing the number of individuals served.

The City of Ottawa successfully bid for a second year of funding and continues to provide employment opportunities and mentors. The City of Ottawa has again budgeted a large match in excess of \$22,500 allowing employment opportunities for individuals in private sector work activities which are not within the scope of work activities funded by NIYEA.

The Director of the City of Ottawa had this to say about NIYEA: *"NIYEA funding has provided the City of Ottawa a unique opportunity to provide life skills to underprivileged youth while serving the community and area employers. This program has been so successful in Ottawa that we have more employers and qualified youth than funding available to serve them. Not only do we feel that the NIYEA funds have made an impact on the underprivileged youth of Ottawa, we feel that continued and increased funding is vital to the success of our program and the future of area youth."*

And finally, Harvest America, in Kansas City was awarded funds in Congressional District III. Harvest America employed seven youth in a summer project. Individuals were placed in work activities at St. Catherine Hospital, Garden City Community College, Garden City Zoo, Garden City Library, League of United Latin American Citizens (LULAC), and other various not-for-profit

agencies. This project is unique in the fact that though the project was administered in Kansas City, projects were located in Kansas City, Leoti, Garden City, and Goodland.

Harvest America successfully bid for a second year of funding and continues to provide employment opportunities and mentors for participants, in addition to life skills training in subjects such as credit management, substance abuse prevention, first aid techniques, and internet access.

SIGNIFICANT ACCOMPLISHMENTS by these grantees include:

- * Of the 31 total NIYEA participants, four returned to school to participate in NIYEA.
- * All 31 remained in school during participation in NIYEA projects.
- * Each individual was provided a mentor to guide and teach them through their employment experience.
- * Of the three offenders hired to participate, none re-offended.

We are quite proud of the efforts and accomplishments of the Program Year 1996 grantees and are confidently hopeful the Program Year 1997 grantees will do as well.

Program Year 1997 funding was published in fifteen Kansas newspapers. Funding was also published in the Kansas Register and copies of the RFP were sent to all Kansas legislators. A total of seven proposals were originally submitted. Interestingly, for the second year, no eligible proposal was received from Congressional District IV, resulting in the re-issuance of the RFP throughout the Congressional District. The second notification resulted in one proposal received from Congressional District IV. The proposal was funded.

Awarded Program Year 1997 funds are:

Kansas Wesleyan University DBA Retired and Senior Volunteer Program in Salina from Congressional District I. They will employ approximately twenty-two individuals in NIYEA eligible work activities while providing: programs stressing the benefits of a secondary education; training with area business and industry personnel to learn what employers expect; the option of participation in organized sports/recreational team activities; and leadership training. Primarily low-income individuals in State custody who are identified as "at-risk" will be served. The project began in mid-January 1998, and ends June 30, 1997.

The City of Ottawa is the Program Year 1997 grantee from Congressional District II. It received a second award and will continue to employ approximately ten individuals in after-school and summer employment. The project began July 1, 1997, and ends June 30, 1998.

Harvest America is the Program Year 1997 grantee from Congressional District III. It also received a second award and will continue to employ approximately seven individuals in an after-school and summer employment project.

Wichita Indochinese Center was awarded NIYEA funds in Congressional District IV. It will employ approximately ten individuals in NIYEA eligible work activities while providing life and employability skills training and community service work with senior citizens. The project began in November 1997 and will end June 30, 1998.

The report contains more detailed information regarding the NIYEA projects and related issues. It also endeavors to present recommendations which we feel are critical to NIYEA's success. When reviewing the report, please give serious consideration to the recommendations stated on pages 6, 7, and 8 when deciding NIYEA's future.

I thank you for the opportunity to present this report to you and for your time and attention. Before I answer any questions you might have, I would like to summarize by saying that I firmly believe NIYEA is a worthwhile project providing valuable and commendable experience to its participants. I believe it serves as a testament to our State and its commitment to its people in need, especially our young people and their education. And I believe it calls neighborhoods to action through creative and compassionate involvement and ownership in our communities and their development.

Thank you.



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3896 (785) 354-9565 FAX (785) 354-4186

TO: House Committee on Economic Development
FROM: ON Chris McKenzie, Executive Director
DATE: January 27, 1998
SUBJECT: Suggested Amendments to HB 2590--Authorizing Rural Housing Incentive Districts

In my testimony yesterday I suggested the following three amendments to HB 2590:

- Page 2: Add the following sentence to paragraph (c) of New Sec. 4: "If the Secretary fails to agree with the findings, the secretary shall advise the governing body in writing of the specific reasons therefor.
- Page 9: The italicized language in lines 10 - 11 would exempt the tax increment produced from a rural housing incentive district from being distributed to the school district (as current law does for TIF districts established prior to 7/1/97. If this is not the intent of the Committee, this language should be removed.
- If possible, sections 1 through 11 should be made a part of K.S.A. 12-1770 *et seq.*, in order to take advantage of the literally hundreds of references to that act in tax levy statutes found throughout the statute books. This would avoid challenges in the future that this Act amends these tax levy statutes by implication.

Attached to this memo are suggested amendments to implement the first two suggestions. I visited with Bob Nugent, Assistant Revisor, who drafted the bill, and he agreed that Section 12 needs to be struck. Further, he indicated that the concern I raised in the third bullet was addressed by paragraph (c) of New Sec. 7 (see page 6). Therefore, at this time we withdraw our request on that issue.

Thank you for your attention to these matters. Please let me know if you have any further questions.

House Economic Development
1-27-98
ATTACHMENT 3

**PROPOSED AMENDMENTS BY
LEAGUE OF KANSAS
MUNICIPALITIES**

1/27/98

3-2

1 or subsequently created rural housing incentive district.
2 New Sec. 3. It is hereby declared to be the purpose of this act to
3 encourage the development and renovation of housing in the rural cities
4 and counties of Kansas by authorizing cities and counties to assist directly
5 in the financing of public improvements that will support such housing
6 in rural areas of Kansas which experience a shortage of housing.

7 New Sec. 4. (a) The governing body of any city or county is hereby
8 authorized to designate rural housing incentive districts within such city
9 or county. Any city governing body may designate one or more such
10 districts in such city, and any county governing body may designate one
11 or more such districts in any part of the unincorporated territory of such
12 county. Prior to making such a designation, the governing body shall con-
13 duct a housing needs analysis to determine what, if any, housing needs
14 exist within its community. After conducting the analysis, the governing
15 body shall adopt a resolution containing a legal description of the pro-
16 posed district, a map depicting the existing parcels of real estate in the
17 proposed district, and a statement of the following findings and deter-
18 minations:

19 (1) There is a shortage of quality housing of various price ranges in
20 the city or county despite the best efforts of public and private housing
21 developers;

22 (2) The shortage of quality housing can be expected to persist and
23 that additional financial incentives are necessary in order to encourage
24 the private sector to construct or renovate housing in such city or county;

25 (3) The shortage of quality housing is a substantial deterrent to the
26 future economic growth and development of such city or county; and

27 (4) The future economic well-being of the city or county depends on
28 the governing body providing additional incentives for the construction
29 or renovation of quality housing in such city or county.

30 (b) The resolution containing the findings contained in subsection (a)
31 shall be published at least once in the official newspaper of the city or
32 county.

33 (c) Upon publication of the resolution as provided in subsection (b),
34 the governing body shall send a certified copy of the resolution to the
35 secretary, requesting that the secretary review the resolution and advise
36 the governing body whether the secretary agrees with the findings con-
37 tained therein. If the secretary advises the governing body in writing that
38 the secretary agrees with each of the findings of the governing body, the
39 governing body may proceed to establish the district as set forth in this
40 act.

41 New Sec. 5. (a) Upon receipt of the approval of the secretary as
42 provided in subsection (c) of new section 4, the governing body may

If the secretary fails to agree with the findings, the secretary shall advise the governing body in writing of the specific reasons therefor.

3-2

(A) In districts established by a city, the amount shall be paid to the treasurer of the city and deposited in a special fund of the city to pay the cost of housing projects in the district including the payment of principal of and interest on any special obligation bonds issued by such city to finance, in whole or in part, such housing project.

(B) In districts established by a county, the amount shall be deposited by the county treasurer in a special fund of the county to pay the cost of housing projects in the district including the payment of principal of and interest on any special obligation bonds issued by such county to finance, in whole or in part, such housing project.

such special obligation bonds and interest thereon have been paid before the completion of a project, the city or county may continue to use such moneys for any purpose authorized by this act until such time as the project is completed, but for not to exceed 15 years from the date of the establishment of the district. When such special obligation bonds and interest thereon have been paid and the project is completed, all moneys thereafter received from real property taxes within such district shall be allocated and paid to the respective taxing subdivisions in the same manner as are other ad valorem taxes.

(c) Notwithstanding any other provision of law, it is hereby stated that is an object of all ad valorem taxes levied by or for the benefit of any taxing subdivision on taxable tangible real property located within any district created pursuant to this act, that such taxes may be applied and allocated to and when collected paid into a special fund of a city or county pursuant to the procedures and limitations of this act to pay the cost of a project including principal of and interest on special obligation bonds issued by such city or county to finance, in whole or in part, such project.

New Sec. 11. (a) After the adoption by the governing body of a plan which contains the provisions required by new section 5, the clerk of the city or county shall transmit a copy of the description of the land within the district, a copy of the ordinance or resolution adopting the plan and a map or plat indicating the boundaries of the district, to the clerk, appraiser and treasurer of the county in which the district is located and to the governing bodies of any taxing subdivision which levy taxes upon any property in the district. Such documents shall be transmitted as promptly as practicable following the adoption or modification of the plan, but in any event, on or before the January 1st next following the adoption or modification of the plan.

The appraiser of any county in which a district is authorized by a city or county shall certify the amount of such increase in assessed valuation of real and personal property within the district to the county clerk on or before July 1 of each year.

follows: 72-6431. (a) The board of each district shall levy an ad valorem tax upon the taxable tangible property of the district in the school years specified in subsection (b) for the purpose of:

(1) Financing that portion of the district's general fund budget which is not financed from any other source provided by law;

(2) paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state; and

(3) with respect to any redevelopment district established prior to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, or any rural housing incentive district established pursuant to this act, financing a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774 or section 8, and amendments thereto, for the financing of redevelopment projects upon property located within the district.

(b) The tax required under subsection (a) shall be levied at a rate of 27 mills in the 1997-98 school year and in the 1998-99 school year.

(c) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the general fund of the district.

(d) On June 1 of each year, the amount, if any, by which a district's local effort exceeds the amount of the district's state financial aid, as determined by the state board, shall be remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit same in the state treasury to the credit of the state school district finance fund.

(e) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments to such sections.

Sec. 13. K.S.A. 1997 Supp. 72-6431 is hereby repealed.

Sec. 14. This act shall take effect and be in force from and after its publication in the statute book.