

Approved: 3-8-93  
Date

## MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Duane Goossen at 3:30 p.m. on February 25, 1993 in Room 519-S of the Capitol.

All members were present except: Representative McKechnie (excused)

Committee staff present: Ben Barrett, Legislative Research Department  
Dale Dennis, Deputy Commissioner, Department of Education  
Avis Swartzman, Revisor of Statutes  
Joyce Harralson, Committee Secretary

Conferees appearing before the committee: Senator Kerr  
Dr. Charles Warren, Kansas Inc.  
John Koepke, Ks. Assoc. of School Boards  
Nancy McCarthy Snyder, Corporation for Change

Others attending: See attached list

Senator Kerr addressed the committee regarding HB 2482 a bill providing for expansion of purpose of Kansas Inc. relating to educational research. He stated that Kansas spends over 2 billion annually on education. There is little research done however on education to provide long rang planning and provide for economic development/education research.

Kansas Incorporated is an independent agency. It acts as a public/private agency to frame questions and publish results.

Economic development and education are closely related . Both depend on providing a quality work force.

Dr. Warren addressed the committee with information on Kansas Inc. and what would be required to implement additional research in the field of education(Attachment #1). He also presented the 1992 Annual Report(Attachment #2)

John Koepke addressed the committee regarding HB 2482( Attachment #3).

Nancy McCarthy Snyder, Ph.D., addressed the committee unfavorably regarding HB2482 (Attachment #4).

Representative Reinhardt presented a balloon to HB 2011 changing the scope of the task, and make up of the proposed community college task force(Attachment #5).

Representative Empson requested inclusion of the words "community colleges" on page 1, line 15.

Representative Reinhardt made a motion that the balloon be passed with the amendment Representative Empson mentioned. Representative Empson seconded the motion.

Representative Tomlinson requested dividing the question separating the mission and charge of the task force from the section regarding composition of the task force. Chairman Goossen ruled that it could be done.

A vote was taken on the first part of Representative Reinhardt's amendment, regarding the composition of the task force. Division was requested. The motion carried 11 to 8 .

A vote was taken on the second part of the motion, regarding the mission and charge of the task force. The motion carried.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION, Room 519-S Statehouse, at 3:30 p.m. on February 25, 1993.

Representative Reardon moved that HB2011 be changed to substitute for HB2011. The motion was seconded by Representative Lowther.

Representative Blumenthal proposed a substitute motion to remove the word structure from the bill. The motion was seconded by Representative Tomlinson. The motion failed.

The original motion of Representative Reardon to create a substitute bill, carried.

Representative Reinhardt moved that substitute HB2011 be recommended favorably. Representative Empson seconded the motion. The motion carried.

Representative Pottorff moved to amend HCR 5016 so that the constitutional amendment would only eliminate the "self executing" power of the State Board of Education, and to change the election date to the August 1994 primary. Representative Samuelson seconded the motion. The motion carried. Representative Pottorff moved to recommend HCR5016 as amended favorably. Representative Samuelson seconded the motion. The motion carried. Representatives Benlon, Blumenthal and Lane voted no.

Representative Wilk made a motion for acceptance of HB 2482. Representative Lowther seconded the motion.

Representative Blumenthal made a substitute motion to table HB 2482. Representative Reardon seconded the motion. The motion carried and the bill was tabled.

Representative Lowther made a motion to amend HB 2036 section D, Line 35 (Attachment #6). The motion was seconded by Representative Morrison. The motion carried.

Representative Bowden made a motion to change the words "day care facility" to "child care facility". Representative Lowther seconded the motion. The motion carried.

Representative Samuelson made a motion that HB 2036 be recommended favorably as amended. Representative Pettay seconded the motion. The motion carried. Representatives Lane, Smith and Wilk voted no.

The meeting adjourned at 5:55pm.

The next meeting is scheduled for 3:30pm, March 8, 1993, in Room 519-S.



# GUEST LIST

COMMITTEE: House Education

DATE: 2-25-93

[illegible]

**House Bill 2482**

**Expansion of Kansas Inc. Purpose to Education Research**

Testimony of

Charles R. Warren, Ph.D.  
President, Kansas Inc.

House Committee on Education  
The Kansas Legislature

February 24, 1993

HE  
Attachment 1-1  
2-25-93

Mr. Chairman, members of the committee, I am Charles R. Warren, President of Kansas Inc. My purpose today is, first, to provide the committee an explanation of H.B. 2842 and the modifications it makes to the Kansas Inc. statute; second, to describe the capabilities Kansas Inc. has in providing research and policy advice; third, the experience it has had with respect to the education function; and, fourth, to outline the fiscal and administrative implications of H.B. 2482.

### **Brief Explanation of Bill**

The bill makes several substantive and technical changes to Kansas Inc.'s enacting statute to add responsibility for research and analysis related to education issues and policy.

Section 1 adds a representative from both the professional business services sector and from an educational institution under the jurisdiction of the Board of Education to the membership of the Board of Directors. These additions would increase the total membership of the Board to seventeen. There is a technical error in the bill: line 23 should read eight members.

Section 2 adds language pertaining to the new responsibility for education research and analysis.

Item (6) adds the specific duty to Kansas Inc. to engage in research and analysis of educational issues and policy.

Item (9) adds language concerning the legislative committees with whom Kansas Inc. should cooperate. The bill adds the senate and house education committees and the legislative educational planning committee.

Item (11) requires Kansas Inc. to assist the Board of Education in establishing goals and priorities and to evaluate educational programs and policies.

In Section 5 provisions are added for the financing of the new education responsibilities. The bill requires Kansas Inc. to raise from the private sector 20 percent of the expenditures associated with education research and analysis. The State is to provide 80 percent of the funding.

Several other miscellaneous technical changes are made in the bill to update the existing statute.

Allow me now to explain these changes in somewhat greater detail.



## **Board Membership**

The proposed legislation adds two new members to Kansas Inc.'s Board of Directors. Currently, the 15-member Board includes the Governor; majority and minority leadership of the House and Senate; the Secretary of the Department of Commerce and Housing; a representative from the Board of Regents; a representative from labor; the commanding general of the Kansas Cavalry; and a representative from Kansas' key economic sectors including agriculture, oil and gas, aviation, venture capital, commercial banking, and a basic value-added industry. A list of the present members is attached. There is one vacancy on the board.

The addition of representatives from the professional business services sector and from an educational institution under the jurisdiction of the Board of Education is a very significant and positive change.

Professional business services is a very important sector to the Kansas economy. Research conducted for Kansas Inc.'s strategic planning program by the Institute for Public Policy and Business Research (IPBPR) at the University of Kansas indicated that the Kansas service sector was a significant contributor to Kansas' economic growth during the decade. Total employment in the service sector during the 1980s grew by 35.3%. Because of its economic importance, the service sector should be represented on Kansas Inc.

The addition of a representative of the Board of Education is very important. This addition is useful not only because of the new responsibilities associated with this bill but because of the growing importance of a strong K-12 and post-secondary education system. The Kansas Inc. Board has stated on numerous occasions that the most important factor in developing a strong Kansas economy is its human capital. This is recognized in our new strategy with one of its four goals devoted to education and work force issues.

## **Education Research and Analysis Function**

As I stated, the Kansas work force is vital to the state's future prosperity. It is imperative that Kansas Inc. consider strategies that will ensure our youth and adults are properly prepared for the new competitive demands. Kansas Inc. is well suited for this type of activity. We have demonstrated since 1986 that we are capable of developing clear, objective, and accurate research that result in reports to communicate to a broad audience. Kansas Inc. has worked effectively with the Regent's universities, the community colleges, the vocational-

technical schools, and the state department of education.

Our primary function with regard to research has been as a broker and facilitator between the policy-makers and the academic expertise in our public universities. Our capacity to serve as a research broker can be applied to increase our understanding of the issues and challenges that confront our elementary, secondary, and post-secondary educational institutions. Kansas Inc. has demonstrated an ability to translate policy concerns into researchable questions to produce sound policy advice and guidance.

Kansas Inc. is an independent, non-partisan organization. Because of the public/private composition of the Kansas Inc. Board of Directors, we have been able to act as a objective convenor between various parties. This structure has contributed to addressing objectively many topics. Since 1987, Kansas Inc. has prepared some thirty research reports. The vast majority of these have been produced under contract by faculty at the Regent's universities. A partial list of Kansas Inc. research is attached for your information.

Finally, Kansas Inc. has demonstrated an interest and understanding of education and work force issues. Kansas Inc., in cooperation and with joint funding through the State Board of Education, has published two major studies on education and work force training. The first, Work Force Training: The Challenge for Kansas, addressed the demands on the Kansas work force and outlined the skill requirements of our businesses. The second, Adult Basic Skills and the Kansas Workforce, examined the state structure for assisting Kansans develop strong basic competencies and technical skills and provided a series of policy options to address noted inadequacies.

### **Effect on Current Operations and Expenditures**

The new responsibilities and activities proposed by H.B. 2482 will require additional staff and budgetary resources. Kansas Inc.'s current staff consists of a president, two senior analysts, an office manager, and a part-time office assistant. Over the past several years, Kansas Inc.'s staff has assumed an increasing level of responsibilities. These have included both legislative and gubernatorial requests and mandates. The burden placed on the existing staff by these activities precludes the addition of significant new responsibilities without appropriate staffing.

To properly implement this proposed legislative mandate, an additional professional staff person and requisite operating budget would have to be added to current resources. The estimated fiscal impact of the proposed legislation, which is



explained in greater detail below, is \$156,055 for FY 1994.

The provision in Section 5(a) requiring Kansas Inc. to raise from the private sector 20 percent of the budget dedicated to educational research and analysis would also place additional burdens on the president and the Board of Directors. Kansas Inc. currently is required to raise 33 percent of its budget from the private sector. In FY 1994 that amount is estimated to be \$145,233. These FY 1994 private funds are budgeted for existing programs and the implementation of the 1993 economic development strategy. This new education research function would require \$56,055 in salary and operations and it is estimated that an education research budget of \$100,000 is likely. With the public/private ratio of 80-20, the total estimated cost of \$156,055 would require Kansas Inc. to raise an additional \$31,211 for a total private match in FY 1994 of \$176,444.

In my opinion, it would be impossible to raise the amount of private funds stipulated in the bill. The average private donation to Kansas Inc. from the business community in Fiscal Year 1992 was \$1,547. If I were required to raise an additional \$31,000, I would have to secure donations from about 20 businesses that are not presently contributors. Of course, the bill does not identify actual or potential donors. It would be my responsibility to locate them and convince each of them individually that funding of education research should be their priority for charitable giving. Without a specific and expressed interest and commitment on the part of the business community to fund education research, a legislative mandate for them to do so is not feasible or realistic.

With regard to private funding, I would like to suggest the following compromise language on page 5, lines 19-21 of the bill:

"The state shall provide an annual appropriation to fund the salaries, operating and contractual expenses related to the purpose stated in Section 2(6) that is not subject to the private sector matching requirement. Kansas Inc. will seek private funds from the business community and from private foundations to supplement the funds appropriated for this purpose."

I believe we can be successful at raising private dollars for this purpose, but that success will be highly variable and cannot be depended on. Private funding is not achieved by legislative mandate.

Attached is a detailed fiscal estimate.

In conclusion, Kansas Inc. is willing to respond to this legislative proposal and would be fully capable and competent in providing research and analysis on education issues. We would

accomplish this purpose in full cooperation with the State Board of Education and would seek to involve fully the educational community of Kansas.

I would be pleased to answer any questions.

## Attachment

### Fiscal Estimate of H.B. 2482

#### Explanation of Fiscal Estimate

The attached table provides a detailed breakdown of the estimated fiscal impact of the proposed legislation for FY 1994. These expenditures assume one additional staff person and an accompanying operating budget. Below is an explanation of each of the budget line items.

**Personnel:** As stated above, these new responsibilities will require the addition of one full-time senior education analyst. This individual's primary job duties would include:

- Collection, analysis, and interpretation of education data and preparation of recommendations;

- preparation of Requests for Proposals (RFPs) and monitoring of satisfactory progress and completion of projects;

- coordination of activities with interested public and private organizations, including the Board of Education and the Board of Regents and the various educational associations; and,

- response to research and policy inquiries from the Governor and Legislature.

**Communication:** This figure assumes an average telecommunications and postage allotment per person with an additional amount for sending a regular newsletter. This newsletter would be sent not only to Kansas Inc. private sector donors but also to a new constituency that would be developed as a result of these activities.

**Printing:** This amount assumes the publication of two, 65 page, research reports of approximately 2,000 copies during each fiscal year. These would be the result of both in-house and contract research.

**Travel and Subsistence:** This amount includes both in-state and out-of-state travel. The total assumes twelve trips averaging 150 miles, five in-state lodgings, and two national conferences.

**Professional/Scientific Supplies:** This figure assumes a combination of either subscriptions to professional journals or membership dues to professional organizations.



Stationery/Office Supplies: This amount assumes an average figure per person.

Capital Outlay: First year capital outlay costs would include purchasing a new desktop computer, laser printer, and computer table/workstation.

Computer. Zenith Data Systems Z-Station 420Sh Model 80 with high resolution color monitor. (\$1,841)

Printer. Hewlett-Packard IV with four megabytes of RAM, EPS board, and 250 sheet paper feeder (\$1,934).

Workstation. A cost of approximately \$400 is estimated for the purchase of a suitable workstation.

Education Research Contracts: This figure assumes two to three research contracts to study relevant education issues and/or to prepare necessary program evaluations.

Expenditure Item	FY1994
<b>Senior Education Analyst</b>	
Salary	\$35,000
Benefits	7,480
<b>Communication</b>	2,500
<b>Printing</b>	4,000
<b>Travel &amp; Subsistence</b>	2,400
<b>Professional/Scientific Supplies</b>	150
<b>Stationery/Office Supplies</b>	350
<b>Capital Outlay</b>	
Computer	1,841
Printer	1,934
Workstation	400
<b>Education Research Contracts</b>	100,000
<b>Total</b>	\$156,055

HE  
Attachment 1-9  
2-25-93

**KANSAS INC.  
BOARD OF DIRECTORS**

Paul "Bud" Burke  
President of the Senate  
P. O. Box 2255  
Olathe, KS 66051-2255

Tom Clevenger  
Co-Chairman, Kansas Inc.  
540 Tara Lane  
Wichita, KS 67206

Governor Joan Finney  
Co-Chairman, Kansas Inc.  
State Capitol - Second Floor  
Topeka, KS 66612

Timothy R. Donoghue  
Vice Provost for Research  
Kansas State University  
108 Anderson Hall  
Manhattan, KS 66506-0113

Eric Jager, President  
Windcrest Investment Management  
4800 Main Street - Suite 600  
Kansas City, MO 64112

Gerald "Jerry" Karr  
Senate Minority Leader  
Route 2, Box 101  
Emporia, KS 66801

Don Landoll, President  
Landoll Corporation  
1700 May Street  
Marysville, KS 66508

Dr. Jay Anderson  
P. O. Box 127  
Oberlin, KS 67749

Bob Miller  
House Minority Leader  
Route 1  
Wellington, KS 67152

Bill Moore  
Business Representative  
Teamsters Union  
1231 Eugene  
Topeka, KS 66608

Bob Knight, Secretary  
Dept. of Commerce & Housing  
700 S.W. Harrison, Suite 1300  
Topeka, KS 66603-3712

Jack Wempe  
State Representative  
Box 171  
Lyons, KS 67554

Bill Wohlford  
Executive Vice President  
Slawson Companies  
104 S. Broadway, Suite 200  
Wichita, KS 67202

Jill Docking  
A. G. Edwards  
201 N. Main, Suite 300  
Wichita, KS 67202

HE  
Attachment 1-10  
2-25-93



**Kansas Inc. Research**  
(Partial Listing)

Analysis of the Impact of the Aviation Industry on the Kansas Economy. prepared by Carlene Hill Forrest and Janet Nickel, Center for Economic Development and Business Research, Wichita State University. August, 1992.

The Changing Structure and Performance of the Kansas Economy. prepared by Jarvin Emerson, Kansas State University. August, 1992.

The Kansas Agricultural Economy: Trends and Perspectives. prepared by Allen Featherstone and James Mintert, Department of Agricultural Economics, Kansas State University. August, 1992.

Kansas Community Strategic Plans. prepared by Genna Ott, Institute for Public Policy and Business Research, University of Kansas and Elizabeth Tatarko, Kansas Center for Rural Initiatives, Kansas State University.

Kansas Demographic Profile: Economic and Social Implications of Demographic Change. prepared by Helga Upmeier, Institute for Public Policy and Business Research, University of Kansas. November, 1992.

Growth of the Service Sector in Kansas. prepared by Pat Oslund, Institute for Public Policy and Business Research, University of Kansas.

Assessment of Ten States' Economic Development Strategic Plans and Planning Processes. prepared by Elizabeth Stella, Institute for Public Policy and Business Research, University of Kansas.

The Kansas Labor Market: Challenges and Implications. prepared by Charles Krider and Dan Roehler, Institute for Public Policy and Business Research, University of Kansas. December, 1992.

The Kansas Value Added Agriculture Industry: Status, Trends, Opportunities, Impediments and Strategic Options. prepared by Sam Brownback and Greg Krissek, State Board of Agriculture; Richard Hahn, Kansas Value-Added Center; and Marc Johnson and Arlo Biere, Department of Agricultural Economics, Kansas State University. November, 1992.

Analysis of Kansas Regional Economies. compiled and edited by Norman Clifford, Institute for Public Policy and Business Research, University of Kansas. Profiles prepared by: Northeast - Robert Glass, IPPBR, University of Kansas; Northcentral - Arthur J. Janssen, Emporia State University; Northwest and Southwest - Ralph Gamble, Fort Hays State University; Southcentral - Carlene Hill Forrest, Center for Economic Development and Business Research, Wichita State University; and, Southeast - Robert B. Catlett, Emporia State University. December, 1992.

Kansas Inc. Costs and Taxes in Selected Kansas Industries: 1992 Update. prepared by The Institute for Public Policy and Business Research. (Topeka, Kansas: Kansas Inc., 1992)

Kansas Adult Basic Skills Education. prepared by the Institute for Public Policy and Business Research. (Topeka, Kansas: Kansas Inc., 1991).

Kansas Economic Development Strategy: Report of the Peer Review Committee. (Topeka, Kansas: Kansas Inc., 1991).

Governor's Council on Workforce Training: Report to the Governor. (Topeka, Kansas: Kansas Inc., 1990).

HE  
Attachment 1-11  
2-25-93

Economic Development Investments in Ten States: A Descriptive Analysis. prepared by The Institute for Public Policy and Business Research. (Topeka, Kansas: Kansas Inc., 1990).

Strategic Analysis of the Oil and Gas Industry in Kansas. prepared by Arthur D. Little, Co., Cambridge, MA. (Topeka, Kansas: Kansas Inc., 1990).

Work Force Training: The Challenge for Kansas. prepared by The Institute for Public Policy and Business Research. (Topeka, Kansas: Kansas Inc., 1989).

Rural Development Action Plan. (Topeka, Kansas: Kansas Inc., 1989).

Capital Availability and the Kansas Banking Industry. prepared by Scott Gard and Associates, Inc., Kansas City, Missouri. (Topeka, Kansas: Kansas Inc., 1989).

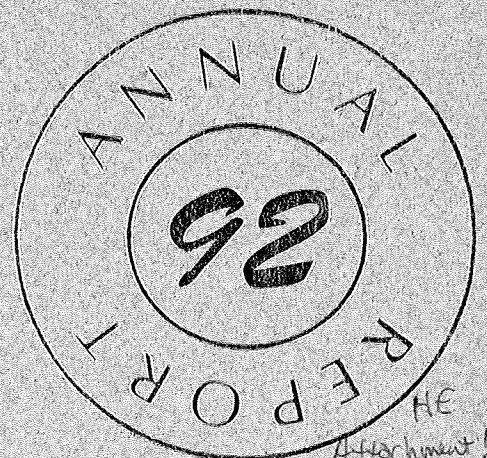
International Exporting and Non-Exporting Businesses in Kansas. prepared by The Institute for Public Policy and Business Research. (Topeka, Kansas: Kansas Inc., 1988).

Kansas Natural Gas Policy Commission. Report to the Legislature. (Topeka, Kansas: Kansas Inc., January 1993).

February 1993

HE  
Attachment 1-12  
2-25-93

# Kansas Inc.



HE  
Attachment 2-1  
2-25-93



# *Kansas Inc*

## *1992*

### *Annual*

### *Report*

#### Contents

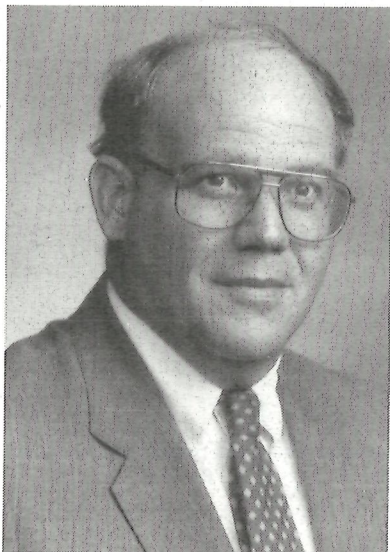
<i>Co-Chairman's Letter</i>	<i>2</i>
<i>President's Letter</i>	<i>3</i>
<i>Overview Report on Kansas Economic Development</i>	<i>4</i>
<i>Report on the Kansas Economy</i>	<i>10</i>
<i>Financial Report</i>	<i>18</i>
<i>Private Sector Investors</i>	<i>19</i>
<i>Board of Directors</i>	<i>20</i>

HE  
Attachment 2-2  
2-25-97

❖ 632 S.W. Van Buren, Suite 100  
❖ Topeka, Kansas 66603  
❖ 913.296.1460



## Co-Chairman's Letter



*Bill Wohlford*

1991 and 1992 have been difficult years for the United States economy. After one of the longest periods of economic growth in American history, the nation slipped into a recession and has been struggling since early this year to emerge once again into a period of growth and rising employment. For the nation to fully recover, our business community must address its long-term competitiveness.

Kansas suffered greatly during the early 1980's in terms of job loss and declining family income. Yet, Kansas begins the nineties with a stronger and more stable economy and in recent months has outperformed the U.S. Kansas has extremely low unemployment rates; its personal income is increasing; and, state and local revenues have increased.

We learned important lessons from the economic crisis of the early eighties -- the most important was how vital a strong private sector is to the health of our communities and families. We learned that the state, working in partnership with its businesses, can contribute to economic growth. Over the past six years, Kansas has understood that investments in education, work force training, highways, and technology provide the foundation for economic well-being.

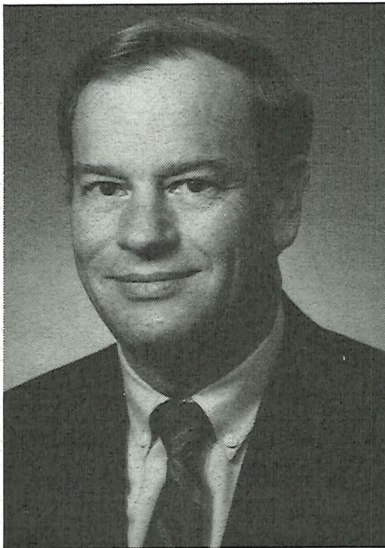
While Kansans, particularly rural Kansans, have suffered through a period of slow growth and economic stagnation, our State's economic and budgetary problems have been minor compared to many other states. This is at least in part due to the economic development initiatives the state has instituted over the last six years. However, much remains to be done as we chart a course for growth and prosperity in the next decade and into the 21st century.

Developing an economic strategy is an unending task. New opportunities, challenges and threats emerge continuously. A commitment to long-term strategies and a willingness to invest today for future reward, along with continuity of leadership and purpose, are essential to economic progress. Kansas Inc. has initiated a comprehensive strategic planning process that will help chart a course for the future and focus our economic development initiative and expenditures. With a strong state network -- including the Kansas Department of Commerce and Housing, Kansas Technology Enterprise Corporation and the Mid-America Manufacturing Technology Center -- the State is ready to implement a clear and focused strategy to guide our efforts.

1993 will be a year for strategic planning for Kansas Inc. All Kansans are encouraged to become involved in that process and engage in the debate.



# President's Letter



*Charles R. Warren*

Kansas is recognized today as a leading state in economic development. Three factors make Kansas stand out as one of the most sophisticated states in economic development. First, to quote Tony Redwood of the University of Kansas: "Kansas has approached economic development in a strategic way. We are one of the first states to do so. Our approach has been widely acclaimed and emulated." While many states have printed strategy reports, few have acted strategically. Kansas Inc. and the Indiana Economic Development Council have jointly funded a study of eleven states to analyze their economic strategies. Preliminary results indicated that in most states the strategy is gathering dust on a shelf. Second, our economic development agencies have strong leadership and effective tools to accomplish their mission. The national team that evaluated Kansas Technology Enterprise Corporation (KTEC) concluded that: "KTEC offers one of the most comprehensive and sophisticated technology development programs in the country." The award of \$13 million from the federal government to Kansas to create the Mid-America Manufacturing Technology Center (MAMTC) is further evidence of national recognition of our success. The Department of Commerce has received national awards for its tourism efforts and its industrial training program receives universal praise by Kansas companies.

Third, Kansas has made public-private partnerships work. This is true not only at the state level, but also at the local and county levels. The WI/SE Partnership has received national recognition; city-county-private entities for economic development have sprung up across Kansas; over 60 counties are now engaged in strategic planning. Kansas Inc. is the leading public-private partnership for economic development and has become a model for other states. In 1991, Kansas Inc. received the "Policy Entrepreneur Award" from Jobs for the Future, a Massachusetts policy organization funded by the Ford Foundation. Jobs for the Future "Kansas Inc. is also influential because its policy research and analysis is rigorous and nonpartisan. It forces policymakers to confront the states' basic, long-term economic problems, and provides forums through which debate can take place and lead to action."

The most important contribution Kansas Inc. can make to state economic development is to ensure that our policies are based on objective and credible research. The Governor and Legislature demand facts and hard-headed estimates of consequences. We have too few resources to waste them on showy or self-serving promotion. Economic development must produce results. As this business year ended, Kansas Inc. began to prepare a new economic development strategy; one that would take Kansas into the 21st century.



# Overview Report on Kansas Economic Development

## The Economic Foundation

In 1986, the Legislature's Commission on Economic Development asked the Institute for Public Policy and Business Research (IPPBR) at the University of Kansas to develop a state economic development strategy that was to become known as the "Redwood-Krider Report" after its authors Anthony Redwood and Charles Krider of the KU School of Business. This report examined the state of the Kansas economy and its ability to withstand cyclical economic downturns and to compete in the coming decades against stronger and more sophisticated states.

The changes in the Kansas economy during the two early-1980s recessions indicated a susceptibility to national economic downturns and an inability to compete equally with the nation during or after recessions. Between 1979 and 1984, Kansas' total employment declined while the United States experienced significant gains. Had Kansas' employment grown at the same rate as the nation during that period an additional 38,400 persons would have been employed. This unfulfilled expectation was particularly evident in the manufacturing and service industries which experienced shortfalls from projected employment levels by 16,200 and 17,600, respectively. This experience was the same in total personal income and business formation. Analysis by Redwood and Krider confirmed that manufacturing, a key component of the Kansas economy, "was not strong enough either to resist or to respond vigorously to the recessions of the early 1980s..."

Three summary points were identified that characterized the Kansas economy in the mid-1980s:

1. Kansas lagged the nation in job creation, population growth, and personal income gains.
2. The state's three major industry sectors (farming, oil and gas, and aircraft construction) were projected for modest growth and would no longer dominate the state's economy.
3. The Kansas economy required more diversification and a larger presence of high-growth industries.

Analysis of the then current economic climate led the researchers to warn that "the possible danger awaiting the state in the not too distant future is that when the national economy turns down again — as it inevitably must, given its cyclical character — the Kansas economy will again suffer an above-average impact and, then, will rebound more weakly than ever before."

Weak economic performance during the early 1980s and the concern about future downturns compelled the state's decision-makers to create an economic development structure that would assist and nurture the development of a more competitive private sector.

## The State's Response - An Economic Development Strategy

Kansas' concerted efforts toward improving its economy was initiated, as stated before, in 1986 by the "Kansas Economic Development Strategy." That report examined the composition and trends of the state's economy and demographics and developed a set of recommendations that would enhance its strengths and correct its weaknesses. Imbedded in these findings and recommendations was the ultimate goal of guaranteeing the highest standard of living and the best quality of life for all Kansans. A set of recommendations were



developed to address these specific economic conditions — to narrow the gap between Kansas and both the region and the nation in the growth of personal income, jobs and population.

These recommendations served two purposes. First, they constituted a specific set of policy options and program and agency proposals and, second, a general structure for future economic development initiatives. Among the many specific program and agency initiatives were the formation of Kansas Inc., Kansas Technology Enterprise Corporation (KTEC) and Kansas Venture Capital, Inc. (KVCII); the reorganization of the Kansas Department of Commerce; and, the creation of the Kansas Partnership Loan Fund and the enhancement of the Kansas Industrial Training and Retraining Programs. Several changes in public policy including business taxation and capital availability also originated in this strategy.

This comprehensive strategy has also provided a vital economic development policy outline that has served as a touchstone for the state's decision-makers in developing new programs and policy positions. Several recent program initiatives such as the State of Kansas Investment in Lifelong Learning (SKILL) program and the creation of the Mid-America Manufacturing Technology Center (MAMTC) have their foundations firmly set in this strategic plan. The framework has allowed our various economic development actors — including the Kansas Legislature's economic development committees; Kansas Inc.; KDOC; KTEC; and, statewide, regional, and local organizations — to propose and develop program initiatives and public policy recommendations based not on a set of reactive, disjointed economic considerations but rather on a larger, more comprehensive strategy.

Seven areas or elements vital to the future economic strength of the state were identified.

1. Human Capital: Long-term investments and dedicated development of efficient and responsive training, retraining and general public education programs should be encouraged to promote the continued growth of the state's primary asset — its people.
2. Technology: Stimulate technology development, coordination, application, and transfer in order to improve the competitiveness and efficiency of Kansas' manufacturing and service industries and encourage the diversification of the state's economic base.
3. Entrepreneurial Environment: The State should actively participate in creating a business and entrepreneurial environment that is conducive to continuing and increasing business formation, retention and growth.
4. Infrastructure: Increase investment in public infrastructure: roads, bridges, water supply and distribution systems, sewage collection and treatment systems, and housing; to support and enhance prospects for long-term economic growth.
5. Capital Markets: Improve the operation, availability and knowledge of Kansas' capital market activities and programs, both private and public, in order to encourage economic expansion, modernization and innovation.
6. Quality of Life: Increase the availability and diversity of cultural, artistic, recreational, environmental and historical activities and resources so as to improve the quality of life and, subsequently, the economic potential for Kansas.
7. Institutional Capacity/Responsiveness: Increase the capacity and efficiency of the State's economic development institutions that can assist in developing more competitive, knowledgeable and proactive businesses in Kansas.

These strategic foundations provide a framework to achieve our state's economic development goals of increased economic opportunity, maintenance of a sound fiscal base, creation and retention of quality jobs, good educational opportunities, industrial diversification, and state economic competitiveness.

## **An Agenda for Success**

Kansas Inc., the State's economic development strategic planning organization created in 1986, was given the mission to oversee and evaluate the implementation of the state's strategy and recommend program and policy enhancements and initiatives to ensure a growing, prosperous Kansas economy. Over the past six years, a number of programs and policies have been initiated by legislative committees and various members of the state's economic development community. Many of these have addressed the strengths and weaknesses of the Kansas economy identified in the Redwood/Krider report and since refined by the Legislature, Kansas Inc., KTEC, KDOC and many others.

Over the past two years, Kansas Inc. has evaluated and attempted to quantify the effectiveness and impact of many of the agencies and programs of the state's strategy including, most recently, the Kansas Department of Commerce (KDOC) and the Kansas Technology Enterprise Corporation (KTEC). Several illustrations from these evaluations are listed below to highlight the significant contribution made to the Kansas economy, in general, and individual companies, in particular. This information, in addition to analyses on Kansas' recent economic performance and current comparative advantages and disadvantages, will be used over the coming year as Kansas Inc. begins to craft a new strategic plan.

In assessing the success or failure of an existing strategy and charting a new course of direction, it is important to understand the elements of strategic planning. The ultimate goal of any successful economic development strategy is to create a climate in which our state's businesses, industries and work force can be competitive, innovative and entrepreneurial. This environment is fostered by creating programs and policies that focus on either one or both of the common objectives of economic development programs: contribute immediately to job or investment creation in particular businesses and industries, or effect the long-term economic development capacity and potential of the private sector. While both strategies ultimately contribute to shared goals, the former method realizes the immediate payoff — such as recruited companies, trained workers, or loan guarantees — while the latter relies on more intangible results — such as active leadership, innovative companies and flexible workers.

Kansas has developed many institutions, programs and policies that are designed to address both strategies. Many of these can identify specific instances where its involvement directly resulted in the location of a new firm or the creation of a new job but most are designed to create opportunities for long-term success. It is the achievement of this long range goal by which a comprehensive economic development strategy should be judged.

As an illustration of the more immediate payoffs of the state's strategy, several programs have been selected and briefly described below that highlight some of the successful programs and initiatives in the Department of Commerce and Housing and KTEC. In addition, two short case studies are included to illustrate the impact on individual Kansas businesses.

### **Department of Commerce and Housing -**

The Department of Commerce and Housing is the lead agency in implementing the state's economic development strategy. It has broad responsibility in key areas of community development, housing, international and domestic trade development, industrial recruitment, travel and tourism development, and technical assistance to existing businesses.

HE  
Attachment 2-7  
2-25-93



**Kansas Industrial Training and Retraining Programs (KIT/KIR):** These programs, which provide grants to businesses for customized work force training, began to receive increased state funds in the mid-80s. Training is of vital importance to the increased competitiveness of our state's human capital. The KIT program is designed to provide training to businesses that are either relocating to Kansas or are expanding their workforce in an existing Kansas operation. The KIR program, on the other hand, provides training assistance to companies that are restructuring and whose employees are threatened with losing their jobs. Both programs are targeted for manufacturing, distribution, or regional/national service related operations with ten or more employees.

***Performance and Economic Impacts:***

- ♦ 32,000 individuals have been trained since FY1987
- ♦ The cost to the state has only been approximately \$500 per worker.
- ♦ More than 70 firms have been served.
- ♦ Training was primarily industry-specific and general in its nature which would enhance the worth of individual workers across a variety of businesses rather than exclusively for the benefit of one company.
- ♦ The wages of workers trained in these programs showed significant increases.

**Industrial Development:** An important part of any economic development strategy is the recruitment of out-of-state firms and the expansion of existing operations.

***Performance and Economic Impacts:***

- ♦ Eighty-five percent (85%) of representatives of companies recruited by Kansas indicated in a survey that the services provided by Kansas were as good or better than the best of the other states that they considered.
- ♦ From 1986 to 1990, a total of 6,686 new jobs were due to the location of 45 firms from out-of-state. Total capital private investment over these four years was almost \$210 million.
- ♦ Seven existing firms expanded with KDOC assistance in Kansas during this period resulting in a total of 1,690 new jobs and \$33 million in capital investments.
- ♦ The state investment for each job was only \$602.

**Trade Fair Assistance Program:** This program, created by the 1989 Legislature, provides grants to Kansas businesses for the purpose of attending foreign trade shows. Many Kansas businesses have significant export potential for their products but because of unfamiliarity with export markets and the difficulty in establishing an overseas clientele base, many do not venture into this market. The trade fair assistance program and the various services of the Division of Trade Development help many individuals overcome these obstacles.

Through the cooperative effort of several local and state economic development agencies, **Superior Industries**, a manufacturer of cast aluminium wheels located a new plant in Pittsburg. The plant, which supplies Ford, General Motors and Chrysler, has a total employment of 750.

The Department of Commerce's Industrial Development division worked closely with the Pittsburg community in encouraging the company to locate their plant there. An integral part of the recruitment effort was the approval of a \$770,000 loan under the Kansas Partnership Loan Fund for water, sewer and access road improvements. The company also received assistance from the Kansas Industrial Training program during FY1990 and FY1991 to train all of their employees in several manufacturing technologies and equipment. Instruction in statistical process control was also provided at Pittsburg State's Center for Technology Transfer, a KTEC-supported Center of Excellence.

This unique partnership has helped to ensure the growth of an important business in Southeast Kansas.

***Performance and Economic Impacts:***

- ♦ 72 companies have received program grants to attend shows in 19 different countries.
- ♦ The sales that these companies experienced as a direct result of their attendance is estimated at over



\$11.5 million and this number does not reflect sales that should result due to the establishment of overseas clientele.

- ◆ This preliminary estimate translates into approximately \$50 of sales for every \$1 in state investment.

**Certified Development Companies:** These companies, certified by the U.S. Small Business Administration, provide financial packaging services to small businesses. Their primary purpose is to package and service SBA-504 loans but they also include other financing sources such as Farmers Home Administration, industrial revenue bonds, conventional loans and other forms of public/private capital. The capital provided to these small businesses allow them to either expand their operations or to keep them from failing. State grants to these companies provide a secure base level funding and the formula by which these grants are distributed is based on individual CDC performance. In this manner, individual CDC funding is directly tied to meeting the specific needs of their clientele.

***Performance and Economic Impacts:***

- ◆ Over 14,000 jobs have either been created or retained in a total of 845 projects.
- ◆ This job creation and retention translates into approximately \$140 of state money for every job.

**Kansas Technology Enterprise Corporation -**

The Kansas Technology Enterprise Corporation (KTEC) was created by the 1986 Legislature as a part of the original state economic development initiatives. The purpose of KTEC is to create and maintain employment in Kansas by providing various forms of assistance that promote innovation, commercialization of new technologies, and the expansion and creation of Kansas enterprises.

Unlike many other programs or incentives that realize fairly immediate payoffs, job creation and increased sales resulting from an invention or new industrial process take many years. It is this lengthy business cycle that must be appreciated in the development and evaluation of technology programs.

KTEC's programs are targeted on enterprises in a diversified range of industrial sectors but are generally concentrated on businesses that are either involved in critical, emerging industries and/or currently employ or can benefit from a wide range of advanced industrial processes and methods.

Several new biotechnology innovations have been developed by Dr. Manoj Jain, owner of a start-up company called **BioCare, Inc.** which promise significant new sales in the estimated \$100 million burn care market.

Dr. Jain has received invaluable assistance from the Kansas Technology Enterprise Corporation (KTEC) in developing the applied research necessary for these innovations. During FY1991, KTEC provided approximately \$40,000, matched with over \$70,000 by BioCare, Inc. through its Applied Research Matching Grants program to help him in three separate research projects. Additionally, KTEC assisted him in preparing three Small Business Innovation Research proposals. In late April, 1991, Dr. Jain was notified by the U.S. Department of Health and Human Services that a Phase I \$50,000 grant was approved.

Dr. Jain optimistically hopes to fairly rapidly capture \$1-2 million in sales from the burn care market with these innovations. He said that "KTEC has been very helpful. There are a lot of opportunities that wouldn't be available to start-up companies if KTEC weren't there."

***Performance and Economic Impacts:***

- ◆ Since 1984, KTEC activities have received over \$22 million in state investments.
- ◆ The state funds have been leveraged by over \$24 million from private industry, \$14 million in federal funding, and over \$11 million in venture capital.
- ◆ The economic impact has been tremendous: an initial increase of over \$17 million in sales, 49 company start-ups and 25 expansions, over 3,300 jobs created, 100 new technologies and 61 patents.

HE  
Attachment 2-9  
2-25-93



## Kansas Economic Strength

These initiatives, among many others, have successfully addressed the challenges that faced Kansas in the mid-80s. Numerous communities, businesses, industries and individuals have benefitted from the state's economic development programs. They have helped create new, high quality jobs; retain the state's existing jobs; increase the standard of living of individuals; increase the sales of Kansas companies; and, maintain and enhance our communities. The success of this agenda is illustrated by several indicators. From 1987 to 1991, Kansas employment increased 8.3%; an increase which outpaced both the nation (6.1%) and the region (7.8%). The state's population recorded a 4.6% increase from 1980 to 1990. Even per capita income, which had dropped as a percent of the U.S. figure throughout the 1980s, rebounded strongly by the end of the decade. On several other indicators, including income equality and poverty, Kansas ranks as one of the best states in the country.

This success has been reinforced during the current recession as many parts of the country experienced stagnant economies — unemployment, business failures, and decreased income — while Kansas has seen significant increases in economic activity. During 1991, the Kansas unemployment rate averaged only 4.4% while the national rate averaged 6.7% and from December, 1990 to December, 1992, Kansas actually increased the number of jobs in the state by 13,617. The strength of the Kansas economy can be partially attributed to strong manufacturing growth in Sedgwick County and service sector growth in Johnson County. Additionally, the avoidance of the boom growth in the 1980s, the elimination of marginal companies in the earlier recessions, and a much stronger agricultural economy also contributed to the state's strong economy. As a result of the economic downturns across the country, many states are beginning to realize that their future prosperity is dependent on the type of strategic choices that have been implemented in Kansas for many years.

## New Challenges

While Kansas has met the development goals of the mid-80s, the state is now confronted with new challenges that require a different set of objectives and actions to be successful. Increased global competition, a more sophisticated and widespread telecommunication infrastructure, greater demands on an increasingly diverse work force, and greater penetration of broad technologies will make the economy of the next century much different than yesterday and even today. These differences will provide Kansas both the opportunity to succeed or fail. It is imperative for the state to develop a new competitive agenda shared by both the public and private sectors. This agenda should put in place a set of programs and policies that will position Kansas to take advantage of the new opportunities for success while reducing the chance of possible failures.



# Report on the Kansas Economy

In recent months, the Kansas economy has outperformed the nation. Although the state's economy slowed in 1991, for the second consecutive year it grew more rapidly than the nation's in terms of both employment and income. This contrasts sharply with the previous recession of the early 1980s when Kansas was one of the most severely impacted states.

Several indicators related to employment reveal the renewal of Kansas' economic strength. Job creation in Kansas has improved with state employment growth in 1990 and 1991 exceeding national growth. The relatively low Kansas unemployment rate of 4.4 percent in 1990 remained unchanged in 1991 and is expected to fall in 1992. Overall growth in manufacturing is expected to be modest in the near-term, but the outlook for Kansas aviation manufacturing is promising.

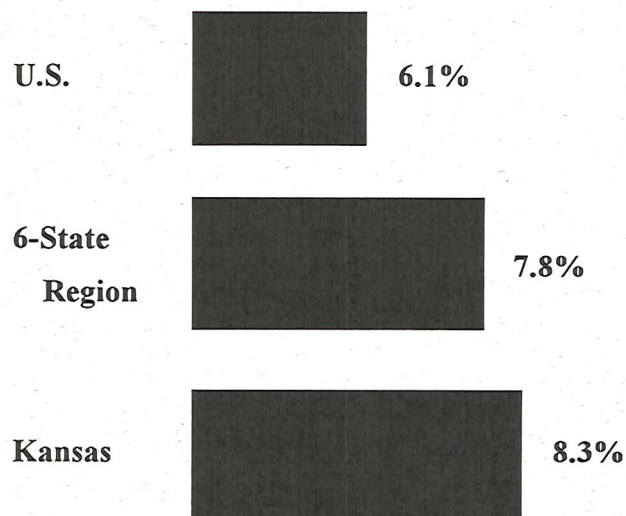
Three indicators related to income, population, and business vitality also confirm Kansas' relatively strong economic performance. Kansas personal income growth has rebounded, growing 7.5 percent in 1990, the highest rate of growth since 1984. In relation to the nation, Kansas population growth was moderate during the 1980s, but in comparison to a surrounding six-state region, Kansas was second only to Colorado in population growth during that decade. Finally, Kansas' business vitality, which reflects the state's ability to create and maintain entrepreneurship, has been healthy, with a 224 net gain in firm births over deaths.

## Kansas job creation has recently improved

In spite of the recent national recession, Kansas' employment growth has improved in comparison to the nation. Employment, the most commonly used barometer of total state economic activity, is measured by the Kansas Department of Human Resources by two means. First, estimates of employment by place of residence are developed using mathematical methods combined with a survey of Kansas households. Second, place-of-work data are collected on job counts for establishments covered under Kansas and federal unemployment insurance programs; this data series, unlike the total employment figures which are counts of people, includes counts of jobs and excludes self-employed and unpaid family workers.

Figure 1

### Percent Increase in Nonfarm Employment (1987 to 1991)



Source: U.S. DOL, Bureau of Labor Statistics, *Employment and Earnings*

KE  
Attachment 2-11  
2-25-93



While Kansas employment grew at a consistently slower rate than the U.S. average throughout most of the 1980s, the state's recent employment growth has outpaced that of the nation. The causes of the state's slow growth during the 1980s are varied. Negative impacts of the severe national recession of 1981-1982 persisted throughout the decade, while several other important factors contributed to the state's dampened employment growth, including farm financial problems, decreasing oil prices, and competitive weakening of several important Kansas industries.<sup>1</sup>

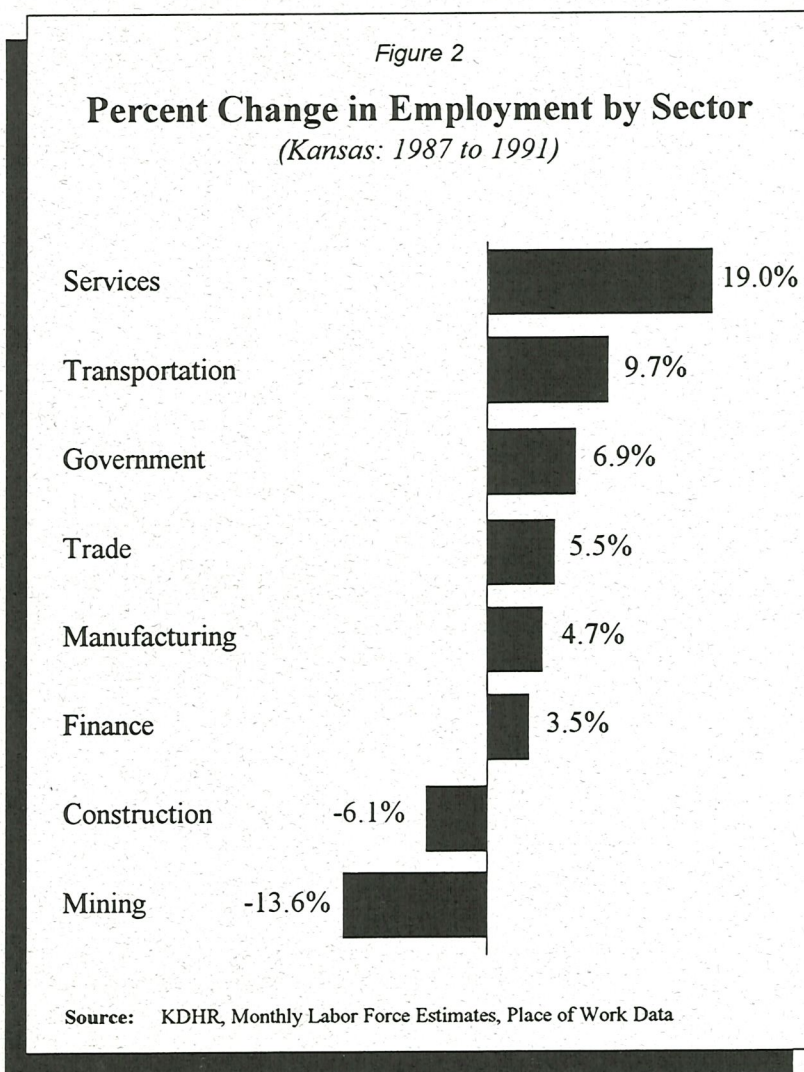
The recent reversal of this trend is reflected in Figure 1. Because of strong job creation in 1990 and 1991, Kansas growth in nonfarm employment surpassed both the U.S. and a surrounding six-state region including Colorado, Iowa, Missouri, Nebraska, and Oklahoma. Whereas nonfarm employment grew by 6.1 percent in the U.S. and 7.8 percent in the region, Kansas nonfarm employment grew by 8.3 percent. As measured by place of work data, Kansas gained 89,967 additional jobs, an 8.9 percent increase, during this period. In terms of Kansas' ranking compared to other states in the region, however, Kansas nonfarm employment lagged behind three other states, with as much as four percent less growth than the leading state, Nebraska.

The national recession that began in the fourth quarter of 1990 resulted in slower growth for both the U.S. and Kansas, but its effect on Kansas was relatively minimal. In 1990, Kansas nonfarm wage and salary employment grew 1.9 percent, whereas it grew 1.5 percent in the U.S. Total 1990 Kansas employment grew 0.8 percent compared to 0.5 percent in the nation. Between 1990 and 1991, Kansas employment as measured by place of residence increased 14,600 or 0.7 percent on a monthly average basis; place of work employment grew 9,800 or 0.9 percent. Much of this employment growth may be attributed to employment gains in the service producing industries, a trend that has persisted throughout the 1987-1991 period (Figure 2).

In 1991, Kansas employment growth dampened but remained stronger than U.S. growth. Figure 3 shows a 1.1 percent increase in total employment from December 1990 to December 1991, with a net increase of 13,617 jobs at the year's end. In contrast to the state's growth, total 1991 U.S. employment growth declined by 0.9 percent. Current 1992 forecasts<sup>2</sup> suggest that employment growth of the U.S. and Kansas may converge in the near future. It is predicted that nonfarm wage and salary employment will grow 1.3 percent in Kansas and 1.2 percent in the U.S., and total employment is expected to grow by at least one percent in Kansas compared to 0.6 percent in the U.S.

### Kansas' unemployment rate is lower than the nation's

The strong economic performance of Kansas is reflected in the state's

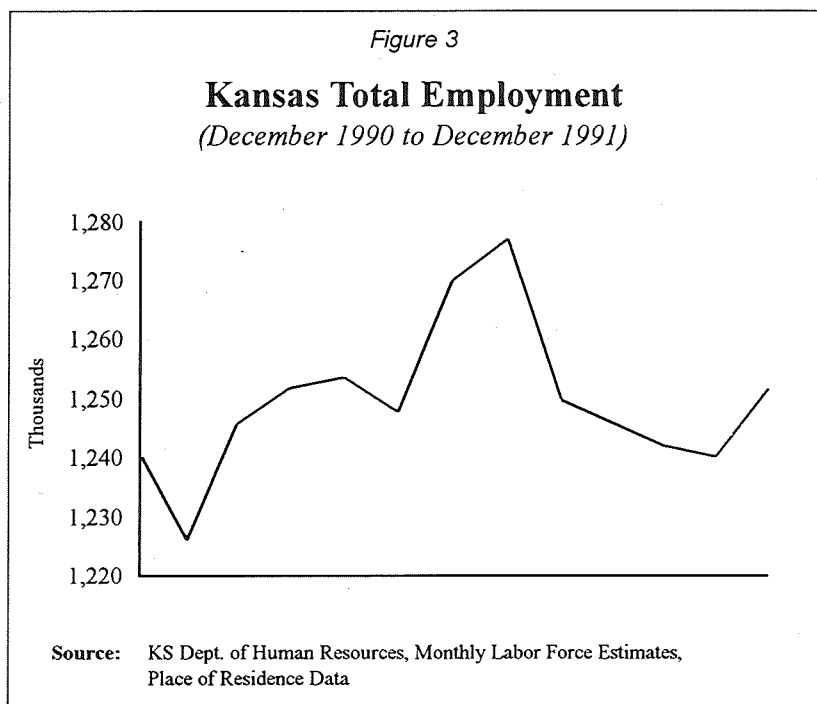


relatively low unemployment rates during the recent recession. The unemployment rate, which indicates the percentage of the total labor force that is currently unemployed, is an important gauge of a region's economic strength. It is calculated as the number of persons without work who are actively looking for jobs divided by the total number of persons in the labor force. Some unemployment will always be present in an economy since, at any given time, there will be a natural flux of workers who are in between jobs. The "natural rate of unemployment," or the rate at which the national economy is fully employed, is estimated by most economists as approximately six percent.

Increasing national and state unemployment rates, both of which rose by 0.3 percent in 1990, are indicative of the adverse effects of the most recent recession. The monthly average Kansas unemployment rate of 4.4 percent in 1990 remained the same in 1991. Kansas unemployment did decline throughout the year, however, beginning at 5.6 percent in January and ending at only 3.9 percent in December (Figure 4). The U.S. unemployment rate, on the other hand, rose by 1.2 percent, from 5.5 percent in 1990 to 6.7 percent in 1991.

Forecasts for state and national economic performance in 1992 are optimistic. The anticipated 1992 unemployment rates for both Kansas and the U.S. are forecast to fall slightly, with the predicted Kansas unemployment rate as low as 4.5 percent. February 1992 state unemployment was only four percent, down 0.5

percent from the previous month's rate, and preliminary estimates for March of 3.6 percent show that Kansas unemployment continues to fall.



## Kansas basic industry growth will be modest

The 1986 Redwood-Krider report was not optimistic about the growth potential of the three basic industries of the Kansas economy: agriculture, oil and gas mining, and manufacturing. The economic base of Kansas consists, like any region, of those industries that make up a larger proportion of the local economy than the national economy. These basic sectors or industries

typically produce more goods and services than the local market requires, thus creating a surplus that can be exported outside the region. Exporting creates additional jobs and brings in new wealth not only to the industry itself, but also to local firms supplying inputs to or purchasing inputs from that industry.

Further erosion of the basic industries that have historically served Kansas well is not anticipated, but overall growth in these sectors is expected to be modest. Kansas basic industry income trends parallel those of the nation, with mining and farm earnings continuing to comprise a smaller portion of total personal income. And similar to the national trend, the services sector recently surpassed the manufacturing sector as the industry providing the largest share of wage and salary income in Kansas (Figure 5). Since service wages tend to be lower than manufacturing wages, the increased services income share is a result of an ever larger pool of service jobs.



The strength of Kansas' manufacturing base, especially in durable goods manufacturing, ebbed during the 1980s. Overall, manufacturing employment declined by five percent during the 1980-1988 period versus four percent in the U.S. But during the past five years, the industry has begun to rebound: from 1987 to 1991, manufacturing employment grew by 4.7 percent (Figure 2), while U.S. manufacturing employment has declined by 3.1 percent. And although total Kansas manufacturing employment declined during the recent recession, this decline was not as great as the nation's, as total Kansas manufacturing employment declined by only 1.1 percent in 1991 versus an estimated 3.4 percent decline for the nation.

Although the aviation industry may experience delayed impacts of the recent recession, it is expected to be a high-growth sector over the next several years. A leading national forecasting firm has recently predicted that employment in the transportation equipment sector will grow by 6.6 percent through 1992, the second fastest growth in the nation.<sup>3</sup> Fueling this growth is the expansion of Kansas' largest aircraft manufacturer, Boeing, whose facilities are under preparation for the design and production of Boeing 777 components.

### *Mining declines as oil prices remain low*

Influenced to a great extent by fluctuations in global energy prices, the oil and gas industry has played a smaller role in the state's economy since the mid-1980s. When the price of oil dropped during that time, employment growth in that Kansas sector slowed to four percent over the 1980-1988 period, versus a 19 percent decline in the nation. Oil and gas extraction employment in 1989 averaged 8.2 thousand, down from its 1981 peak of 17.9 thousand. State severance tax receipts of this industry were greatest in 1984 at more than \$105.5 million; by 1989, total receipts had fallen to \$74.3 million. Although the natural gas industry is expected to benefit from price deregulation slated to occur in 1993, the benefit to Kansas from additional personal income and increased tax revenues will not be great, as little if any broad job creating impact is expected.

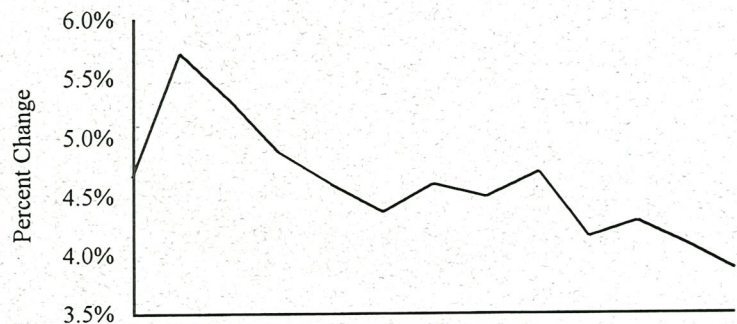
Recent price fluctuations have led to sporadic activity in this sector. Oil prices rose in the latter half of 1990, followed by increased drilling activity through the first half of 1991. However, this was followed by employment contraction after July, resulting in an overall employment decrease of three percent for 1991. Still, this decline reflects a trend occurring in the nation, which experienced an estimated decline of 1.6 percent for the same period.

### *Farm income recently has regained strength*

The agricultural sector fared poorly in Kansas during the 1980s, suffering an overall loss of 17.4 percent of its farm employment, but recently agriculture has regained some strength. In the short run, the size of farming income and employment is influenced by product prices, which are determined by a variety of conditions such as weather, government programs, and input prices. Total personal farm income has therefore fluctuated during the

Figure 4

### **Kansas Unemployment Rate** (December 1990 to December 1991)



Source: KS Dept. of Human Resources, Monthly Labor Force Estimates, Place of Residence Data

decade but has been moving upward over the recent past. And although the number of Kansas farm proprietors declined in the 1980s, during the 1980-88 period, the rate of decline in Kansas was slower than that of the nation.

A robust performance of the agricultural sector in 1990 was followed by declines in farm income in 1991 which are expected to stabilize in 1992. Total crop income fell from its 1990 high of just over \$3 billion to \$2.7 billion in 1991, which is predicted to increase to \$2.9 billion in 1992.<sup>5</sup> Dry weather conditions as well as changes in world trade due to political instability in the former Soviet Union are cited as contributing to 1992 crop market conditions.

The livestock sector, in particular the cattle industry, continues to dominate Kansas agriculture. Higher feed grain costs, higher feeder cattle prices, and lower prices for slaughter cattle dampened cattle feeder profits in 1991, which were well below those of 1990. Most Kansas hog farmers, on the other hand, were faced with a profitable year in 1991, but expectations for 1992 profitability are more pessimistic.

## Kansas personal income growth has rebounded

During most of the 1980s, Kansas income growth compared unfavorably to the nation. Kansas personal income is defined as the income received by, or on behalf of, all residents of the state. Measured regularly by the U.S. Department of Commerce, it includes income received by all sources, from participation in production, and from government payments and interest. Another primary indicator of economic well-being—per capita income—is derived by dividing total personal income by total population, therefore representing the income each person would receive if that region's income were distributed evenly among the population.

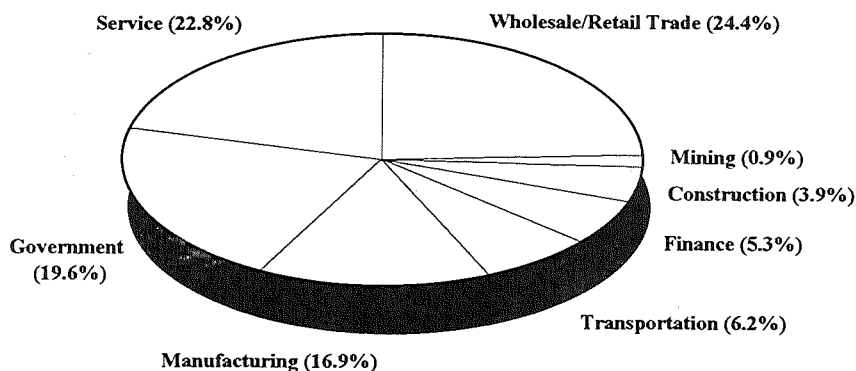
As Figure 6 illustrates, the last year that Kansas' per capita income was greater than the nation's was in 1983. In 1989, Kansas per capita income was \$16,950, only 95.6 percent of the nation's per capita income (\$17,731). Per capita income growth has recently rebounded in the state, however: 1990 Kansas per capita

personal income grew more rapidly than the nation or the region, with 7.2 percent, 5.4 percent, and 5.9 percent growth, respectively. This culminated in a 1990 Kansas per capita personal income of \$18,162, or 97.2 percent of the U.S. average of \$18,691.

At the same time, Kansas total personal income grew in 1990 by 7.5 percent, the highest rate of growth since 1984 and a rate exceeding that of both the U.S. and the Plains States. By the end of that year, Kansas ranked thirteenth among all states in growth of total personal income. This healthy rebound was influenced by an unusually large 53.6 percent increase in farm

Figure 5

### Kansas Industry Composition (Percent of Total Employment: 1991)



Source: U.S. DOL, Bureau of Labor Statistics, *Employment and Earnings*



proprietors' income, a result of the agricultural sector's recovery from the 1989 drought-induced decline in production. The increase in this category accounted for an additional 1.3 percent of the total growth of Kansas personal income, although on average, farm proprietors' income constitutes only three percent of the state's total personal income.

The dampening effects of the recent recession led to sluggish income growth for the state and the nation in 1991. Kansas personal income was forecast to

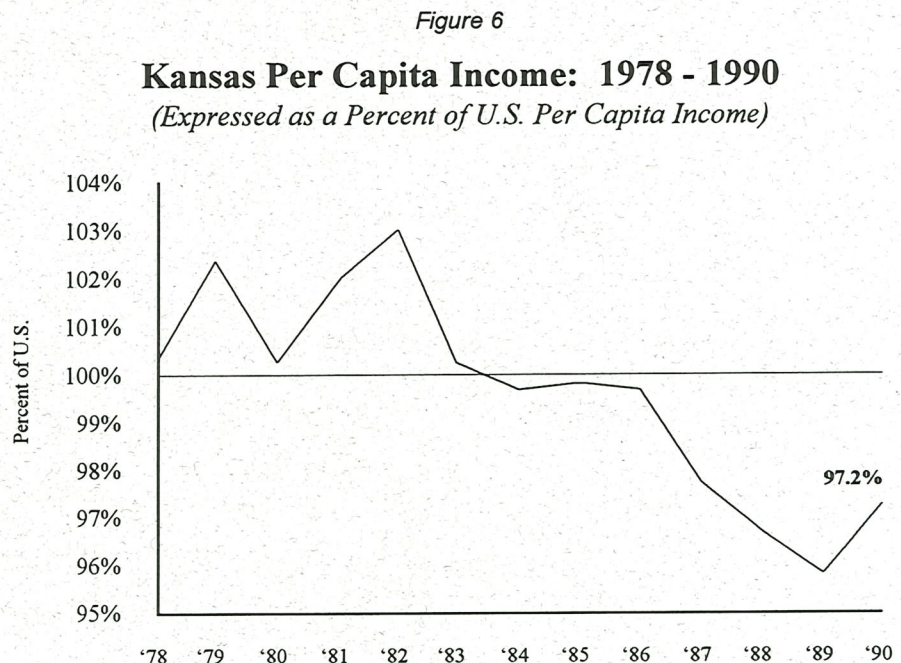
grow between 3.3 and 3.8 percent during that year, the lowest growth rate since 1983, but still slightly above the U.S. rate of 3.4 percent. Kansas personal income net of farm proprietors' income and adjusted for inflation was expected to fall by 0.4 percent. This slowdown can be attributed to a large degree to the recessionary slump in personal interest earnings resulting from lower interest and savings rates. A short-term weakening of the farm economy has also contributed to lower personal income growth rates: farm proprietors' income was forecast to fall by 4.7 percent in 1991.

Income growth forecasts for 1992 are optimistic. Kansas personal income is expected to grow between 4.9 and 5.7 percent in 1992. This significant improvement in income growth will occur in tandem with an anticipated recovery from the national recession and will be due primarily to stronger growth in wages and salaries and proprietors' income. In fact, most of the personal income categories are expected to grow at a rate faster than 5.7 percent, although the farm proprietors' and dividends, interest and rent categories may grow by as little as 1.2 and 2.9 percent, respectively.

## Kansas population growth was moderate during the 1980s

Kansas has had a relatively low state population growth rate compared to the nation, but annual population change over recent years provides evidence that Kansas' long-term slide in maintaining its share of U.S. population may be ending. The 1986 Redwood-Krider Report suggested that this would happen as the migration from rural Kansas to areas out of the state slowed. The continued strong economic performance in Sedgwick and Johnson counties and the somewhat better farm economy are possible reasons why Kansas' annual rate of population growth has been increasing.

Kansas ranks 32 among the 50 states in terms of size and represents nearly one percent of U.S. total population. Population trends over the 1980s—slower growth and the aging of the populace—are revealed in



Source: U.S. DOC, Bureau of Economic Analysis

the latest 1990 census figures. From 1980 to 1990, the Kansas population grew 4.6 percent, well below the U.S. resident population increase of 9.8 percent over the decade. The state's growth may be attributed to a natural increase (an excess of births over deaths) since Kansas also experienced an out-migration of over 60,000 persons during the 1980s.

But Kansas has fared well vis-a-vis its surrounding region: Figure 7 shows that Kansas is second only to Colorado in regional population growth in the 1980s. The state's resident population increased in 1990 to 2,477,574 Kansans, with the total number of households increasing by 8.3 percent to 944,726. Seventy-nine of the state's 105 counties lost population, with reductions concentrated in the northwest and southeast counties. Population gains were experienced, however, by the northeast and southwest Kansas regions. In relation to national population growth, near-term Kansas growth is forecast to remain moderate: Kansas population growth from 1990 to 1991 has been estimated as 17,000 persons.<sup>6</sup> This represents a 0.7 percent change, placing Kansas as 36th among all states in population growth during this period.

### Kansas' business vitality is the core of the development process

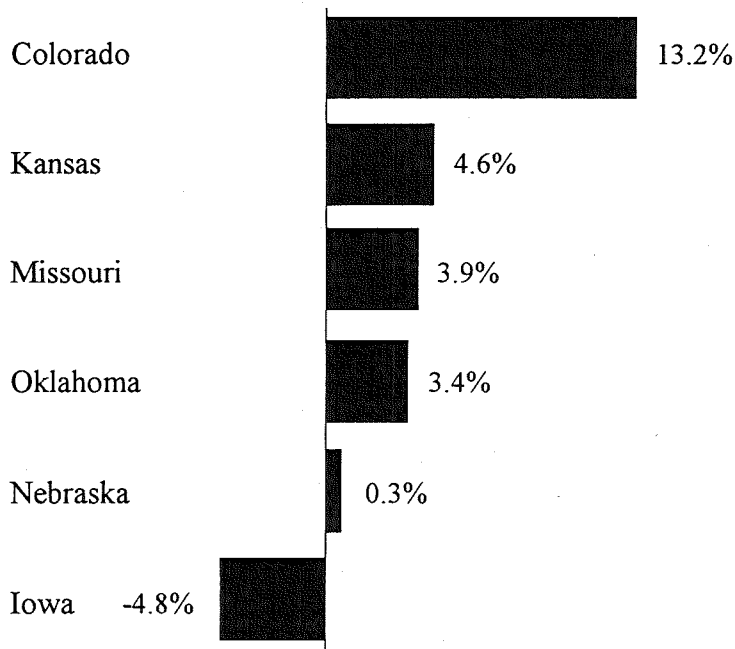
The state's ability to create and maintain entrepreneurship and innovation is a crucial element in the economic development process. Understanding the nature of Kansas' business vitality—new business formation and the loss of existing firms—will aid leaders in more fully understanding the dynamic elements of this process. The strength of a region's business vitality may be analyzed by addressing a variety of questions, such as: the nature, size distribution, location, wage structure, and contribution to statewide growth of businesses starting up and failing in the state; the age of firms quitting business; and finally, the net effect of firm start-ups and failures as compared to the growth of existing firms.

A series of reports on Kansas business vitality has been funded by Kansas Inc., with Dr. M. Jarvin Emerson of Kansas State University as principal investigator. Data on firms covered under Kansas and federal unemployment insurance programs was supplied by the Kansas Department of Human Resources. The first report in this series analyzed firm entry, retention, and exit during the period from 1985 through 1990.

Over the six-year period, 35,544 firms started operation and 34,634 firms quit resulting in a net gain of 910 firms. Of the firms that started operation, 28,215 were in service-producing industries while 7,329 were in goods-producing industries. Of those that quit during this time period, 27,045 were in service-producing

Figure 7

### Population Percent Change: 1980 - 1990 (Kansas and Surrounding States)



Source: U.S. DOC, Bureau of the Census, 1990 Census Report

HE  
Attachment 2-17  
2-25-93



industries and 7,589 were in goods producing industries. Although the largest firms accounted for both the greatest employment growth and the largest decline, the small firms had the largest net employment increase. The industries with the largest net increase in the number of firms were business services and professional services. The largest net firm losses were in the oil and gas extraction and motor freight transportation industries.

The study has also highlighted the disparity in firm dynamics between nonmetropolitan and metropolitan counties. During the six-year period, there was a positive net business formation in metropolitan areas as 2,976 more firms entered business than left with an associated job gain of 11,253. By contrast, nonmetropolitan areas experienced a net loss in firms with 2,081 more firms quitting than starting with an associated job loss of 11,062. As at the state level, motor freight transportation and oil and gas extraction suffered the greatest net loss of firms and business and professional services experienced the greatest net increase in firms in both metropolitan and nonmetropolitan counties.

While the effect on employment of firms starting and quitting operation during this period is important in understanding the state's industry dynamics, it should be understood in relation to the contribution of existing, on-going firms. During the study's period, there was a net employment loss of 1,371 persons resulting only from firms that either started or quit from January 1, 1985 to December 31, 1991. During this same six year period, 95,678 jobs were created in existing firms that operated through the entire period from 1985 through 1991. In several industries that experienced significant employment losses from firm starts and quits, the overall growth was positive. For example, all manufacturing industries recorded a net loss of 769 employees from starts and quits but had an overall increase in employment over the period of 10,352.

An important industry sector in developing high quality jobs are those commonly referred to as "high technology" firms. During this period, these firms showed mixed gains with employment growing by 10.6%, adding 7,542 jobs and wages increasing by 44.4% compared to 31.4% gain for the total private sector. Yet, the number of high technology firms barely changed with 3,530 in business in the fourth quarter of 1991 compared to 3,517 in the fourth quarter of 1985 — a gain of only 13 high tech firms in six years.

---

## Notes

<sup>1</sup>M. Jarvin Emerson, "The Kansas Economy," *Kansas Policy Choices: 1990*, Ed. H. Edward Flentje, Wichita: Hugo Wall Center for Urban Studies, 1990.

<sup>2</sup>Forecasts of the Kansas economy may be found in two sources: Norman Clifford, "The Outlook for Kansas and the Nation, 1992," *Kansas Business Review*, Vol. 15, No. 2, pp. 1-7; and *The Governor's Economic and Demographic Report 1991-1992*, Kansas Division of the Budget, January 1992.

<sup>3</sup>James R. Fenker, "Kansas: Up, Up, and Away!" *DR/McGraw-Hill U.S. Markets Review*, Lexington, Massachusetts: McGraw-Hill, Fourth Quarter, 1991.

<sup>4</sup>Allen M. Featherstone, James Mintert, and William I. Tierney, Jr., "Kansas Agricultural Outlook," *Kansas Business Review*, Vol 15 No. 2, pp. 8-11.

<sup>5</sup>Kathleen O'Leary Morgan, Scott Morgan, and Neal Quitno, eds., *State Rankings 1992*, Lawrence, Kansas: Morgan Quitno Corp., 1992.



# Financial Report

FY92

FY93

## A. State General Fund/Private Sector Expenditures

Salaries/Wages	193,281	213,535★
Communications	12,345	14,800
Freight and Express	725	300
Printing	16,800	25,000
Rent	31,437	32,000
Repairs and Servicing	855	900
Travel	10,839	11,000
Research Program	186,807	114,799
Professional Fees	3,418	1,200
Meetings/Conferences	6,851	6,164
Professional Supplies	226	200
Stationery/Office Supplies	2,529	3,500
Capital Outlay	10,517	5,569
Subtotal	\$476,630	\$428,967

## B. In-Kind Contributions

Printing	372
----------	-----

Total Fiscal Year Expenses:	\$477,002	\$428,967
-----------------------------	-----------	-----------

EPSCoR Program:	\$0	\$1,500,000
-----------------	-----	-------------

★ In FY1993 a one-half clerical position was added.

HE  
Attachment 2-19  
2-25-93



# Private Sector Investors

Southwestern Bell Telephone  
Sprint, Inc.  
Kansas City Power and Light  
Hallmark Cards, Inc.  
Kansas Bankers Association

Cessna Aircraft Company  
Texaco Refining  
Mesa Petroleum  
Fourth Financial Corporation



KPL Gas Service  
Kansas Gas and Electric  
Coastal Corporation  
The Boeing Company  
Beech Aircraft  
Payless ShoeSource  
Burns & McDonnell  
OXY USA, Inc.  
Phillips Petroleum  
Commerce Bank of Kansas City  
Ernst & Young, Inc.  
Bartlett & Company Grain  
Panhandle Eastern  
Black & Veatch

The Peoples Bank - Pratt  
Midwest Grain Products  
Salina Airport Authority  
ADM Milling  
UtiliCorp United  
IBM  
The Marley Company  
AT&T  
Stauffer Communications  
Dillons  
Kansas Farm Bureau  
Commerce Bank and Trust  
Marion Merrell Dow, Inc.



Devlin Management  
Martin Tractor Company  
Pickrell Drilling  
ARCO Pipeline Company  
K & E Petroleum  
Kansas Motor Carriers Association  
Hill's Pet Products  
Gill Studios  
Landoll Corporation  
SCKEDD  
Riffe Construction Company  
NCRA  
Morton International  
FMC Corporation  
DeBauge Corporation

Multimedia Cablevision  
Security Benefit Life  
Petroleum Production Management  
Lathrop & Norquist  
First Colonial Bank - Prairie Village  
A.L. Abercrombie  
Murfin Drilling Company  
Taylor Forge Engineered Systems, Inc.  
J.E. Dunn Construction  
Packer Plastics  
John O. Farmer  
Anderson Energy  
Lee Banks  
Thorton Anderson  
Seaton Publishing Company

# Board of Directors

**Paul "Bud" Burke**  
*President of the Senate*  
*Olathe*

**Thomas Clevenger**  
*Fourth Financial Corporation*  
*Wichita*

**Timothy R. Donoghue**  
*Kansas State University*  
*Manhattan*

**Joan Finney, Co-Chair**  
*Governor of Kansas*  
*Topeka*

**Eric Thor Jager**  
*Windcrest Investment Management*  
*Mission Hills*

**Gerald "Jerry" Karr**  
*Senate Minority Leader*  
*Emporia*

**Bob Knight**  
*Department of Commerce*  
*Topeka*

**Bill Wohlford, Co-Chair**  
*Slawson Companies*  
*Wichita*

**Don Landoll**  
*Landoll Corporation*  
*Marysville*

**Howard K. Loomis**  
*The Peoples Bank*  
*Pratt*

**Dan L. Meisinger**  
*Topeka Aircraft*  
*Topeka*

**Robert H. Miller**  
*House Minority Leader*  
*Wellington*

**William A. Moore**  
*Teamsters Union*  
*Topeka*

**Ladd Seaberg**  
*Midwest Grain Products*  
*Atchison*

**Jack Wempe**  
*State Representative*  
*Little River*

---

**Charles R. Warren**  
*President*

**Henry Schwaller, IV**  
*Senior Research Analyst*

**Scott Hessel**  
*Senior Policy Analyst*

**Debby Fitzhugh**  
*Office Manager*

**Terri Coon**  
*Office Assistant*

HE  
Attachment 2-21  
2-25-93



KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS

5401 S. W. 7th Avenue Topeka, Kansas 66606  
913-273-3600

Testimony on House Bill 2482  
before the  
House Committee on Education  
by  
John W. Koepke, Executive Director  
Kansas Association of School Boards

on behalf of  
Kansas Association of School Boards  
Kansas-National Education Association  
Schools for Quality Education  
United School Administrators of Kansas  
Unified School District No. 501 (Topeka)

February 25, 1993

Mr. Chairman and members of the Committee, we appreciate the opportunity to appear before you on behalf of the member boards of education of the Kansas Association of School Boards. While we have not had the opportunity to present the issue contained in this bill to our entire membership, we believe that there are sufficient concerns about this matter to express our reservations.

House Bill 2482 seeks to expand the mission of Kansas, Inc. to "engage in the collection, research and analysis of data related to educational issues and policy." This expansion would seem to both duplicate and conflict with the mission of the State Board of Education. We have some difficulty determining what data Kansas, Inc. would collect which is not already being collected by the State Department of Education. If there is additional data desired to assist in developing educational policy, the State Department of Education would seem to be the logical agency to carry out such data collection.

We are curious as to the type of research that would be conducted by Kansas, Inc. which would add to the body of knowledge already being collected by public and private educational researchers across the nation. We would like a better understanding of the particular educational expertise possessed by Kansas, Inc. which would validate research proposed by this measure.

We are also troubled by what standards the Kansas, Inc. board would "evaluate the effectiveness of education programs and policies" as proposed in HB 2482. Therefore, Mr. Chairman and members of the Committee, we would oppose the enactment of HB 2482 at least until sufficient time has been allowed for a full study of all of the ramifications of the action proposed in this measure. We thank you for your consideration of our concerns, and I would be happy to attempt to answer any questions.

HE  
Attachment 3-1



# THE CORPORATION FOR CHANGE

*A Partnership for Investing in The Future of Kansas Children and Families*

TESTIMONY OF  
NANCY McCARTHY SNYDER, PH.D.  
DIRECTOR OF RESEARCH AND ACCOUNTABILITY  
THE CORPORATION FOR CHANGE

BEFORE THE HOUSE EDUCATION COMMITTEE  
REPRESENTATIVE DUANE GOOSSEN, CHAIRPERSON  
FEBRUARY 25, 1993

I appreciate the opportunity to testify on HB 2482 and to make the Education Committee aware of potential overlap and duplication of effort between Kansas Inc., and the Corporation For Change.

The Legislature created the Corporation For Change in 1992 "to implement a comprehensive, coordinated strategy for investment in Kansas Children and their Families" (HB 2987 attached).

Among the functions of the Corporation are to:

1. Serve in an advisory capacity to the legislature, the governor and the judiciary on matters related to children and families.
2. Conduct research, planning, evaluation, monitoring and advocacy as needed on matters related to children and families.
3. Coordinate the development and implementation of children's policy in Kansas between government, business, labor, industry and children's advocacy and service groups. All other state and local agencies, commissions, board, and offices and state educational institutions which do research work, develop materials and programs, gather statistics or perform functions related to child welfare shall advise and cooperate with the corporation for change in the planning and accomplishment of such children's policy. The corporation for change shall seek advice from the general public and from professional associations, academic groups and institutions, representatives of commerce and industry,

EXECUTIVE DIRECTOR  
Jolene M. Grabill

BOARD OF DIRECTORS

Rep. Joan Wagnon  
Chair

Topeka YWCA

John E. Moore

Vice-Chair

Cessna Aircraft

Company

Wichita

Wint Winter, Jr.

Treasurer

Attorney at Law

Lawrence

Kay Farley

Secretary

Office of Judicial

Administration

Topeka

Melissa Ness

Program Chair

Kansas Children's

Service League

Topeka

Dr. Paul Adams

Chair, State Board

of Education

Osage City

Dr. Robert C. Harder

Chair, Governor's

Commission on

Children, Youth

and Families

Topeka

Fran Jackson

Youth Development

Services

Wichita

Sen. Sherman Jones

4th Sen. District

Kansas City

Dawn Merriman

Parent Representative

Salina

Judge Jerry Mershon

21st Judicial District

Manhattan

Sec. Nancy Parrish

Dept. of Revenue

Topeka

Sen. Sandy Praeger

Chair, Senate Public

Health and Welfare

Committee

Lawrence

Joyce Romero

Western Resources

Topeka

Rep. Ellen Samuelson

Chair, Joint Committee

on Children and Families

Hesston

Eva Tucker

USD 500

Kansas City, Kansas

Sec. Donna Whiteman

Dept. of Social &

Rehab. Services

Topeka



national child welfare experts and Kansas individuals having knowledge of and interest in areas of child welfare.

4. Review and evaluate progress in implementation of the blueprint for investment in Kansas children and their families of the 1991 special committee on children's initiatives, including the targets for change and the investment strategies outlined in the blueprint.

As you will recall the Blueprint for Kansas Children and Families is a comprehensive 5-year plan for improving the lives of Kansas children and their families. Target number three of the Blueprint (attached) is "restructure schools to respond to changing educational and developmental needs of children." The State Board of Education is one of the partners of the Corporation for Change, and the chair of the Board serves on the Corporation's Board of Directors.

During its first year the Corporation For Change has chosen to concentrate on developing accountability measures on Target I: providing greater support for children and families and on Target V: modifying service delivery systems. Practically speaking in the short term the research emphasis of the Corporation will be on those aspects of the education system that deal with child welfare and family well being. Specifically we are interested in early childhood education and school linked social services. As we move on to deal with other aspects of education restructuring, it is inevitable that we will move into general K-12 educational issues.

Education is clearly an economic development issue. It is also a children and family issue. The Corporation for Change is an organization designed to improve interagency coordination. We believe that it is possible for us to work with Kansas Inc., to resolve any potential duplication. It is important however, for the legislature to recognize the need to provide resources to create a source of data, research analysis independent of the education establishment.

Thank you for the opportunity to visit with you about House Bill 2482.

HE  
Attachment 4-2  
2-25-93

# About The Corporation For Change

*A Partnership for Investing in the Future of  
Kansas Children and Families.*

## The Charge

The Board of Directors of The Corporation for Change: a Partnership for Investing in Kansas Children and Families convened for the first time on Monday, July 27, 1992. Created by the 1992 Legislature, The Corporation for Change is a public-private partnership created specifically to implement a comprehensive Kansas policy for children and families. The Corporation is charged with developing and implementing children's policy in Kansas between government, business, labor, industry, and children and family advocacy and service groups. The creation of The Corporation for Change is a strong signal from legislative, judicial, and executive branches that Kansas chooses to institutionalize this drive for change at the state level.

## Leadership and Accountability

The Corporation is governed by the Board of Directors and led by an executive director. Employees of the Corporation are state employees. By law, the exercise of Corporation duties is a performance of an essential governmental service.

The Corporation is accountable to all three branches of government, executive, legislative, and judicial and to the business and advocacy communities through direct representation on and appointments to the Board of Directors. Furthermore, The Corporation works directly with the three state agencies most directly involved in the provision of state services to children and families: the Department of Social and Rehabilitation Services; the Kansas Department of Health and Environment; and the Kansas Department of Education.

The Corporation is not and never will be an arm of state government that provides direct services. The Corporation is the accountability mechanism through which the state has lodged the growing fervor for change in children's policy in the State of Kansas. Simply put, The Corporation for Change is a children's policy think tank for Kansas. Rather than allowing the critical mass of energy now erupting in our state to wane with the political or career fortunes of individuals, Kansas has chosen to institutionalize our call for change through The Corporation for Change.



## Funding

The Family and Children Investment Fund is the source of support for the Corporation for Change. That Fund is the repository for state revenues appropriated to The Corporation, private donations, foundation grants and awards, and corporate contributions to the work of The Corporation. The Family and Children Investment Fund is a state fund and is therefore managed by the Department of Accounts and Reports within the Kansas Department of Administration. Separate accounts will be established and maintained within the fund for individual programs.

Given the fiscal realities of our state budget, private funding was necessary for start-up and the first phase of operation of The Corporation. The initial grant approved by the Annie E. Casey Foundation covers the first 18 months of operation. Substantial existing state resources and loaned positions from state agencies have been contributed as ~~match~~ for the Foundation grant.

## A Three-Fold Agenda

First, we will build on the existing momentum to reform children's services in Kansas by institutionalizing the drive for change at the state level in the research and planning agenda of The Corporation. A primary goal is to develop and implement a plan for children's services in Kansas which restructures state spending to invest in programs and services that foster family preservation, de-institutionalization, and prevention.

This will involve redirecting existing state resources to better achieve the outcomes listed in *The Blueprint for Investing in Kansas Children and Families*. It will also require The Corporation to design numerous accountability measures through which the three branches of government, the Kansas business community, and the public at large will be convinced that redirection and reinvestment of children's budget dollars into community based service, family preservation, and primary prevention programs will produce positive outcomes in the lives of Kansas children, as well as lower costs (avoided cost increases) to the state in the long run. Every effort will be made to make aggressive use of national expertise on these issues and to network with other states engaged in similar efforts at statewide reform of children's services.

Second, we will foster local children's initiatives and encourage community ownership of children and their needs through a local community initiatives project. Two existing local initiatives projects will move under The Corporation's umbrella. They are the Blueprint Implementation Project currently housed at

Kansas Action for Children and funded (\$103,000) by the United Methodist Health Ministries Fund and the Sedgwick County Youth and Family Commission and it's research subcontract operated by the University of Kansas School of Social Welfare.

**Third, we will continue to nurture the climate for change throughout the state through an expanded public awareness campaign and an aggressive strategy to market our message of investing in Kansas children and families, building community ownership and responsibility for meeting children's needs, and building positive outcomes for the children of our state.** We will expand upon the existing public awareness project funded by the United Methodist Health Ministries Fund and operated as part of the *Blueprint* Implementation Project at KAC.

### **Coordinated Projects**

Several new ~~and existing~~ projects will move under the umbrella of The Corporation for administrative purposes. They will be referred to as Coordinated Projects. Among these projects are:

**The Permanent Families Fund** which will provide funding to Citizen Review Boards (also known as Foster Care Review Boards) and Court Appointed Special Advocate programs across the state through revenues from increased birth certificate fees.

**The Family and Children's Trust Fund Grants** which provides just under \$400,000 to local programs across the state. A major focus of this grant program is child abuse prevention. Marriage license fees and federal matching dollars are the primary revenue source for this fund.

**The Family Courts Study** which was funded with a \$30,000 appropriation from judicial docket fee increases.

**The National Conference of State Legislators Child Care Project** which was recently awarded to Kansas to provide technical assistance in maximizing the use of federal dollars for child care.

For more information contact: Jolene Grabill, Executive Director  
The Corporation for Change  
Jayhawk Tower, Suite 902  
700 SW Jackson  
Topeka, Kansas 66603  
913-296-4300



3a6

HOUSE BILL No. 2987

AN ACT concerning children and families; creating the corporation for change, a public-private partnership to implement a comprehensive policy for children and families; establishing local citizen review boards in judicial districts; amending K.S.A. 23-108a and 65-2418 and repealing the existing sections; also repealing K.S.A. 38-1401 through 38-1404 and 75-5328 and K.S.A. 1991 Supp. 38-1405.

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

New Section 1. Sections 1 through 9 shall be known and may be cited as the corporation for change act.

New Sec. 2. The legislature finds that the social and educational institutions that prepare Kansas children to become capable and responsible adults have not kept pace with social, economic and demographic changes.

It is the intent of the legislature that a nonprofit corporation be organized to implement a comprehensive, coordinated strategy for investment in Kansas children and their families.

A goal of the corporation is to coordinate and implement reform of children's services in Kansas.

New Sec. 3. (a) There is hereby created a body politic and corporate to be known as the corporation for change, a partnership for investing in the future of Kansas children and families. The corporation for change is hereby constituted a public instrumentality and the exercise of the authority and powers conferred by this act shall be deemed and held to be the performance of an essential governmental function. The corporation shall be governed by a board of directors who shall be residents of this state.

(b) The board of directors of the corporation for change shall:

(1) Serve in an advisory capacity to the legislature, the governor and the judiciary on matters related to children and families.

(2) Conduct research, planning, evaluation, monitoring and advocacy as needed on matters related to children and families.

(3) Coordinate the development and implementation of children's policy in Kansas between government, business, labor, industry and children's advocacy and service groups. All other state and local agencies, commissions, board, and offices and state educational institutions which do research work, develop materials and programs, gather statistics or perform functions related to child welfare shall advise and cooperate with the corporation for change in the planning and accomplishment of such children's policy. The corporation for change shall seek advice from the general public and from professional associations, academic groups and institutions, representatives of commerce and industry, national child welfare experts and Kansas individuals having knowledge of and interest in areas of child welfare.

(4) Review and evaluate progress in implementation of the blueprint for investment in Kansas children and their families of the 1991 special committee on children's initiatives, including the targets for change and the investment strategies outlined in the blueprint.

(5) Accept and receive grants, loans, gifts or donations from any public or private entity in support of programs developed by the corporation for change and assist in the development of supplemental funding sources for local and state programs.

(6) Consider applications for and make such grants from the family and children trust account and the permanent families account of the family and children investment fund as authorized by law.

(7) Receive reports from local citizen review boards established pursuant to section 13 regarding the status of children under the supervision of the district courts and regarding systemic barriers to permanence for children, assure that appropriate data is maintained regularly and compiled at least once a year by such boards on all cases reviewed and assure that the effectiveness of such boards is evaluated on an ongoing basis, using, where possible, random selection of local citizen review boards and cases for the evaluation and including client outcome data to determine effectiveness.

(8) Submit annually to the supreme court a report evaluating local citizen review boards and compiling data received from such boards.

HOUSE BILL No. 2987—page 2

(9) Employ staff necessary to administer the programs of the corporation for change, establish administrative and accounting procedures for the operation of the corporation and enter into contracts as may be necessary under this act, including contracts, as the board deems appropriate, with corporations or other entities for administrative and other services for the corporation.

(10) Report on the corporation's activities to the governor, the legislature, the judiciary and the public on or before February 1 of each year.

New Sec. 4. (a) The board of directors of the corporation for change shall employ a person to serve as executive director of the corporation.

(b) The executive director of the corporation for change shall direct and supervise the general management of the corporation and a small core staff. The executive director:

(1) May employ and terminate such other employees as designated by the members of the board of directors;

(2) shall attend meetings of the board of directors; and

(3) shall keep a record of all proceedings and maintain and be custodian of all financial and operational records, documents and papers filed with the corporation.

New Sec. 5. (a) The corporation shall have the authority to establish standing committees and ad hoc committees as necessary to carry out the functions of the corporation, including making grants; providing advocacy, research, planning and evaluation; and other functions as needed. Members of standing or ad hoc committees of the corporation shall be appointed by the chairperson of the board of directors of the corporation and may include members of the board of directors of the corporation and such other persons as appointed by the chairperson.

(b) There is hereby established, as a standing committee of the corporation, the children and youth advocacy committee. The children and youth advocacy committee shall consist of the persons serving on the effective date of this act as members of the children and youth advisory committee established by K.S.A. 38-1401 and amendments thereto. Each such person shall serve as a member of the children and youth advocacy committee until a vacancy occurs by reason of expiration of the person's term or otherwise, at which time the chairperson of the board of directors of the corporation shall appoint a successor. The duties of the children and youth advocacy committee shall include:

(1) Providing advocacy for children and other public and private, state and local agencies affecting children;

(2) making recommendations regarding grants from the family and children trust account of the family and children investment fund; and

(3) other duties assigned by the board of directors of the corporation.

(c) Members of a standing or ad hoc committee of the corporation attending meetings of such committee, or attending a subcommittee thereof authorized by such committee, shall receive amounts provided for in subsection (e) of K.S.A. 75-3223 and amendments thereto.

New Sec. 6. (a) The board of directors of the corporation for change shall consist of 17 members as follows:

(1) The governor or the governor's designee;

(2) the chairperson of the Kansas commission on children, youth and families established by executive order number 91-145;

(3) the speaker of the house of representatives or a representative designated by the speaker;

(4) the president of the senate or a senator designated by the president;

(5) the minority leader of the house of representatives or a representative designated by the minority leader;

(6) the minority leader of the senate or a senator designated by the minority leader;

HE

Attachment 4-7  
2-25-93



(7) the chief justice of the supreme court or the chief justice's designee;

(8) the chairperson of the state board of education or a member of the state board of education designated by the chairperson;

(9) seven residents of the state, of whom one shall be appointed by each of the following: The governor, the speaker of the house of representatives, the president of the senate, the minority leader of the house of representatives, the minority leader of the senate, the chief justice of the supreme court and the chairperson of the state board of education; and

(10) two persons appointed by the governor to represent the general public.

(b) No member appointed pursuant to subsection (a)(9) shall be a legislator, except that a legislator may be one of the members first appointed to the board if such legislator does not file as a candidate for election to the legislature in 1992. Members appointed pursuant to subsection (a)(9) shall be leaders in business or advocacy for children and families whose places of residence shall be representative of the various geographical areas of the state, and one such member shall represent children with disabilities. Officers making appointments pursuant to subsection (a)(9) shall consult prior to making such appointments to assure compliance with the provisions of this subsection.

(c) Members of the board of directors appointed pursuant to subsection (a)(9) or (10) shall serve for terms of four years, except that, of the members first appointed to the board, the members appointed by the speaker of the house of representatives, the president of the senate, the minority leader of the house of representatives and the minority leader of the senate shall serve for terms of four years; and the members appointed by the governor, the chief justice of the supreme court and the chairperson of the state board of education shall serve for terms of two years. Any vacancy in a member's position before expiration of the member's term shall be filled by appointment for the unexpired term by the officer who made the original appointment.

(d) The chairperson of the board of directors shall be elected annually by the board from among its members. The board of directors shall meet at such times designated upon the call of the chairperson.

(e) Members of the board of directors attending meetings of the board, or attending a subcommittee meeting thereof authorized by the board, shall be paid amounts provided in subsection (e) of K.S.A. 75-3223 and amendments thereto.

New Sec. 7. (a) All employees of the corporation for change shall be considered to be state employees and the corporation for change shall be considered to be a state agency for purposes of the laws and procedures governing the payroll accounting system for state agencies under K.S.A. 75-5501 *et seq.* and amendments thereto; the deferred compensation plan developed and approved for state employees under K.S.A. 75-5521 through 75-5529, and amendments thereto; the employment security law; the workers compensation act, including the state workmen's compensation self-insurance fund as provided in K.S.A. 44-575 through 44-580, and amendments thereto; the state health care benefits program and remittances pursuant to the federal social security act; federal insurance compensation act; and the federal internal revenue code. Employees of the corporation for change shall be considered to be state employees and the corporation for change shall be considered to be a state agency only for the purposes specified in this subsection.

(b) The provisions of article 32 of chapter 75 of the Kansas Statutes Annotated, any acts amendatory thereof or supplemental thereto, and any rules and regulations adopted thereunder, shall not apply to officers or employees of the corporation for change. Subject to policies established by the corporation for change, the chairperson of the board of directors or the chairperson's designee shall approve all travel and travel expenses of such officers and employees.

(c) Nothing in this act or the act of which it is amendatory shall be construed as placing any officer or employee of the corporation

HE  
Attachment 4-8  
2-25-93

for change in the classified service or unclassified service under the Kansas civil service act.

New Sec. 8. (a) There is hereby established in the state treasury the family and children investment fund, to be administered by the board of directors of the corporation for change.

(b) (1) Moneys in the family and children investment fund shall be expended for: (A) Furthering the purposes of the corporation for change; (B) review and evaluation of progress in implementing the blueprint for investment in Kansas children and their families of 1991 special committee on children's initiatives; (C) purposes which further implementation of a comprehensive, coordinated strategy for investment in Kansas children and their families; and (D) such other purposes as provided by law.

(2) There shall be credited to such fund appropriations, gifts, grants, contributions, matching funds and participant payments.

(3) All expenditures from the fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board of directors of the corporation for change or a person designated by the chairperson.

(c) (1) There is hereby created the family and children trust account in the family and children investment fund.

(2) Moneys credited to the family and children trust account shall be used for the following purposes: (A) Matching federal moneys to purchase services relating to community-based programs for the prevention of problems of families and children; (B) providing start-up or expansion grants for community-based prevention projects or educational programs for the problems of families and children, primarily but not limited to, child abuse and neglect and family abuse; (C) studying and evaluating community-based prevention projects and educational programs for the problems of families and children; (D) preparing, publishing, purchasing and disseminating educational material dealing with the problems of families and children; (E) payment of the salary and actual and necessary travel expenses of the coordinator employed by the corporation for change for the children and youth advocacy committee; and (F) payment of administrative costs of the children and youth advocacy committee, including amounts provided by subsection (c) of section 5. For the purpose of this subsection, "educational programs" shall include instructional and demonstration programs whose main purpose is to disseminate information and techniques or to provide services for the prevention of problems of families and children. No moneys in the family and children trust account shall be used for the purpose of providing services for the voluntary termination of pregnancy.

(3) The children and youth advocacy committee of the corporation for change shall advise the board of directors in detail on the expenditures of moneys in the family and children trust account.

(d) (1) There is hereby created the permanent families account in the family and children investment fund.

(2) Moneys credited to the permanent families account shall be used for the following purposes: (A) Not more than 12% of the amount credited to the account during the fiscal year may be used to provide technical assistance to district courts or local groups wanting to establish a local citizen review board or a court-appointed special advocate program, including but not limited to such staff as necessary to provide such assistance, and to provide services necessary for the administration of such board or program, including but not limited to grants administration, accounting, data collection, report writing and training of local citizen review board staff; (B) grants to court-appointed special advocate programs, upon application approved by the administrative judge of the judicial district where the program is located; and (C) grants to district courts, upon application of the administrative judge of the judicial district, for expenses of establishment, operation and evaluation of local citizen review boards in the judicial district, including costs of: (i) Employing local citizen review board coordinators and clerical staff; (ii) telephone, photocopying and office equipment and supplies for which



there are shown to be no local funds available; (iii) mileage of staff and board members; and (iv) training staff and board members.

(e) On the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the family and children investment fund, the amount of money certified by the pooled money investment board in accordance with this subsection. Prior to the 10th of each month, the pooled money investment board shall certify to the director of accounts and reports the amount of money equal to the proportionate amount of all the interest credited to the state general fund for the preceding period of time specified under this subsection, pursuant to K.S.A. 75-4210a and amendments thereto that is attributable to money in the family and children investment fund. Such amount of money shall be determined by the pooled money investment board based on:

(1) The average daily balance of moneys in the family and children investment fund during the period of time specified under this subsection as certified to the board by the director of accounts and reports; and

(2) the average interest rate on repurchase agreements of less than 30 days duration entered into by the pooled money investment board for that period of time. On or before the fifth day of the month for the preceding month, the director of accounts and reports shall certify to the pooled money investment board the average daily balance of moneys in the family and children investment fund for the period of time specified under this subsection.

New Sec. 9. (a) All state appropriations to or grants of state appropriations to the corporation for change shall remain in the state treasury until expended or transferred to other state agencies pursuant to the corporation for change act.

(b) Except as provided in subsection (a), all moneys received by the corporation for change from gifts, donations, grants or any other source outside the state treasury may be placed in the state treasury or may be maintained in interest-bearing accounts in Kansas banks or Kansas savings and loan associations until expended or otherwise disposed of pursuant to the corporation for change act. No budget estimates shall be required pursuant to K.S.A. 75-3717 and amendments thereto for moneys maintained in such banks or savings and loan associations outside the state treasury.

(c) The executive director of the corporation for change shall provide a monthly report on the expenditure of private funds to the division of accounts and reports. An annual financial report shall be made to the board of directors which itemizes and accounts for the receipt and expenditure of all nonstate funds and contributions received. The annual financial report shall detail the percentage of the corporation's budget provided for by the state and by the private sector.

Sec. 10. On and after September 1, 1992, K.S.A. 23-108a is hereby amended to read as follows: 23-108a. (a) The judge or clerk of the district court shall collect from the applicant for a marriage license a fee of \$40.

(b) The clerk of the court shall remit to the state treasurer at least monthly all fees prescribed by this section. Of each remittance, the state treasurer shall credit 57.5% to the protection from abuse fund, 22.4% to the family and children trust fund ~~and account of the family and children investment fund created by section 8~~ and the remainder to the state general fund.

New Sec. 11. (a) On September 1, 1992, the children and youth advisory committee is hereby abolished.

(b) On September 1, 1992, employees of the children and youth advisory committee shall become employees of the corporation for change. Any such officer or employee shall retain all retirement benefits and all rights of civil service which had accrued to or vested in such officer or employee prior to the effective date of this act. The service of each such officer and employee so transferred shall be deemed to have been continuous.

New Sec. 12. On September 1, 1992, the director of accounts and reports shall transfer all moneys in the family and children trust fund to the family and children investment fund and credit the entire

HE  
Attachment 4-10  
2-25-93

HOUSE BILL No. 2987—page 6

amount to the family and children trust account. On September 1, 1992, all liabilities of the family and children trust fund are hereby imposed upon the family and children trust account of the family and children investment fund and the family and children trust fund is hereby abolished.

New Sec. 13. (a) Subject to the availability of funds in the permanent families account of the family and children investment fund for citizen review boards, and subject to a request from a judicial district, there shall be local citizen review boards in judicial districts, or portions of such districts.

(b) The administrative judge of the judicial district, or such judge's designation of another judge, shall appoint three to seven citizens from the community to serve on each local citizen review board. Such members shall represent the various socioeconomic and ethnic groups of the judicial district, and shall have a special interest in children. Such judge may also appoint alternates when necessary.

(c) The term of appointment shall be two years and members may be reappointed.

(d) Members shall serve without compensation but may be reimbursed for mileage for out-of-county reviews.

(e) Each local citizen review board shall meet quarterly and may meet monthly if the number of cases to review requires such meetings.

(f) Members and alternates appointed to local citizen review boards shall receive at least six hours of training before reviewing a case.

New Sec. 14. (a) The local citizen review board shall have the duty, authority and power to:

(1) Review each case of a child who is the subject of a child in need of care petition or who has been adjudicated a child in need of care, receive verbal information from all persons with pertinent knowledge of the case and have access to materials contained in the court's files on the case;

(2) determine the progress which has been made to acquire a permanent home for the child;

(3) suggest an alternative case goal if progress has been insufficient; and

(4) make recommendations to the judge regarding further actions on the case.

(b) The initial review by the local citizen review board may take place any time after a petition is filed. A review must occur within six months after the initial disposition hearing.

(c) The local citizen review board will review each case at least once each year.

(d) The judge shall consider the local citizen review board recommendations in making an authorized disposition pursuant to K.S.A. 38-1563, and amendments thereto, and may incorporate the citizen review board's recommendations into an order in lieu of the six-month review hearing. The local citizen review board review shall not replace the 18-month hearing or the successive 12-month hearings pursuant to K.S.A. 38-1563, and amendments thereto.

(e) Three members of the local citizen review board must be present to review a case.

(f) The court shall provide a place for the reviews to be held. The local citizen review board members shall travel to the county of the family residence of the child being reviewed to hold the review.

Sec. 15. On and after September 1, 1992, K.S.A. 65-2418 is hereby amended to read as follows: 65-2418. (a) *Except as otherwise provided in this section*, the secretary shall fix and charge the fees, if any, to be paid for certified copies of certificates or for search of the files or records when no certified copy is made. Fees for certified copies of certificates shall be fixed by rules and regulations of the secretary of health and environment *except that the fee for the first copy of a birth certificate shall include a \$3 surcharge and the fee for each additional copy of the same birth certificate requested at the same time shall include a \$1 surcharge.* The secretary of health

HE

Attachment 4-11

2-25-93



and environment may provide by rules and regulations for exemptions from such fees.

(b) Subject to K.S.A. 65-2420 and amendments thereto, the national office of vital statistics may be furnished copies or data it requires for national statistics. The state shall be reimbursed for the cost of furnishing the data. The data shall not be used for other than statistical purposes by the national office of vital statistics unless so authorized by the state registrar of vital statistics.

(c) (1) The secretary of health and environment shall remit all moneys received by or for the secretary from fees, charges or penalties to the state treasurer at least monthly. Upon receipt of any such remittance, other than remittances for fees for birth certificates, the state treasurer shall deposit the entire amount thereof in the state treasury and the same shall be credited to the state general fund. On July 1, 1983, the director of accounts and reports shall transfer all moneys in the vital statistics fee fund to the state general fund. All liabilities of the vital statistics fee fund are hereby transferred to and imposed upon the state general fund. The vital statistics fee fund is hereby abolished.

(2) Upon receipt of any such remittance of a fee for a birth certificate, \$3 of each such fee for the first copy of a birth certificate and \$1 of each such fee for each additional copy of the same birth certificate requested at the same time shall be remitted to the state treasurer who shall deposit the entire amount of each such remittance in the state treasury and credit it to the permanent families account of the family and children investment fund created by section 8. The balance of the money received for a fee for a birth certificate shall be remitted to the state treasurer who shall deposit the entire amount of each such remittance in the state treasury and the same shall be credited to the state general fund.

Sec. 16. On and after September 1, 1992, K.S.A. 23-108a, 38-1401 through 38-1404, 65-2418 and 75-5328 and K.S.A. 1991 Supp. 38-1405 are hereby repealed.

Sec. 17. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

March 3, 1992

HOUSE adopted

Conference Committee Report May 6, 1992

Naomi C. D. Davis  
Speaker of the House.  
Janet R. Jones  
Chief Clerk of the House.

Passed the SENATE  
as amended

April 3, 1992

SENATE adopted

Conference Committee report May 6, 1992

Paul D. Burke, Jr.  
President of the Senate.  
Pat Saville  
Secretary of the Senate.

APPROVED

May 22, 1992  
John S. Gentry  
Governor.

HE  
Attachment 4-12  
2-25-93

- D. Prevention, early identification, and intervention into educational, social, and health problems are important for all young children, not just those who are disadvantaged.
- E. We must prevent children from being abused or neglected and demand that systems respond when abuse and neglect are reported and that appropriate services are initiated.

**Target III. Restructure Schools to Respond to Changing Educational and Developmental Needs of Children**

- A. Schools are no longer purely academic institutions. In addition to the academic mission, they have taken on a broader social mission which must be acknowledged. It is important to redefine this dual mission in the minds of Kansans so there is agreement among parents, educators, business leaders, social service providers, community leaders, and policymakers as to what we are expecting of schools. The process of redefinition will build support, as well as develop a basis for change.
- B. Every school district should have appropriate goals for Kansas schools which can be used as performance indicators for the public to measure effectiveness. These should be developed through a communitywide process involving parents, educators, business, and community leaders, among others. Minority community participation should be sought. The National Goals for Education should be examined as a basis for discussion. They are:
  - All children in America will start school ready to learn.
  - The high school graduation rate will increase to at least 90 percent.
  - American students will leave grades 4, 8, and 12 having demonstrated competency over challenging subject matter including English, mathematics, science, history and geography, and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our modern economy.
  - U.S. students will be first in the world in science and mathematics achievement.
  - Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
  - Every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning.



- C. Society must prepare all children to enter school ready to learn. Public schools should recognize the importance of early childhood education to their mission and work with their communities and provide active support to ensure that programs are available to children who need them.
- D. Restructured schools have a number of common characteristics which indicate an ability to operate effectively and productively in society. Kansas schools should be restructured; these common characteristics, listed in *The Unfinished Agenda*, should all be considered in the restructuring process:
  - a safe and stimulating school environment;
  - performance-based goals to measure the effectiveness against agreed-upon standards;
  - incentives for performance for teachers, students, administrators;
  - school-based decision-making which allows for maximum flexibility and accountability;
  - competent teachers with high standards and a commitment to learning;
  - increased parental involvement, with school decision making and with their own children;
  - a challenging curriculum;
  - an emphasis on English language proficiency;
  - active support of preschool and child care programs;
  - social support systems linked to schools;
  - education technology in use within curriculum;
  - choice among public schools to allow students to attend the school best matching their learning needs and interests; and
  - extracurricular activities that build academic, social, and physical skills.
- E. Schools should have the appropriate resources that are needed to carry out their responsibilities.

# HOUSE BILL No. 2011

By Legislative Educational Planning Committee

Re Proposal No. 21

12-18

the structure, mission and funding  
of the Kansas postsecondary  
vocational and technical training  
system

AN ACT establishing a task force on ~~community college finance~~,  
providing for the membership, powers and duties thereof.

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

Section 1. (a) There is hereby established a task force on ~~com-~~  
~~munity college finance~~. The task force shall be composed of ~~16~~  
members as follows:

(1) ~~Four~~ legislators, ~~one~~ each of whom shall be appointed by the  
speaker of the house of representatives, the minority leader of the  
house of representatives, the president of the senate, and the mi-  
nority leader of the senate;

~~(2) one member of the state board of education, appointed by~~  
~~the state board;~~

~~(3) one member of the state board of regents, appointed by the~~  
~~board of regents;~~

~~(4) two members of community college boards of trustees, ap-~~  
~~pointed by the Kansas association of community colleges;~~

~~(5) one member of the board of county commissioners of a county~~  
~~which is a community college district, appointed by the Kansas~~  
~~association of counties;~~

~~(6) one member of the board of county commissioners of a county~~  
~~which is not a community college district, appointed by the Kansas~~  
~~association of counties;~~

~~(7) one member of the governing board of an area vocational~~  
~~school or an area vocational-technical school, appointed by the state~~  
~~board of education;~~

~~(8) one president of a community college, appointed by the Kan-~~  
~~sas association of community colleges;~~

~~(9) one director of an area vocational school or an area vocational-~~  
~~technical school, appointed by the Kansas association of area voca-~~  
~~tional-technical schools; and~~

~~(10) three members of the general public, one each of whom~~  
~~shall be appointed by the state council on vocational education, the~~  
~~Kansas council on employment and training, and the Kansas chamber~~

the structure, mission and funding  
of the Kansas postsecondary  
vocational and technical training  
system

12

and

Eight  
two

(2) four

658-C  
Attachment 5-1  
HE



speaker of the house of representatives, the minority leader of the house of representatives, the president of the senate, and the minority leader of the senate

Kansas vocational and technical

of such training programs

chairperson of the legislative education planning committee shall call a meeting

Kansas postsecondary vocational and technical training system with special emphasis on programs offered by community colleges, area vocational schools and area vocational-technical schools

mission and structure of the system, the quality and availability of training programs and the relevance thereof to the needs of business and industry in the state; and the manner in which the system is funded

1 ~~of commerce and industry.~~ Members appointed under this provision  
2 shall be representatives of business and industry who are or have  
3 been users of ~~community college~~ training programs and employers  
4 of ~~community college~~ graduates.

5 (b) Appointing authorities shall make the appointments provided  
6 by this section within three weeks after the effective date of this  
7 act. ~~Appointing authorities shall consider the geographic location,~~  
8 ~~size of enrollment, and wealth of community college districts and~~  
9 ~~shall coordinate their appointments so as to ensure, insofar as possible,~~  
10 ~~that the membership of the task force is representative of all~~  
11 ~~community colleges and community college constituencies within the~~  
12 ~~state.~~

13 (c) The ~~state board of education member~~ of the task force shall  
14 ~~call a meeting thereof~~ as soon as practicable after all members of  
15 the task force have been appointed. At such meeting the task force  
16 shall organize by electing a chairperson and vice-chairperson from  
17 among the members of the task force.

18 (d) The task force ~~on community college finance~~ may meet at  
19 any time on call of the chairperson and shall hold public hearings  
20 throughout the state to receive information and entertain recom-  
21 mendations to assist in carrying out the duties of the task force.

22 (e) Members of the task force ~~on community college finance~~ at-  
23 tending meetings of the task force or subcommittee meetings au-  
24 thorized by the task force shall be paid amounts provided for in  
25 subsection (c) of K.S.A. 75-3223, and amendments thereto.

26 (f) The staff of the legislative research department, the office of  
27 the revisor of statutes and the division of legislative administrative  
28 services shall provide such assistance as may be requested by the  
29 task force ~~on community college finance~~ and authorized by the leg-  
30 islative coordinating council.

31 (g) The commissioner of education and the staff of the state de-  
32 partment of education shall provide such assistance as may be re-  
33 quested by the task force ~~on community college finance~~ and  
34 authorized by the state board of education.

35 Sec. 2. (a) The task force ~~on community college finance~~ shall  
36 make a comprehensive study and component analysis of the existing  
37 ~~fiscal support system provided by law for community colleges.~~ The  
38 study should include within its scope a review of the financial support  
39 ~~provided for area vocational schools and area vocational-technical~~  
40 ~~schools.~~

41 ~~(b) In making its study, the task force on community college~~  
42 ~~finance shall~~

43 ~~(1) Review and evaluate findings and recommendations resulting~~

1 ~~from prior studies on community college finance that have been~~  
2 authorized by the legislature and by the state board of education;

3 (2) review and evaluate systems of financial support of community  
4 colleges in other states;

5 (3) consider and evaluate such concepts as division of the state  
6 into postsecondary education regions that represent areas of relatively  
7 equal and equitable property tax bases, establishment of a uniform  
8 and affordable tuition and fee structure for community colleges and  
9 vocational education schools, retention of the flat grant system of  
10 state aid for community colleges and vocational education schools,  
11 utilization of state aid formulas that include equal assessed valuation  
12 per FTE student factors, the optimum level of state aid required to  
13 assure economic viability of the community colleges and vocational  
14 education schools, elimination or retention of out-district tuition,  
15 development of new sources of revenue for community colleges and  
16 vocational education schools and better ways to utilize available  
17 resources.

(b) 18 ~~(c)~~ Upon completion of its study, the task force on community  
19 college finance shall prepare a report containing its findings and such  
20 recommendations as the task force deems necessary and appropriate  
21 to provision of an adequate and equitable system of fiscal support  
22 for community colleges and vocational education schools.

(c) 23 ~~(d)~~ The task force on community college finance shall make a  
24 status report to the legislative educational planning committee in  
25 November of 1993, and shall submit a final report and recommen-  
26 dations to the legislature on or before January 10, 1994.

27 Sec. 3. The provisions of this act shall expire on January 15,  
28 1994.

29 Sec. 4. This act shall take effect and be in force from and after  
30 its publication in the Kansas register.

ensure a structurally sound  
vocational and technical training  
system that is meeting its mission  
of providing the state with a  
well-educated and skilled work  
force, and that is adequately and  
equitably funded

Handwritten:  
HE  
2-25-93  
13



On page 1, following line 35, by inserting a new subsection as follows:

"(d) As used in this section, the term "children" means children who are three years of age or older, and infants and toddlers whose parent or parents are pupils or employees of a school district which establishes, operates and maintains, or cooperates in the establishment, operation and maintenance of, a day care center for children under authority of this act.";

HE  
Attachment 6-1  
2-25-93