

Approved: April 27, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Chairman Lana Oleen at 11:05 a.m. on March 14, 1994 in Room 254-E of the Capitol.

All members were present

Committee staff present: Mary Galligan, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:
See attached agenda

Others attending: See attached list

Sen. Oleen recognized Sen. Papay, who introduced pages from her district, who are assisting the committee today.

Sen. Oleen introduced Gregory Ziemak, who has been appointed as executive director of the Kansas Lottery. She asked the committee to refer to background information (Attachment 1), and Mr. Ziemak made a statement (Attachment 2) to the committee. Committee members questioned Mr. Ziemak. Sen. Gooch asked him what attracted him to Kansas and what his observations were after serving as executive director for several months. Mr. Ziemak answered that Kansas' lottery program is well respected, and there is potential for growth. He added that since the lottery was approved and came into existence in December, 1987, it has gained in integrity, as the program becomes fully accepted and people become familiar with the lottery games. Sen. Jones stated the current lottery program came about as a result of a constitutional change voted upon by the people; that the people could also vote on the question of state owned casinos. He asked Mr. Ziemak his opinion on casinos and if he would be comfortable administering casino legislation. Mr. Ziemak answered that he has no personal opinion on casinos, nor does he have experience with casinos; if state owned casinos were under the jurisdiction of the Lottery, he would view it as a challenge, and approach it in a careful, rational manner. Sen. Oleen asked Mr. Ziemak how he learned of the executive director's position, and he replied he received a phone call from Governor Finney's office, asking if he would be interested in the position. He stated he talked with his wife, then interviewed with the Governor. He stated he was commuting from Connecticut to Michigan at the time, trying to sell his home in Connecticut, which made the offer to move to Kansas more attractive. Sen. Oleen asked Mr. Ziemak why he left the Lottery Director position in Connecticut. Mr. Ziemak replied he served in several positions in the Lottery office, and when the position was offered to him, he accepted. He was aware when he accepted the position, elections were going to be held; subsequently there was a change of administrations as a result of the election, and a new governor was elected. Sen. Oleen also asked if Connecticut has video lottery. Mr. Ziemak responded it does not; that legislation has been proposed, but has not gone very far; however, he is acquainted with the industry. Sen. Oleen also asked if he had worked with Ralph Decker, the previous executive director. Mr. Ziemak responded Mr. Decker left before he was appointed; that an acting director, Paul Louderman, was there; that Mr. Louderman and the staff have been helpful to him in his new position. Sen. Oleen stated the Lottery normally has several proposals and legislation to bring before the Legislature, and stated the committee has not received either from the Lottery this year, and do they have any legislation pending now? Mr. Ziemak responded that he has talked with the Lottery staff, and they have agreed they will not propose any this year. He stated there is a bill, relating to retailers, which passed in the Senate last year and is now in the House Federal and State Affairs Committee; that he has talked with the chairman, Rep. Graeber, and they are not pushing for passage of it at this time. Sen. Oleen asked Mr. Ziemak how he would describe his relationship with retailers. He replied the relationship of the Lottery office in Kansas with its retailers is good; that it can be improved. He emphasized how important it is, as he stated the retailers sell tickets for us. He stated the retailers receive 5% of the tickets sold; that last year the retailers sold \$5.8 million; this year so far, it is \$4.9 million and will be a record year. He stated he and his staff plan on calling on retailers throughout the state to see what happens in the field and to bring about a better relationship. Sen. Gooch stated this is probably premature, but asked Mr. Ziemak his opinion on a separate commission for casinos. Mr. Ziemak answered he would like to hold judgment, as he is doing research on that subject. He added that in Connecticut, one commission runs the lottery and casinos, and that it is more cost effective and is easier to coordinate the two under one agency. He stated if casinos are approved, he believes the Lottery office could administer both well.

Sen. Oleen asked Mr. Ziemak if he has reorganized the Lottery office, or replaced senior managers. Mr. Ziemak answered he has made no major changes. The acting director has left and been replaced; he believes

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E
Statehouse, at 11:05 a.m. on March 14, 1994.

the staff is very capable and many have been there all six years. He believes it is best to give the people who are there credit and allow them to advance in the organization. Sen. Oleen stated she wanted Mr. Ziemak to be aware that Kansas law has a repealer for the Lottery, and it will be up for consideration next year. Mr. Ziemak stated he is aware of the repealer - he knew that before he came here. He believes that if the Lottery office does a good job, builds integrity and if the public confidence is high, it will take care of itself. She explained committee policy on the confirmation process, and that is to allow several days for committee input before taking action.

Sen. Oleen opened the hearing for HB 2542, and Mary Galligan briefed the committee on the bill. She stated the bill was amended on the House floor to include local units of government. Gloria Timmer gave testimony (Attachment 3) supporting the bill. History of the bill is that it was introduced last year, and floor amendments changed the reporting date to February 15, so it will not conflict with budget preparation. Another floor amendment is to include local units of government, but she stated that is information which the Budget Director does not have and she does not know how they would get it, as they have limited access to that information. Ms. Timmer stated a sample of this years' report is attached to her testimony. She believes it to be useful information to realize the fiscal impact of federal mandates on the state. She stated she has been compiling the report every year since she has been budget director. Ms. Galligan asked if Ms. Timmer believes mandates imposed by the state on the cities and counties if greater or lessor than those imposed on the state by the federal government. Ms. Timmer replied it is hard to know the exact cost of the mandates, but the majority come from the federal government first; the state then passes it along to local units of government. Sen. Gooch stressed the fact that the state often does not know the impact, such as the land fill mandate many cities are trying to cope with. Ms. Timmer stated her office tries to identify costs that are passed to the state by the federal government. Sen. Oleen stated some of the mandates come about as a result of grants with matching funds; others, such as highway funds, the state must meet certain criteria for the dollars to come through. Ms. Timmer replied that grants are also reported and are harder to identify. However, the highway funds are easily identified and reported. Sen. Oleen asked what portion of state dollars are based upon federal mandates, and Ms. Timmer replied approximately 35%, or more than one-third of the general fund. She stated the bill does not define "mandate" and recommended the committee give a definition of "mandate", as another budget director could make a different interpretation. She added it is best to have a broad definition of it. Sen. Oleen asked Ms. Timmer if her office could give the committee the language to enable it to define "mandate". Ms. Timmer answered they could; she also requested the committee remove the floor amendment which included local units of government. No opponents appeared, and Sen. Oleen closed the hearing.

Sen. Oleen announced distribution of the following testimony from previous hearings:

Judy Ancel on SB 283 (Attachment 4);
Mary Helmer on SB 826 (Attachment 5).

Sen. Oleen requested committee members to let her know their wishes on the following bills:

SB 723, 826, 827

Sen. Oleen called attention to SB 818, allowing municipal court judges to perform marriages. She asked for questions from the committee and indicated two questions raised at the hearing are if the judge could marry outside the state or outside of their municipality. Sen. Vidricksen asked for clarification as to jurisdiction, and Sen. Oleen stated she has a concern if the wedding is performed after hours and records cannot be checked to verify if the parties are eligible. Sen. Gooch also voiced a concern for border counties and if the judges could marry residents of another state, such as Missouri. Ms. Galligan stated the municipal court is not a court of record under Kansas law and that the bill limits jurisdiction of municipal judges to that city. Sen. Jones made a motion to amend the bill to extend jurisdiction throughout the county in cities which the municipal court is located, and the motion was seconded by Sen. Gooch. After some discussion, Sen. Gooch asked for clarification, as he thought the amendment was to be more restrictive. Sen. Jones clarified that his motion was to allow judges to marry within the county, and in the towns and cities of the county in which the municipal court is located. Sen. Ramirez asked why the legislation is needed now, and Sen. Oleen stated municipal judges see more people and develop a rapport with them and receive more requests to marry people. Sen. Gooch stated he favored the bill, as it allowed privileges for municipal judge as are afforded to other judges. Sen. Parkinson made a substitute motion to table the bill, and it was seconded by Sen. Ramirez. Sen. Oleen stated the policy of the committee is to bring the bill up again, two-thirds of the committee must vote to bring it back up. The motion passed.

Meeting adjourned at 12:10.

GUEST LIST

COMMITTEE: Senate Federal & State Affairs

DATE: MARCH 14, 1994

[illegible]

SENATE CONFIRMATION QUESTIONNAIRE
APPOINTMENTS BY GOVERNOR JOAN FINNEY

Attac 1 /

Name: Gregory P. ZiemakHome Address: 3210 Princeton Blvd.City, State, Zip Code: Lawrence, KS 66049Home Phone: 913 / 843-3226Business Address: 128 N. Kansas Ave.City, State, Zip Code: Topeka, KS 66603-3638Business Phone: 913 / 296-5704Date of Birth: 9/30/47 Place of Birth Manchester, CTParty Affiliation Currently Unaffiliated - Kansas
Democrat - ConnecticutAppointed as: Executive Director, Kansas LotteryEffective 2/13/93 for the _____ termending _____ Succeeding Ralph DeckerSalary \$79,992 Statutory Authority K.S.A. 74-8703Statutory Requirements Subject to Senate Confirmation

1. EDUCATION:

High School East Catholic High School, Manchester, CTYear Graduated 1965

| Postsecondary | Degree, etc. | Dates |
|---------------------------------|-------------------------------|-------------|
| <u>Hartford Graduate Center</u> | <u>M.S. Management</u> | <u>1988</u> |
| <u>Trinity College</u> | <u>M.A. Political Science</u> | <u>1981</u> |
| <u>Boston College</u> | <u>B.A. Economics</u> | <u>1969</u> |

Senate Fed + State
March 14, 1994
Attachment 1

2. MEMBERSHIP IN BUSINESS, TRADE AND PROFESSIONAL ORGANIZATIONS DURING PAST 10 YEARS:

| Dates | Name | Location |
|---------|--------------------------------------------------------------|------------------|
| 1989-91 | National Association of State and Provincial Lotteries | Washington, D.C. |
| | | |
| | | |

3. HAVE YOU EVER BEEN ELECTED OR APPOINTED TO ANY PUBLIC OFFICE IN KANSAS? Yes xx No
If so, please list dates and offices held.

| Date | Office |
|------|--------|
| | |
| | |
| | |

4. HAVE YOU EVER BEEN EMPLOYED BY OR HELD A POSITION OR OFFICE WITH ANY FEDERAL, FOREIGN STATE, OR LOCAL GOVERNMENTAL ENTITY OR AGENCY? YES
If so, please list dates and offices held:

| | |
|---------|------------------------------------------------------------------------|
| 1989-91 | Director, Connecticut State Lottery |
| 1981-89 | Assistant Director, Connecticut State Lottery |
| 1973-81 | Administrative Trainee, Business Officer, Connecticut State Lottery |

5. HAVE YOU BEEN A REGISTERED LOBBYIST OR EMPLOYED A REGISTERED LOBBYIST AT ANY TIME DURING THE PAST 5 YEARS? NO
If you were a registered lobbyist, did you receive any compensation?
List groups you represented or for which you employed a lobbyist:

| |
|--|
| |
| |
| |

6. EXPERIENCE OR INTERESTS WHICH QUALIFY YOU FOR THE OFFICE WHICH YOU HAVE BEEN APPOINTED:

Over nineteen years of lottery experience, eleven in senior positions, managing marketing, advertising, sales, and administrative operations producing total annual sales of over \$531 million.

7. SUMMARY OF BUSINESS OR PROFESSIONAL EXPERIENCE:

Management Supervisor (Supervised \$12.5 million Michigan Lottery advertising account.) Yaffe and Company Advertising, Southfield, MI 1992-93

Connecticut State Lottery, Newington, CT 1973-91

Director 1989-91

Assistant Director 1981-89

Administrative Trainee, Business Officer 1973-76

8. HAVE YOU EVER BEEN A MEMBER OF THE ARMED FORCES OF THE UNITED STATES? YES

If so, please list dates of service, branch of service and date and type of discharge:

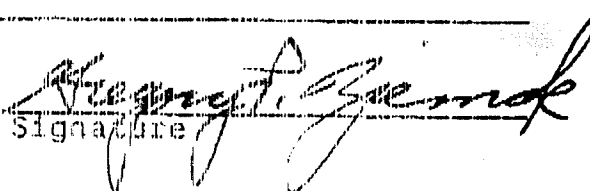
1969-75 U.S. Army Reserves Honorable Discharge

9. HAVE YOU EVER BEEN ARRESTED, CHARGED OR FELT BY FEDERAL, STATE OR OTHER LAW ENFORCEMENT AUTHORITIES FOR VIOLATION OF ANY FEDERAL LAW, STATE LAW, COUNTY OR MUNICIPAL LAW, REGULATION OR ORDINANCE (EXCLUDING TRAFFIC VIOLATIONS FOR WHICH A FINE OF \$100 OR LESS WAS IMPOSED)?

Speeding Connecticut Jan 84 Fine \$133

10. DISPOSITION OF ANY INTERESTS THAT MIGHT HAVE PRESENTED A POTENTIAL CONFLICT OF INTEREST FOR THIS POSITION.

Return to: Mary Holladay
Appointment Secretary
Office of the Governor
2nd Floor, State Capitol
Topeka, KS 66612


Signature



FILED

JAN 12 1994

BILL GRAVES

SECRETARY OF STATE

KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

STATEMENT OF SUBSTANTIAL INTERESTS FOR INDIVIDUALS WHOSE

APPOINTMENT TO STATE OFFICE IS SUBJECT TO SENATE CONFIRMATION

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by each person whose appointment to a state position is subject to Senate confirmation (K.S.A. 46-247 and 46-248). Failure to complete and return this statement may result in a fine of \$10 per day for each day it remains unfiled. Also, any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 913-296-4219.

A. IDENTIFICATION:

PLEASE TYPE OR PRINT

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|--|--|--|--|---|---|---|---|---|---|---|--|--|--|--|---|
| Z | I | E | M | A | K | | | | | G | R | E | G | O | R | Y | | | | | P |
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Last Name

First Name

MI

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Spouse's Name

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Number & Street Name, Apartment Number, Rural Route, or P.O. Box Number

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|--|--|---|---|---|---|---|--|
| L | A | W | R | E | N | C | E | | K | A | N | S | A | S | | | 6 | 6 | 0 | 4 | 9 | |
|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|--|--|---|---|---|---|---|--|

City, State, Zip Code

| | | | | | | | | | | | |
|---|---|---|----|---|---|---|----|---|---|---|---|
| 9 | 1 | 3 | ** | 8 | 4 | 3 | ** | 3 | 2 | 2 | 6 |
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Home Phone Number

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| 9 | 1 | 3 | ** | 2 | 9 | 6 | ** | 5 | 7 | 0 | 4 |
|---|---|---|----|---|---|---|----|---|---|---|---|

Business Phone Number

B. APPOINTED POSITION SUBJECT TO SENATE CONFIRMATION:

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|--|---|---|---|---|---|---|---|--|--|--|--|--|--|--|--|
| K | A | N | S | A | S | | L | O | T | T | E | R | Y | | | | | | | | |
|---|---|---|---|---|---|--|---|---|---|---|---|---|---|--|--|--|--|--|--|--|--|

List Name of Agency, Commission or Board

| | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|--|--|--|--|
| E | X | E | C | U | T | I | V | E | | D | I | R | E | C | T | O | R | | | | |
|---|---|---|---|---|---|---|---|---|--|---|---|---|---|---|---|---|---|--|--|--|--|

Position

* The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

*

| | | | |
|---|---|---|---|
| 2 | 4 | 3 | 8 |
|---|---|---|---|

- C. **OWNERSHIP INTERESTS:** List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income in, which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here ____.

| BUSINESS NAME AND ADDRESS | TYPE OF BUSINESS | DESCRIPTION OF INTERESTS HELD | HELD BY WHOM | PERCENT OF OWNERSHIP INTERESTS |
|---------------------------------------------------------------|--------------------------|-------------------------------|--------------|--------------------------------|
| 1. Fidelity Puritan Fund P.O. Box 1284 Boston, Ma 02104 | Mutual Fund | shares | — — — | You X Spouse — Jointly |
| 2. Fidelity Magellan PO Box 1284 Boston, MA 02104 | Mutual Fund | shares | X — — | You — Spouse — Jointly |
| 3. Fidelity Retirement Growth PO Box 1284 Boston, Ma 02104 | Mutual Fund | shares | X — — | You — Spouse — Jointly |
| 4. ITT Common Stock Asylum Hill Hartford CT 06115 | Insurance/ Technology | shares | X — — | You — Spouse — Jointly |
| 5. ITT Index Fund B Asylum Hill Hartford CT 06115 | " | " | X — — | You — Spouse — Jointly |
| 6. ITT Fixed Income Asylum Hill Hartford, CT 06115 | " | " | X — — | You — Spouse — Jointly |
| 7. ITT ESOP Fund E Asylum Hill Hartford CT 06115 | " | " | X — — | You — Spouse — Jointly |

⑧ Chrysler Corp
Detroit MI

Automotive

X 104

- D. **GIFTS OR HONORARIA:** List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here ☒.

| NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED | ADDRESS | RECEIVED BY: |
|----------------------------------------------------|---------|--------------|
| 1. | | |
| 2. | | |
| 3. | | |

E. **RECEIPT OF COMPENSATION:** List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE ____.

If you have nothing to report in Section "E"1, check here ____.

| | NAME OF BUSINESS | ADDRESS | TYPE OF BUSINESS |
|----|-------------------|------------------------------------------|------------------|
| 1. | Yaffe Advertising | 26913 Northwestern Hwy Southfield, MI | Advertising |
| 2. | | | |

2. SPOUSE'S PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. If you have nothing to report in Section "E"2, check here ____.

| | NAME OF BUSINESS | ADDRESS | TYPE OF BUSINESS |
|----|------------------|------------------------|------------------|
| 1. | Shawmut Bank | Main St., Hartford, CT | Banking |
| 2. | | | |

F. **OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS:** List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section. If you have nothing to report in Section "F", check here ____.

| | BUSINESS NAME AND ADDRESS | POSITION HELD | HELD BY WHOM |
|----|----------------------------------------|---------------------------------------|---------------|
| 1. | Shawmut Bank Main St., Hartford, CT | Assistant Vice-President + Officer | Joy C. Ziemak |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

- G. **RECEIPT OF FEES AND COMMISSIONS:** List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses. In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.
- If you have nothing to report in Section "G", check here ☒.

| | NAME OF CLIENT / CUSTOMER | | ADDRESS | RECEIVED BY |
|-----|---------------------------|--|---------|-------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
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| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |

H. **DECLARATION:**

I, Gregory P. Zienak, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

12-24-93
Date

Gregory P. Zienak
Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES ____.

Return your completed statement to the Secretary of State, State House, Topeka, Kansas 66612.

BACKGROUND STATEMENT
OF
GREGORY P. ZIEMAK

Senate Federal and State Affairs Committee
Confirmation Hearing
for Executive Director of the Kansas Lottery
March 14, 1994

Good morning madam chairman and members of the committee.

It is an honor to be here today for consideration for the position of Executive Director of the Kansas Lottery and it is my pleasure to give you a brief summary of my experience and qualifications.

I have over nineteen years of lottery experience, eleven in senior positions managing marketing, advertising, sales and administrative operations. My lottery experience has been both in the public and private sectors.

My lottery public sector experience includes lottery game design and development, lottery operations, lottery strategic and tactical marketing, lottery advertising program development and implementation, and overall lottery administration.

I was employed by the Connecticut Lottery from 1973 to 1991. During this period, I held the positions of Administrative Trainee, Business Services Officer (1973-76), Product Manager (1976-81), Assistant Director (1981-89), and Director (1989-91).

During my tenure as Director, the Connecticut Lottery:

- Reversed a 1989 sales decline and achieved record sales of \$525,000,000 in 1990 and \$531,000,000 in 1991
- Transferred record revenues of \$227,000,000 in 1990 and \$229,000,000 in 1991
- Increased instant game sales from \$72,000,000 in 1989 to \$120,000,000 in 1991 (67 percent increase)
- Won the 1990 Gaming and Wagering Business magazine's Best Marketing Campaign Award.

My lottery private sector experience includes advertising account service, research, creative projects, media purchasing and advertising plan development.

From August 1992 to November of 1993, I was a Management Supervisor for Yaffe and Company Advertising of Southfield, Michigan. I was responsible for the drafting of the contract

Senate Fed. State
March 14, 1994
Attachment 2

award winning proposal for the Michigan State Lottery account and I supervised this account which had annual billings of approximately \$13,500,000.

My educational background includes:

- B.A. Economics Boston College 1969
 Chestnut Hill, MA
- M.A. Political Science Trinity College 1981
 Hartford, CT
- M.S. Management Hartford Graduate 1988
 Center
 Hartford, CT

I was awarded the Homer Babbidge Fellowship from the Hartford Graduate Center. The fellowship was a full scholarship for the 1987-88 academic year.

I have spent my career as a lottery professional. During the last twenty years, I have had the opportunity to become involved and acquainted with lottery professionals throughout North America. During this period I have seen the lottery industry in the United States grow from 7 states in 1973 to the current total of 36.

I am very proud to have this opportunity to be considered for Executive Director of the Kansas Lottery. If confirmed, my goal will be to not only continue the Kansas Lottery success, but also to improve upon that success while insuring both the integrity of all lottery operations and public confidence in these operations.



G. Timmer
Attachment

DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1504

(913) 296-2436

FAX (913) 296-0231

Joan Finney
Governor

Gloria M. Timmer
Director

M E M O R A N D U M

February 3, 1994

SUBJECT: Federal Mandates

Attached is a listing by agency and by program of mandates imposed on the State of Kansas by the federal government. This listing was first compiled by the Division of the Budget during the 1992 Legislative Session. It has been updated to reflect FY 1994 and FY 1995 numbers and to reflect any programs added in the last year. Matching state funds are also identified.

Also attached are tables highlighting the total costs of federal mandates for which the Division of the Budget was able to identify specific numbers. The first table is a summary of the major categories of expenditure, the second lists the specific agencies and programs.

As you will note, the total State General fund cost of mandates in FY 1993 was approximately \$562.0 million. That amount increased to \$600.0 million in FY 1994 and is expected to increase again to \$630.0 million in FY 1995. Those figures represent approximately 35 percent of the State General Fund.

It is hoped this information will be helpful to policymakers in their deliberations on issues involving federal funds as well as during consideration of the budget. If you have questions, please call me at 296-2436.

Sincerely,

Gloria M. Timmer

Gloria M. Timmer
Director of the Budget

Senate Fed + State
March 14, 1994
Attachment 3

**Federal Mandate Costs to the State of Kansas
By Function of Government and Major Item of Expenditure**

| | FY 1993 | | | FY 1994 | | | FY 1995 | | |
|------------------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| | State General Fund | Other State Funds | Federal Funds | State General Fund | Other State Funds | Federal Funds | State General Fund | Other State Funds | Federal Funds |
| General Government | \$3,144,167 | \$1,273,141 | \$1,064,830 | \$3,476,608 | \$1,463,696 | \$857,300 | \$3,565,169 | \$1,598,633 | \$1,088,480 |
| Human Services | | | | | | | | | |
| Medicaid | 146,356,207 | 0 | 173,363,835 | 167,315,795 | 0 | 216,295,165 | 179,720,434 | 0 | 252,433,113 |
| Nursing Homes | 89,639,626 | 0 | 119,085,925 | 97,765,795 | 0 | 128,569,499 | 94,819,274 | 0 | 135,543,857 |
| AFDC | 54,438,258 | 0 | 78,573,329 | 60,678,072 | 0 | 86,015,493 | 62,726,133 | 0 | 91,101,432 |
| Administrative Costs | 27,729,363 | 0 | 36,626,572 | 29,883,423 | 0 | 44,536,747 | 31,526,172 | 0 | 45,967,259 |
| State Hospitals | 72,150,192 | 10,910,612 | 67,254,716 | 63,883,670 | 10,055,283 | 78,078,603 | 70,865,408 | 9,237,432 | 71,674,810 |
| Vocational Rehabilitation | 3,461,519 | 0 | 15,043,539 | 4,525,783 | 0 | 16,907,765 | 4,779,278 | 0 | 16,864,883 |
| Unemployment Insurance | 0 | 188,063,850 | 108,655,850 | 0 | 209,055,000 | 84,439,999 | 0 | 209,055,000 | 18,302,049 |
| Employment Services | 10,731,755 | 0 | 41,314,890 | 19,582,455 | 0 | 58,124,336 | 22,550,947 | 0 | 57,321,095 |
| Other Human Services | 620,838 | 0 | 9,377,519 | 663,466 | 0 | 10,111,645 | 664,098 | 0 | 9,843,704 |
| Subtotal Human Services | \$405,127,758 | \$198,974,462 | \$649,296,175 | \$444,298,459 | \$219,110,283 | \$723,079,252 | \$467,651,744 | \$218,292,432 | \$699,052,202 |
| Education | | | | | | | | | |
| Special Education | 149,025,559 | 0 | 0 | 149,026,071 | 0 | 0 | 153,496,853 | 0 | 0 |
| School Bus Safety | 1,092,860 | 0 | 0 | 1,158,432 | 0 | 0 | 1,227,938 | 0 | 0 |
| Other Education | 2,804,192 | 875,285 | 1,059,854 | 2,821,506 | 1,536,333 | 1,130,369 | 2,798,056 | 1,959,684 | 1,059,229 |
| Subtotal Education | \$152,922,611 | \$875,285 | \$1,059,854 | \$153,006,009 | \$1,536,333 | \$1,130,369 | \$157,522,847 | \$1,959,684 | \$1,059,229 |
| Public Safety | \$698,935 | \$289,593 | \$2,453,153 | \$801,579 | \$302,446 | \$2,591,695 | \$576,412 | \$289,967 | \$1,351,687 |
| Ag. & Natural Resources | | | | | | | | | |
| EPA Programs | 0 | 1,775,118 | 4,800,901 | 0 | 6,932,069 | 6,639,463 | 0 | 8,258,198 | 6,817,088 |
| Wildlife and Parks | 0 | 2,247,602 | 5,159,000 | 0 | 2,500,000 | 5,933,500 | 0 | 2,666,667 | 6,433,500 |
| Subtotal Natural Resources | \$0 | \$4,022,720 | \$9,959,901 | \$0 | \$9,432,069 | \$12,572,963 | \$0 | \$10,924,865 | \$13,250,588 |
| Transportation | | | | | | | | | |
| State Match Requirements | \$0 | \$28,720,000 | \$120,201,000 | \$0 | \$31,191,000 | \$130,582,000 | \$0 | \$31,733,000 | \$132,842,000 |
| Total State Estimate | \$561,893,471 | \$234,155,201 | \$784,034,913 | \$601,582,655 | \$263,035,827 | \$870,813,579 | \$629,316,172 | \$264,798,581 | \$848,644,186 |
| % of Total | 35.56% | 14.82% | 49.62% | 34.66% | 15.16% | 50.18% | 36.11% | 15.19% | 48.70% |

The "Other State Funds" category includes Unemployment Insurance Trust Funds and revenues collected from user fees and licenses.

Department of Social and Rehabilitation Services

The Department of Social and Rehabilitation Services administers a variety of programs funded by the federal government. Most of these programs require state financial participation as a condition of assistance. In addition, specified client groups must be served and certain services must be provided. The broad scope and growth of these welfare and health programs require large expenditures over which the state has little control.

Department of Social and Rehabilitation Services -- Federal Mandates Summary

| | <u>FY 1992</u> | | <u>FY 1993</u> | | <u>FY 1994</u> | |
|-----------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | <u>State</u> | <u>Federal</u> | <u>State</u> | <u>Federal</u> | <u>State</u> | <u>Federal</u> |
| Medicaid | | | | | | |
| Regular | \$146,356,207 | \$172,130,177 | \$167,315,795 | \$214,967,281 | \$179,720,434 | \$250,960,242 |
| Nursing Homes | 89,639,626 | 119,085,925 | 97,765,795 | 128,569,499 | 94,819,274 | 135,543,857 |
| AFDC | 48,269,101 | 68,602,344 | 51,972,412 | 72,872,588 | 53,959,557 | 78,019,443 |
| Matched Admin. | 27,729,363 | 36,626,572 | 29,883,423 | 44,536,747 | 31,526,172 | 45,967,259 |
| AFDC Foster | | | | | | |
| Care | 6,169,157 | 9,970,985 | 8,705,660 | 13,142,905 | 8,766,576 | 13,081,989 |
| Job Prep. Serv. | 10,731,755 | 18,908,960 | 19,582,455 | 29,493,232 | 22,550,947 | 33,987,551 |
| Vocational | | | | | | |
| Rehab. | <u>3,461,519</u> | <u>15,043,539</u> | <u>4,525,783</u> | <u>16,907,765</u> | <u>4,779,278</u> | <u>16,864,883</u> |
| Total | \$332,356,728 | \$440,368,502 | \$379,751,323 | \$520,490,017 | \$396,122,238 | \$574,425,224 |

Medicaid Regular Medical. The acceptance of Medicaid funding requires states to provide matching funds and cover specified clients and services.

Medicaid Nursing Homes. Levels of service and staffing are set for mandated and optional patients. Most of the clients covered in Kansas are in an optional medically needy group. Matching funds are required.

AFDC. Federal funding is contingent on a state match and on the coverage of specified income eligible clients.

Administration and CSE. Funding for the administration of Medicaid and AFDC comes from state and federal sources. The funding also includes mandated Child Support Enforcement and Food Stamp Administration activities.

Custody and Adoption Services. When out of home placement of children is necessary, foster care and adoption support for children meeting certain criteria are federally matched. Unmatched foster care is included in the table because the federal Child Welfare Act requires states to act in the best interest of children who are placed into state custody by the courts. Family preservation services required by the Child Welfare Act are also included.

KanWork\JOBS Services. Federal mandates require the state to participate in federal welfare reform programs. AFDC and Food Stamp funding is contingent on this participation. KanWork is the Kansas version of the federal JOBS program. Services provided to clients include education, vocational training, transportation allowance and child care.

State Plan Child Care. Each fiscal year, SRS develops state plans for services to be funded from federal Child Care Development Block Grants and Social Services Block Grants. Once a child care plan is accepted at the federal level, SRS is mandated to provide those specified services for the full fiscal year. SRS uses block grant funding to provide child care to non-AFDC families that are at risk of becoming cash assistance recipients.

Vocational Rehabilitation. The federal-state partnership for providing vocational rehabilitation was begun in 1920. State participation is contingent on matching funds and maintaining compliance with the Vocational Rehabilitation Act of 1973 and its subsequent amendments.

State Mental Health Hospitals

Although participation in federal Medicare and Medicaid programs is optional, receipt of Title XIX funds by the state hospitals requires prior certification from the Joint Commission on the Accreditation of Hospitals and the Health Care Financing Authority (HCFA). Private insurance companies also require HCFA certification and Joint Commission accreditation before providing reimbursement for hospital services. It could be assumed that the hospitals meet the minimum staffing requirements to retain certification and accreditation, so that the State General Fund portion is the state share provided to participate in federal programs. The following details the Governor's recommendation by fund for the four state mental hospitals.

FY 1993

| | <u>SGF</u> | <u>Title XIX</u> | <u>General Fees</u> |
|------------|--------------|------------------|---------------------|
| Larned | \$20,578,971 | \$9,292,193 | \$1,456,064 |
| Osawatomie | 10,443,392 | 7,824,786 | 2,816,728 |
| Rainbow | 1,763,699 | 3,044,362 | 222,139 |
| Topeka | 8,029,687 | 9,436,726 | 4,196,814 |

FY 1994

| | <u>SGF</u> | <u>Title XIX</u> | <u>General Fees</u> |
|------------|--------------|------------------|---------------------|
| Larned | \$17,180,627 | \$13,734,007 | \$1,531,327 |
| Osawatomie | 9,298,569 | 9,842,039 | 2,002,462 |
| Rainbow | 1,663,261 | 3,411,518 | 228,508 |
| Topeka | 8,045,666 | 11,345,804 | 3,377,713 |

FY 1995

| | <u>SGF</u> | <u>Title XIX</u> | <u>General Fees</u> |
|------------|--------------|------------------|---------------------|
| Larned | \$18,414,372 | \$12,711,537 | \$1,238,959 |
| Osawatomie | 8,323,895 | 11,458,613 | 1,884,884 |
| Rainbow | 2,174,986 | 3,025,983 | 221,689 |
| Topeka | 8,771,109 | 9,761,375 | 3,517,418 |

State Mental Retardation Hospitals

In order for the mental retardation hospitals to receive federal reimbursement, they must meet HCFA requirements based on inspections conducted by the Kansas Department of Health and Environment. The hospitals receive a per-client reimbursement based on costs from the previous year. The federal government reimburses the state for its costs at a rate of approximately 59 percent. The state bears the other 41 percent. The state is not mandated by federal law to offer these services to the mentally retarded; however, if the state wishes to receive federal monies, its services must meet federal requirements.

FY 1993

| | <u>SGF</u> | <u>Title XIX</u> | <u>General Fees</u> |
|----------|--------------|------------------|---------------------|
| KNI | \$10,974,150 | \$12,760,548 | \$714,698 |
| Parsons | 6,839,117 | 10,550,572 | 579,840 |
| Winfield | 13,521,176 | 14,345,529 | 924,329 |

FY 1994

| | <u>SGF</u> | <u>Title XIX</u> | <u>General Fees</u> |
|----------|--------------|------------------|---------------------|
| KNI | \$10,110,798 | \$13,647,506 | \$ 853,757 |
| Parsons | 6,317,199 | 11,120,306 | 762,816 |
| Winfield | 11,267,550 | 14,977,423 | 1,298,700 |

FY 1995

| | <u>SGF</u> | <u>Title XIX</u> | <u>General Fees</u> |
|----------|--------------|------------------|---------------------|
| KNI | \$11,735,938 | \$11,837,960 | \$769,556 |
| Parsons | 8,046,839 | 9,685,201 | 610,076 |
| Winfield | 13,398,269 | 13,194,141 | 994,850 |

Human Rights Commission

The Kansas Human Rights Commission is required by state law (not federal law) to investigate all complaints filed with the commission. If state laws are found to be substantially equivalent to federal law, then the federal government relinquishes jurisdiction to the state. In this situation, the state is able to contract with the federal government to handle these cases. The federal government reimburses the state on a fixed dollar amount per case, with the amount and number of cases stipulated in the contract. The contract, of course, requires that the state follow certain procedures in its investigation of the complaint. These contracts are reviewed and renewed annually.

It should be noted that Kansas' law is broader in scope covering more types of discrimination than the federal law. For this reason, not all cases are reimbursable. There is no required State General Fund match. In theory, the Kansas Human Rights Commission could be abolished and the laws repealed without violating any federal law. The only federal requirement that the state operates under is the annual contract.

| | <u>FY 1993 Actual</u> | <u>FY 1994 Gov Rec</u> | <u>FY 1995 Gov Rec</u> |
|--------------------|---------------------------|----------------------------|----------------------------|
| Federal Contracts | \$ 461,226 | \$ 328,725 | \$ 541,316 |
| State General Fund | 1,110,943 | 1,379,119 | 1,391,168 |

Department on Aging

According to the Department on Aging, the Department is required by the Older Americans Act (OAA) to "develop a comprehensive and coordinated system of supportive services, including nutritional service and administer through an area plan on aging the following grant programs: congregate nutrition service, home-delivered nutrition service, supportive social service and senior centers, in-home services for frail elderly, and prevention of abuse, neglect and exploitation of older individuals." The Department goes on to indicate that the mandates

of the OAA are intended to enhance the independence and dignity of older Americans.

The Department outlines the various requirements in the following areas: social services and senior centers, Eldercare Volunteer Corps and Project Care, Job Training and Partnership Act (JTPA) and Senior Community Service Employment Program, legal assistance, information and referral, planning, disabilities, adult abuse, advocacy, mental health, equal employment opportunity, long term care, and long term care ombudsman.

The Kansas Department on Aging provides a variety of program and nutrition grants to area agencies on aging. The federal monies received for these programs carry various match requirements, a portion of which is provided by local area agencies on aging. The following table includes the agency's estimate for the State General Fund match it provides.

| | <u>FY 1993</u> <u>Actual</u> | <u>FY 1994</u> <u>Gov Rec</u> | <u>FY 1995</u> <u>Gov Rec</u> |
|-------------------------|---------------------------------|----------------------------------|----------------------------------|
| Older Americans Act | \$8,246,035 | \$8,967,788 | \$8,693,367 |
| Sr. Comm. Employ. Prog. | 811,369 | 813,113 | 813,274 |
| State General Fund | 588,826 | 630,392 | 630,392 |

Department of Human Resources

Federally-mandated programs administered through the Kansas Department of Human Resources are discussed below. The funding structure of each program for FY 1993, FY 1994, and FY 1995 is detailed.

Unemployment Insurance Program. Federal authorizing statutes may be found in Titles III and IX of the Social Security Act and in the Federal Unemployment Tax Act. These statutes require that each state establish an Unemployment Insurance (UI) program which conforms to federal statutes, rules, and regulations. Funds for administration of the Unemployment Insurance program are generated by the Federal Unemployment Tax Act (FUTA) through the U.S. Internal Revenue Service and are distributed to states as Employment Security Grants. Unemployment insurance benefits are paid out of each state's UI Trust Fund, the management of which is overseen by the U.S. Department of Labor.

Special benefit programs passed by the federal government, such as the current Emergency Unemployment Compensation program, are often funded using state trust monies and then are reimbursed with federal grants. Fines, penalties, and interest levied by the state against delinquent, taxpaying employers are deposited in the

Special Employment Security Fund. Expenditures from this fund are not regulated by the federal government.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|------------------------|-------------------|-------------------|-------------------|
| Operating Expenditures | | | |
| Special E.S. Fund | \$ 70,900 | \$ 55,000 | \$ 55,000 |
| Federal Grants | <u>11,800,850</u> | <u>12,439,999</u> | <u>12,302,049</u> |
| Total | \$11,871,750 | \$ 12,494,999 | \$ 12,357,049 |
| UI Benefits | | | |
| State UI Trust Funds | \$187,992,950 | \$209,000,000 | \$209,000,000 |
| Federal Reimbursement | <u>96,855,000</u> | <u>72,000,000</u> | <u>6,000,000</u> |
| Total | \$284,847,950 | \$281,000,000 | \$215,000,000 |

Job Service. The Wagner-Peyser Act of 1933, as amended by the Job Training Partnership Act (PL 97-300), requires states to provide job placement services for men, women, and youth with special priority given to veterans. Job Service is required to maintain a national network to clear employer job openings statewide and between states using a computerized job bank.

Federal funding for administration of the program is based two-thirds on the state's percentage of the national civilian labor force and one-third on the state's percentage of the national number of unemployed. A "hold harmless" provision allows no state to lose more than 10 percent of its previous year allocation.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|------------------------|------------------|------------------|------------------|
| Operating Expenditures | | | |
| State Funds | \$ -- | \$ -- | \$ -- |
| Federal Grants | <u>6,647,455</u> | <u>6,704,613</u> | <u>6,930,000</u> |
| Total | \$6,647,455 | \$6,704,613 | \$6,930,000 |

Job Training Partnership Act. The Job Training Partnership Act (JTPA) of 1982 provides federal training funds at the local level so that low-income, unemployed youth and adults can gain skills for use in the private sector. Under JTPA law, the Governor must appoint a Council on Employment and Training, which makes recommendations concerning substate Service Delivery Areas (SDAs). The Kansas Department of Human Resources acts as the coordinator and distributor of JTPA funds among the SDAs. State goals and priorities are set by the Governor; however, programs are designed and administered by the local private industry councils.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|------------------------|------------------|------------------|------------------|
| Operating Expenditures | | | |
| State Funds | \$ -- | \$ -- | \$ -- |
| Federal Grants | <u>3,507,776</u> | <u>3,426,491</u> | <u>3,303,544</u> |
| Subtotal | \$ 3,507,776 | \$ 3,426,491 | \$ 3,303,544 |

Other Assistance

| | | | | | | |
|----------------|----|-------------------|----|-------------------|----|-------------------|
| State Funds | \$ | -- | \$ | -- | \$ | -- |
| Federal Grants | | <u>12,250,699</u> | | <u>18,500,000</u> | | <u>13,100,000</u> |
| Total | | \$15,758,475 | | \$21,926,491 | | \$16,403,544 |

Occupational Safety and Health Administration (OSHA) Laws. Federal law requires that OSHA laws be enforced; however, it is not mandatory for the state to act as the enforcement entity. The federal government "encourages" states to assume oversight responsibilities through funding and regulation incentives. States that take part in the program are required to provide 10 percent of total funding. Employers who request review by state inspectors will receive a one-year reprieve to correct any OSHA violations before being subject to federal fines or penalties. Should the state drop its inspection and enforcement role, any OSHA violations by employers would be immediately penalized upon discovery by federal inspectors.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|-------------------------|----------------|----------------|----------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 32,012 | \$ 33,074 | \$ 33,706 |
| Federal Grants | <u>320,115</u> | <u>330,744</u> | <u>337,063</u> |
| Subtotal | \$352,127 | \$363,818 | \$370,769 |

Kansas Corporation Commission

The Interstate Commerce Commission adopted regulations replacing the multi-state motor vehicle registration system, known as the "bingo card" program, with a simplified, base-state insurance registration system. This was in accordance with the mandate of Section 4005 of the Intermodal Surface Transportation Efficiency Act of 1991. The act amended Public Law 89-170 concerning the registration of motor carriers by a state.

If the Kansas Corporation Commission did not participate in this program the State of Kansas would not have special revenue fee fund monies (Motor Carrier License Fee Fund) in which to carry out its statutory requirements. Also, there would be a decrease in monies transferred from the Motor Carrier License Fee Fund to the State Highway Fund used by other state agencies.

Department of Health and Environment

The Department of Health and Environment administers several federally-mandated programs. In most cases, federal funding is contingent upon the appropriation of state match funding. In recent years, the number of programs mandated by the federal

Environmental Protection Agency has increased, and this trend is expected to continue.

Medicare. The Department inspects health facilities and licenses certain health practitioners for compliance with Medicare standards. The Department is reimbursed for these services.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ -- | \$1,233,658 |
| FY 1994 | -- | 1,327,884 |
| FY 1995 | -- | 1,472,871 |

Federal Clean Air Act Requirements. Up until FY 1994, the federal EPA air quality monies and the required 40 percent match have provided most of the funding for the state's air quality program. The program issues permits to air pollution sources, monitors emissions, and enforces compliance regulations. Beginning in FY 1994, the state began assessing an air quality emissions fee as required by law to fund the federal Clean Air Act requirements. The state must maintain federal certification of its air quality program or face certain penalties, which could include the loss of federal funding for highway and sewage plant construction and air pollution control programs.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1992 | \$ 393,081 | \$ 917,190 |
| FY 1993 | 1,117,244 | 922,800 |
| FY 1994 | 2,718,810 | 946,378 |

EPA Water Supply. To assist and monitor public water supplies' compliance with the federal Safe Drinking Water Act, the federal government provides grants with a 30 percent matching requirement.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 221,418 | \$ 516,642 |
| FY 1994 | 300,432 | 701,009 |
| FY 1995 | 314,520 | 733,881 |

EPA Hazardous Waste. In compliance with the federal Resource Conservation and Recovery Act, the state operates its hazardous waste program, which permits and inspects facilities storing, treating, or disposing of hazardous wastes. Receipt of federal funding is contingent upon a state match equaling one-third of the federal grant.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 231,624 | \$ 694,871 |
| FY 1994 | 328,309 | 984,928 |
| FY 1995 | 342,490 | 1,027,470 |

EPA Underground Injection Control. The Bureau of Water permits and inspects all underground injection wells, except those used for oil and gas, for compliance with the standards set by the federal Safe Drinking Water Act. Included are underground injection wells used for liquid petroleum gas, hazardous waste, and salt solution mining. Federal funding requires a 25 percent state match.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 55,361 | \$ 166,083 |
| FY 1994 | 67,510 | 202,531 |
| FY 1995 | 58,800 | 176,400 |

EPA 106 Water Pollution Control. In compliance with the National Pollution Discharge Elimination System, the Department permits and monitors municipal and private sewage systems and industries which discharge into surface streams and rivers. The maintenance of effort required, which is based on a federal fiscal year, translates to approximately a 27 percent state match.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 372,949 | \$1,008,346 |
| FY 1994 | 383,814 | 1,037,722 |
| FY 1995 | 430,799 | 1,164,753 |

Underground Storage Tank Regulation. Underground storage tanks containing petroleum products and regulated chemicals are permitted and regulated by the Department. The Department's standards comply with those of the federal Resource Conservation and Recovery Act. Receipt of federal funding is contingent upon a 25 percent state match.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 41,984 | \$ 125,952 |
| FY 1994 | 61,476 | 184,428 |
| FY 1995 | 61,056 | 183,168 |

Surface Mining Control and Reclamation. In compliance with the federal Mined-Land Conservation and Reclamation Act, the Department permits and inspects active surface coal mines. The state matching requirement is 100 percent.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 67,923 | \$ 67,923 |
| FY 1994 | 111,274 | 111,274 |
| FY 1995 | 108,891 | 108,891 |

Abandoned Mine Reclamation. Federal funding is provided for the remediation of environmental problems associated with past mining practices. Although a state match is not required, grant

eligibility is contingent upon the state receiving a Surface Mining Control and Reclamation grant.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ -- | \$1,303,894 |
| FY 1994 | -- | 2,494,771 |
| FY 1995 | -- | 2,476,147 |

Solid Waste Management. In order to comply with the enactment of new Subtitle D solid waste regulations of the Resource Conservation and Recovery Act (RCRA), the state established a tipping fee of \$1.50 per ton on solid wastes disposed of in landfills. The revenue from the fees will allow the state to assume responsibility to operate the federal landfill program mandated by Subtitle D.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 390,778 | \$ -- |
| FY 1994 | 4,562,010 | -- |
| FY 1995 | 4,222,832 | -- |

Department of Education

Local schools are required to meet a significant number of safety, environmental, and accessibility mandates, many of which are not specifically reimbursed through state aid. These mandates, however, increase the cost of educating every school child in the state. Two mandates with specific state aid reimbursement are special education services and school bus safety requirements.

Special Education. Local school districts are mandated to provide free appropriate education to children with special needs as defined by the Education of the Handicapped Act. The state's reimbursement to local schools is as follows.

| | <u>SGF</u> | <u>All Funds</u> |
|---------|---------------|------------------|
| FY 1993 | \$149,025,559 | \$149,025,559 |
| FY 1994 | 149,026,071 | 149,026,071 |
| FY 1995 | 153,496,853 | 153,496,853 |

School Bus Safety. The federal government establishes specific safety requirements for buses, including a mandate to remove pre-1977 buses from operation. The estimate for the costs of these requirements reimbursed through state aid is shown below.

| | <u>SGF</u> | <u>All Funds</u> |
|---------|-------------|------------------|
| FY 1993 | \$1,092,860 | \$1,092,860 |
| FY 1994 | 1,158,432 | 1,158,432 |
| FY 1995 | 1,227,938 | 1,227,938 |

State Library

Library Services and Construction Act Title I Funding. Federal funding is designed for basic operating support to public libraries. Not only does federal law require a 53 percent federal/47 percent state match, maintenance of state effort also is required, which explains why the state must contribute approximately \$2.50 for every \$1.00 received from the federal government.

| | <u>SGF</u> | <u>Federal Funds</u> |
|---------|-------------|----------------------|
| FY 1993 | \$2,201,048 | \$ 914,616 |
| FY 1994 | 2,195,048 | 891,137 |
| FY 1995 | 2,195,048 | 891,137 |

Regents Institutions

The state's universities must comply with the requirements of numerous federal laws. Meeting these requirements results in the expenditure of significant amounts of staff time. The universities, however, do not have specific dollar amounts of the cost of staff time devoted to fulfilling these requirements. The following summarizes those laws with the most significant requirements. Several of these laws will also impact other state agencies.

Immigration Control and Reform Act. Employers are required to maintain evidence of legal work status for each employee.

Drug-Free Work-Place Act. Employers are required to provide employees with information about health risks associated with drugs and alcohol abuse. Employers must develop a drug policy and inform new employees that, as a condition of employment, they must abide by the terms of the policy.

Fair Labor Standards Act. The Act concerns minimum wage administration, child labor restrictions, overtime compensation, equal pay administration, and recordkeeping. The Act was extended to apply to institutions of higher education in 1987.

Americans with Disabilities Act. This Act requires reasonable accommodations to be made for students and employees with physical disabilities. This policy has required access modifications; employment of sign language interpreters, readers, and note takers; and shuttle services. The Regents systemwide expenditures for facility modifications are as follows:

| | FY 1993 <u>Actual</u> | FY 1994 <u>Est</u> | FY 1995 <u>Gov Rec</u> |
|---------------------------|--------------------------|-----------------------|---------------------------|
| Educational Building Fund | \$367,500 | \$735,000 | \$867,000 |

Financial Aid. Universities must provide entrance and exit interviews for students receiving federal student aid and must document the student's status. Several programs have matching requirements. The Supplemental Educational Opportunity Grant Program requires a match of 25 percent state funds. The Perkins Loan Program requires a 15 percent match. The College Workstudy Program requires a 25 percent match. Systemwide expenditures for these programs are as follows:

| | FY 1993 <u>Actual</u> | FY 1994 <u>Est</u> | FY 1995 <u>Gov Rec</u> |
|--------------------|--------------------------|-----------------------|---------------------------|
| General Fees Funds | \$507,785 | \$ 801,333 | \$1,092,684 |
| State General Fund | <u>459,092</u> | <u>477,227</u> | <u>477,227</u> |
| Total | \$966,877 | \$1,278,560 | \$1,569,911 |

Student Right to Know and Campus Security Act. Campuses are required to collect and report graduation rates for athletes and non-athletes. Campuses must also maintain and report campus crime statistics.

Equal Employment Opportunity. Universities must document to the Department of Labor they are in compliance with federal equal opportunity requirements.

Historical Society

Historic Preservation. The Historical Society receives federal funds through the National Historic Preservation Act. The amount received requires a 50/50 match with state funds for operating expenditures. In FY 1995, under the Governor's recommendations, the program will use part of its federal funding for state operations rather than grants.

| | <u>SGF</u> | <u>Federal Funds</u> |
|---------|------------|----------------------|
| FY 1993 | \$144,052 | \$145,238 |
| FY 1994 | 149,231 | 149,232 |
| FY 1995 | 125,781 | 168,092 |

Judiciary

Child Support Enforcement. Under Title IV-D of the Social Security Act, Kansas must provide service to ensure that lawfully ordered child support is collected by recipients. The Judiciary works closely with the Department of Social and Rehabilitation Services (SRS) in a statewide coordinated effort toward child support collection. Through a contract with SRS, a complex automated tracking system has been established and a contingent of juvenile court service officers is employed to help ensure the collection of child support.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|---------------------|----------------|----------------|----------------|
| SRS Contract Monies | \$1,273,141 | \$1,363,696 | \$1,408,633 |
| State General Fund | <u>655,861</u> | <u>702,510</u> | <u>725,659</u> |
| Total | \$1,929,002 | \$2,066,206 | \$2,134,292 |

Foster Care. Under Title IV-E of the Social Security Act, Judges and Court Service Officers have responsibilities to ensure that:

1. Reasonable efforts have been made to prevent a child from needlessly coming into state custody;
2. Children are properly supervised while in state custody; and
3. Efforts are made to reintegrate children in state custody back into their homes or that alternative plans are followed to secure a permanent home for the children.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|--------------------|----------------|----------------|----------------|
| Title IV-E Monies | \$ -- | \$ -- | \$ -- |
| State General Fund | <u>705,000</u> | <u>730,000</u> | <u>750,000</u> |
| Total | \$705,000 | \$730,000 | \$750,000 |

Department of Revenue

Commercial Driver's License Program. This program is mandated by the federal government to ensure a minimum level of competency in drivers of commercial tractor-trailers and to remove "bad" drivers

from the road by creating a system for states to identify drivers requesting licenses who are also licensed in other states.

The communications network created by the federal program ensures that a commercial driver have only one driver's license. Previously, a driver could have several licenses, applying for them in each state the driver passed through. By placing tickets against the various licenses, the driver was able to receive many citations from law enforcement but still avoid the penalties that other drivers would have to face for the same violations under a single license.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|------------------------|----------------|----------------|----------------|
| Federal Monies | \$ -- | \$ -- | \$ -- |
| Vehicle Operating Fund | 599,000 | 582,000 | 588,000 |
| State General Fund | -- | -- | -- |
| Total | \$599,000 | \$582,000 | \$588,000 |

International Fuel Tax Agreement. With a threat of a loss of highway monies, all states must be a member of the International Fuel Tax Agreement no later than October, 1996. Kansas is currently a member. The agreement provides procedures for processing motor fuel receipts among and between states.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|------------------------|----------------|----------------|----------------|
| Federal Monies | \$58,000 | \$50,000 | \$ 40,000 |
| Vehicle Operating Fund | -- | -- | 90,000 |
| State General Fund | -- | -- | -- |
| Total | \$58,000 | \$50,000 | \$130,000 |

Problem Drivers Pointer System (PDPS). This system creates a national registry for records on all problem drivers in the member states. With the threat of a loss of 10 percent of federal highway funds, all states must complete a link to the system by April 30, 1995.

Anti-Theft Act of 1992. This act establishes a set of uniform titles, uniform salvage titles and a national database for title information. Federal monies are available to assist the state in adjusting to the new regulations. A compliance deadline is stipulated as January 1, 1996.

| | <u>FY 1993</u> | <u>FY 1994</u> | <u>FY 1995</u> |
|------------------------|----------------|----------------|----------------|
| Federal Monies | \$ -- | \$ -- | \$ -- |
| Vehicle Operating Fund | -- | 100,000 | 100,000 |
| State General Fund | -- | -- | -- |
| Total | \$ -- | \$100,000 | \$100,000 |

Motor Voter. Voter registration will be made available to customers obtaining or renewing driver's licenses. Compliance with

state law is required by July 1, 1994. Requirements of federal law have not yet been detailed in regulations. The cost to implement this act cannot be estimated at this time.

Synar Amendments--Enforcement of Laws Regarding Cigarette Sales to Minors. Based on draft federal regulations, states are required to reach a level of 50 percent compliance with prohibitions against sales of cigarettes to minors. Compliance must be shown by the end of federal fiscal year 1994 (September 30, 1994). The mandated percentage of compliance increases annually, as does the percentage loss of federal monies for drug and alcohol treatment and prevention. A pilot enforcement program is planned by the ABC Division of the Department to identify the existing compliance levels and determine the level of effort necessary to meet the mandated compliance levels.

Department of Commerce and Housing

Community Development Block Grant Administrative Match Funding. In the administration of the Community Development Block Grant Program, a state match is required on administrative expenditures over \$100,000.

| | <u>State Funds</u> | <u>Federal Funds</u> |
|---------|--------------------|----------------------|
| FY 1993 | \$ 73,363 | \$545,604 |
| FY 1994 | 82,979 | 478,575 |
| FY 1995 | 110,342 | 507,164 |

State Correctional System

Special Education. This program is necessary for compliance with the mandates of PL 94-142. The Department of Corrections must comply with the federal provisions concerning special education for all children (inmates) under the age of 22 or the Department of Education will lose federal funding for special education programs.

| | <u>SGF</u> | <u>Federal Funds</u> | <u>All Funds</u> |
|---------|------------|----------------------|------------------|
| FY 1993 | \$383,920 | \$ -- | \$383,920 |
| FY 1994 | 506,025 | -- | 506,025 |
| FY 1995 | 506,025 | -- | 506,025 |

Federal Substance Abuse Grants. The Department of Corrections must provide a 25.0 percent State General Fund match to federal monies received through the Governor's Office on Drug Abuse. The majority of the money is used to fund substance abuse programs in community corrections.

| | <u>SGF</u> | <u>Federal Funds</u> | <u>All Funds</u> |
|---------|------------|----------------------|------------------|
| FY 1993 | \$117,448 | \$352,345 | \$469,793 |
| FY 1994 | 88,550 | 265,649 | 354,199 |
| FY 1995 | 70,387 | 211,162 | 281,549 |

Kansas Bureau of Investigation

Narcotics Strike Force. Formed in FY 1991, a grant was anticipated through FY 1994. Federal funds were available with a 25 percent state match. State participation was optional. Fiscal Year 1993 expenditures totaled \$1,004,613, with \$197,567 from the State General Fund. The FY 1994 Governor's recommendation provides \$966,911, with \$207,004 from the State General Fund. For FY 1995, no federal funding is available.

Kansas Highway Patrol

Motor Carrier Safety Assistance Program. Formed in FY 1986, state participation is optional. Federal funds are contingent upon the state adopting numerous federal regulations regarding motor carrier safety and the transportation of hazardous materials. The 20 percent state match is financed with the Kansas Corporation Commission transferring amounts from the Motor Carrier License Fee Fund to the Patrol. The federal grants and corresponding state match amounts are presented below.

| | <u>FY 1993 Actual</u> | <u>FY 1994 Est</u> | <u>FY 1995 Gov Rec</u> |
|---------------|---------------------------|------------------------|----------------------------|
| Federal Grant | \$1,096,195 | \$1,359,135 | \$1,140,525 |
| KCC Match | <u>289,593</u> | <u>302,446</u> | <u>289,967</u> |
| Total | \$1,385,788 | \$1,661,581 | \$1,430,492 |

Department of Wildlife and Parks

Wildlife Activities. The Department of Wildlife and Parks receives federal funds based on a 50/50 match from state funding sources. The Department estimates it will receive \$200,000 in each of FY 1994 and FY 1995. The Department also receives federal aid based on the number of boating permits sold annually and expenditure history of federal boating funds. In FY 1993, the agency received \$236,723. It is estimated that receipts from federal funds to the Boating Fee Fund will total \$233,500 in FY 1994 and FY 1995.

The Department of Wildlife and Parks receives funds from the federal government through the Dingell-Johnson (D-J) Sport Fish Restoration Act and the Pittman-Robert (P-R) Wildlife Restoration Act. Funding awarded to the state represents a 75 percent reimbursement to the Department for what it spends on wildlife-related activities. The Department received \$4,012,012 in FY 1993. It is estimated that the Department will receive a total of \$4.5 million in FY 1994 and \$5.0 million in FY 1995.

Cheyenne Bottoms. The National Wetlands Council makes awards to states for conservation and wetland development efforts. The awards are a direct match. The Department of Wildlife and Parks received \$910,265 in FY 1993. The Department estimates that it will receive federal monies to match state expenditures totaling \$1.0 million in each of FY 1994 and FY 1995 for the renovation of Cheyenne Bottoms.

Department of Transportation

The most recent federal surface transportation legislation is the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). This legislation authorizes funding for the six-year period 1992 through 1997. The ISTEA is an amendment to prior legislation contained in Title 23 USC. It eliminated several old programs and created a number of new ones. Under this legislation, states are apportioned funds in various categories. In order to spend these funds, projects must meet eligibility criteria and, generally, a matching share must be provided by the state or local government.

Currently, this legislation provides between 80 and 90 percent of the funding for eligible project costs. The federal government reimburses the state for expenses already incurred, so there is typically a delay between project completion and the receipt of federal monies. The following table outlines the estimated federal aid and the state matching share for FFY 1993, FFY 1994, and FFY 1995. The table displays both the federal "apportionment" available to Kansas under the current legislation as well as the "obligation" authority that Kansas has received, or is anticipated to receive, from the federal government. The "obligation" authority is based on appropriations from Congress, while the "apportionment" represents the upper limit on commitments to the State of Kansas as outlined in the enabling legislation. Estimates are provided in federal fiscal years in order to reflect federal apportionments more accurately.

FFY 1993

| | Federal Apportionments | Obligation Authority | KDOT's Share | State Match |
|-------------------------------|---------------------------|-------------------------|-----------------|----------------|
| Comprehensive Highway Program | \$129,326,000 | \$106,131,000 | \$106,131,000 | \$ 26,533,000 |
| Safety Construction | 9,978,000 | 8,188,000 | 5,895,000 | 143,000 |
| Hwy. Planning and Research | 3,868,000 | 3,868,000 | 3,868,000 | 967,000 |
| Demonstration Projects | 19,772,000 | -- | 4,307,000 | 1,077,000 |
| Other Local Funding | <u>51,076,000</u> | <u>42,067,000</u> | <u>--</u> | <u>--</u> |
| Total | \$214,020,000 | \$160,254,000 | \$120,201,000 | \$ 28,720,000 |

FFY 1994

| | Federal Apportionments | Obligation Authority | KDOT's Share | State Match |
|-------------------------------|---------------------------|-------------------------|-----------------|----------------|
| Comprehensive Highway Program | \$124,818,000 | \$116,131,000 | \$116,131,000 | \$29,033,000 |
| Safety Construction | 9,630,000 | 8,960,000 | 6,450,000 | 157,000 |
| Hwy. Planning and Research | 3,751,000 | 3,751,000 | 3,751,000 | 938,000 |
| Demonstration Projects | 13,432,000 | -- | 4,250,000 | 1,063,000 |
| Other Local Funding | <u>50,181,000</u> | <u>46,747,000</u> | <u>--</u> | <u>--</u> |
| Total | \$201,812,000 | \$175,589,000 | \$130,582,000 | \$31,191,000 |

FFY 1995

| | Federal Apportionments | Obligation Authority | KDOT's Share | State Match |
|-------------------------------|---------------------------|-------------------------|-----------------|----------------|
| Comprehensive Highway Program | \$136,090,000 | \$117,962,000 | \$117,962,000 | \$29,491,000 |
| Safety Construction | 10,500,000 | 9,101,000 | 6,552,000 | 159,000 |
| Hwy. Planning and Research | 4,078,000 | 4,078,000 | 4,078,000 | 1,020,000 |
| Demonstration Projects | 13,432,000 | -- | 4,250,000 | 1,063,000 |
| Other Local Funding | <u>54,080,000</u> | <u>46,990,000</u> | <u>--</u> | <u>--</u> |
| Total | \$218,180,000 | \$178,131,000 | \$132,842,000 | \$31,733,000 |

In addition to the matching requirements listed above, the state currently faces several financial penalties under which it can lose from 5 percent to 100 percent of its federal highway funds for failure to comply with federal requirements, ranging from control of junkyards and outdoor advertising to national minimum drinking age laws. Federal requirements which have highway funding penalties are described below.

Vehicle Weight Limitations. The state must permit a maximum of 20,000 pound single axle, 34,000 pound tandem axle, and 80,000 pound gross weight combination (5-axle) vehicles to operate on the interstate. Maximum weights cannot exceed those allowable under a stated bridge formula. The penalty is the withholding of National Highway System (NHS) apportionments.

Enforcement of Vehicle Size and Weights. Failure to comply would result in the withholding of 10 percent of the apportionments from four major highway programs. Although no federal funding is provided for the mandate, the Governor recommends a transfer of

\$5,143,410 in FY 1994 and \$5,648,425 in FY 1995 from the State Highway Fund to the Highway Patrol for operating costs for motor vehicle inspection activities. Because these operating costs also cover inspections to meet state requirements, the portion applied to meet only federal requirements is indeterminate.

Registration and Proof of Heavy Vehicle Use Tax Payment. Failure to comply could result in withholding of up to 25 percent of Interstate Construction and Interstate Maintenance apportionments. The Governor's recommendation includes a transfer of \$24,443,615 in FY 1994 and \$24,700,000 in FY 1995 from the State Highway Fund to the Department of Revenue.

National Maximum Speed Limit and Enforcement. In general, Kansas must not have a maximum speed limit on any public highway in excess of 55 mph. The exception is for rural Interstates and some non-Interstate routes outside urbanized areas of more than 50,000 population that are constructed to appropriate standards. These may have a maximum speed limit of 65 mph. The state must certify that it is enforcing all speed limits on public highways. If Kansas posts speed control signs that display a higher speed limit than established by the federal government, or does not certify that it is enforcing the federal maximums, it would cease to receive federal approval for highway projects.

The state must support certification of both the 55 mph and 65 mph speed limits in accordance with compliance criteria established by the Federal Highway Administration (FHWA). The future sanctions for failure to comply are yet to be determined.

Control of Outdoor Advertising and Junkyards. Failure to comply would result in the withholding of up to 10 percent of major highway program apportionments. The Governor recommends \$262,758 in FY 1994 and \$270,640 in FY 1995 to the Department of Transportation's Beautification and Relocation Section whose primary responsibility is the enforcement of outdoor advertising and junkyards. No federal matching monies are provided for this purpose.

Maintenance of All Federal Aid Highway Program Construction Projects. Failure to comply would result in the cessation of federal project approvals for the entire state. Road maintenance is primarily a state responsibility, although portions of the cost may be reimbursed through federal programs. The Governor's recommendation includes \$84,216,990 in FY 1994 and \$87,697,042 in FY 1995 for substantial maintenance on all state and federal highways. The portion to be used for federal roads is indeterminate.

Interstate System Maintenance. Failure to comply would result in the withholding of up to 10 percent of interstate system apportionments. A total of \$37.5 million in federal aid was apportioned to Kansas for Interstate Maintenance in FY 1994 for

which the state will provide a 10 percent matching amount. Other federal aid may also qualify for maintenance and require an average match of 20 percent.

National Minimum Drinking Age. Failure to comply would result in the withholding of 10 percent of major highway program apportionments. Changes to the state statutes were necessary for compliance.

Commercial Driver's License. Failure to comply would result in the withholding of up to 5 percent of FFY 1994 major highway program apportionments and up to 10 percent in later years. The Governor's recommendation includes a transfer of \$24,443,615 in FY 1994 and \$24,700,000 in FY 1995 from the State Highway Fund to the Department of Revenue's Vehicle Operating Fund for operating costs associated with the collection and administration of vehicle-related fees and revenues.

Revocation or Suspension of Driver's Licenses for Drug Offense Convictions. Failure either to pass legislation imposing the suspension and revocation of driver's license privileges for a person who has been convicted of a drug related offense, or to submit certification of opposition to such a law, will result in the withholding of federal funds. Because the state failed to act by October 1, 1993, \$7.5 million in federal highway funds have been withheld for FY 1994. Failure to comply by October 1, 1994, would result in the loss of another \$8.0 million for FY 1995 and, for FY 1996 and FY 1997, federal funds totaling \$14.0 million per year would be lost if no action were taken by the state. Legislation has been introduced during the 1994 Legislative Session to bring Kansas into compliance with this requirement.

Metropolitan Planning. Metropolitan Planning Organizations (MPOs) in Transportation Management Areas must be certified to be carrying out the required planning process at least every three years by the Secretary of Transportation. If an MPO is not certified after September 30, 1993, the Secretary may withhold all or part of the portion of the Surface Transportation Program (STP) apportionment and formula apportionment of Federal Transit Administration Section 9 funds attributed to relevant metropolitan areas. If an area is not certified for more than two consecutive years after September 30, 1994, 20 percent of attributable STP and Section 9 funds must be withheld. Funds are restored when the area is certified.

National Historic Preservation Act. The Department of Transportation is required to file archeological and historic impact statements for certain construction projects as part of the requirements set by the National Historic Preservation Act. The State Historical Society contracts out the necessary labor for this purpose, and the Governor's recommendation includes a \$279,580 transfer from the Department to the Society for FY 1994 and \$600,225 for FY 1995.

Clean Air Act. Under Title V of the Clean Air Act Amendments of 1990, states are subject to State Implementation Plan (SIP)-related sanctions. States must submit and implement all provisions of a complete and adequate SIP that provides for attainment of air quality standards in accordance with intermediate and final deadlines specified in the 1990 Clean Air Act Amendments. A part of the SIP is a Small Business Assistance Plan. If Kansas does not make a complete submittal of an SIP, the EPA is authorized to impose sanctions. The sanction which could affect Kansas is a restriction on highway funding through cessation of project approvals within the nonattainment area. Sanctions may be expanded to cover the entire state under certain circumstances at the discretion of the EPA Administrator. Legislation has been implemented that will bring Kansas into compliance with this act.

Mandatory Drug and Alcohol Testing. The Omnibus Transportation Employee Testing Act of 1991 gave the Federal Transit Administration statutory authority to begin mandatory drug and alcohol testing for all transportation employees in safety-sensitive positions, their supervisors and third party individuals such as mechanics who work on public transit vans. In addition, the act extends mandatory testing to all persons who hold a commercial driver's license.

Metric Conversion. The Omnibus Trade and Competitiveness Act of 1988 designated the metric system of measurement as the preferred system of measurement in the United States. The conversion plans for the Federal Highway Administration mandates that by September 30, 1996, all federal construction contracts will be in metric units. Failure to convert to the metric system could jeopardize all federal highway funds appropriated to the State of Kansas. A timetable for the conversion for KDOT has been established, and activities for the conversion are on schedule. The Governor recommends \$187,000 in FY 1994 for conversion of computer programs and \$1,320,000 in FY 1995 for further conversion of programs. Revision and reprinting of the KDOT standards publication, *Standard Specifications for State Road and Bridge Construction*, has been budgeted in FY 1995 in the amount of \$135,000.

Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) Mandate Provisions. This act includes the following provisions and associated penalties:

1. Functional Reclassification -- States were required by the ISTEA to re-examine the functional classification of all roads, streets, and highways. Provisions in the ISTEA tie federal funding eligibility to functional classification. KDOT, in cooperation with local governments, completed the mandated reclassification prior to the deadline of December 31, 1992.
2. Management Systems -- KDOT must develop six management systems for pavements, bridges, safety, traffic congestion, public

transportation facilities and equipment, and intermodal transportation facilities and systems. The Department currently has in place a management system for pavement and is developing one for bridges. The Federal Highway Administration's (FHWA) proposed rules for the implementation of the management systems require states to certify annually, beginning January 1, 1995, that the six systems are being "adequately implemented." The Secretary of the U.S. Department of Transportation, beginning in FFY 1996, may withhold up to 10 percent of a state's total highway and transit funds if the state has not implemented the management systems or is not, at a minimum, making good progress toward implementation. The penalty may be for the entire state, for a sub-area of the state, for specific categories of funds or types of projects, or for specific recipients of transit funds, depending on certain factors such as which systems are not being implemented, whether the systems are being implemented statewide, or whether a specific agency is not cooperating with implementation.

3. Rubberized Asphalt -- The ISTEA required that beginning in FFY 1994, states must use a minimum percentage of rubberized asphalt on federal-aid projects. However, the U.S. DOT 1994 Appropriations Act amended the requirement to delay the penalty by one year. The requirement is now 10 percent of all tonnage on federal-aid projects in FFY 1995. The penalty increases in increments of 5 percent to 20 percent in FFY 1997. Failure to meet the requirement could result in an estimated loss to the state of \$16 million in highway construction apportionments in FFY 1995, increasing to \$29 million in FFY 1997.
4. Motorcycle Helmets -- States that did not have mandatory front seat belt and motorcycle helmet laws in place by October 1, 1993, were notified by FHWA that 1.5 percent of their highway construction funds would be transferred to their highway safety program. Kansas was notified that because the state's helmet law is not universal (i.e., only riders under age 18 are required to wear helmets), that approximately \$1.9 million will be transferred effective with the FFY 1995 apportionments. If the law is not in effect in FFY 1994, the transfer amount will increase to \$3.1 million in FFY 1996.
5. Statewide Transportation Plan -- KDOT is required to develop a 20-year plan in coordination with the metropolitan planning organizations, Indian tribal governments, and the general public. In developing this plan, the Department must consider 20 specific items listed in the ISTEA. KDOT has reassigned a position to work full-time on the plan. The development of the Statewide Transportation Plan will require a significant effort by staff at KDOT over a two to three-year period. The Department is also required to develop a five-year Statewide Transportation Improvement Program, which is to include all

state and local projects for which federal highway and transit dollars will be spent.

6. Recreational Trails -- Kansas is required to develop, establish and implement a program for funding recreational trails. The Governor has directed the Department of Wildlife and Parks to administer this program.
7. Safety Barriers -- KDOT is required to utilize innovative safety barriers on not less than 2.5 percent of the mileage of new or replacement permanent median barriers in each calendar year. The state must annually certify that it has complied with the requirement.
8. Registration of Motor Carriers -- Legislation was passed in the 1993 Legislative Session to bring Kansas into conformity with several federal requirements. Failure to participate would have cost \$3-4 million per year from motor carrier registrations. The program is being implemented by the KCC. Enforcement by the Kansas Highway Patrol is scheduled to begin March 1, 1994.
9. Outdoor Advertising on Scenic Byways -- ISTEA prohibits erection of new signs on designated scenic highways. If Kansas fails to prohibit such signs, 10 percent of certain appropriations would be withheld until effective controls are provided. Legislation will need to be developed to bring KDOT into compliance on this issue.

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**Federal Mandate Summary
By Agency**

| | FY 1993 | | | | FY 1994 | | | | FY 1995 | | | |
|--------------------------------------------------|-------------|----------------------|------------------|---------------|-------------|----------------------|------------------|---------------|-------------|----------------------|------------------|---------------|
| | SGF | Other State Funds | Federal Funds | Total | SGF | Other State Funds | Federal Funds | Total | SGF | Other State Funds | Federal Funds | Total |
| Function One | | | | | | | | | | | | |
| Human Rights Commission | 1,110,943 | | 461,226 | 1,572,169 | 1,379,119 | | 328,725 | 1,707,844 | 1,391,168 | | 541,316 | 1,932,484 |
| Judiciary | | | | | | | | | | | | |
| Child Support Enforcement | 655,861 | 1,273,141 | | 1,929,002 | 702,510 | 1,363,696 | | 2,066,206 | 725,659 | 1,408,633 | | 2,134,292 |
| Foster Care | 705,000 | | | 705,000 | 730,000 | | | 730,000 | 750,000 | | | 750,000 |
| Judiciary Subtotal | 2,471,804 | 1,273,141 | 461,226 | 4,206,171 | 2,811,629 | 1,363,696 | 328,725 | 4,504,050 | 2,866,827 | 1,408,633 | 541,316 | 4,816,776 |
| Department of Revenue | | | | | | | | | | | | |
| Commercial Drivers License Program | 599,000 | | | 599,000 | 582,000 | | | 582,000 | 588,000 | | | 588,000 |
| International Fuel Tax Agreement | | | 58,000 | 58,000 | | | 50,000 | 50,000 | | 90,000 | 40,000 | 130,000 |
| Anti-Theft Act of 1992 | | | | 0 | | 100,000 | | 100,000 | | 100,000 | | 100,000 |
| DOR Subtotal | 599,000 | 0 | 58,000 | 657,000 | 582,000 | 100,000 | 50,000 | 732,000 | 588,000 | 190,000 | 40,000 | 818,000 |
| Department of Commerce and Housing | | | | | | | | | | | | |
| CDBG Administrative Match Funding | 73,363 | | 545,604 | 618,967 | 82,979 | | 478,575 | 561,554 | 110,342 | | 507,164 | 617,506 |
| Function One Total | 3,144,167 | 1,273,141 | 1,064,830 | 5,482,138 | 3,476,608 | 1,463,696 | 857,300 | 5,797,604 | 3,565,169 | 1,598,633 | 1,088,480 | 6,252,282 |
| Function Two | | | | | | | | | | | | |
| Department of Social and Rehabilitation Services | | | | | | | | | | | | |
| Medicaid Regular Medical | 146,356,207 | | 172,130,177 | 318,486,384 | 167,315,795 | 0 | 214,967,281 | 382,283,076 | 179,720,434 | | 250,960,242 | 430,680,676 |
| Medicaid Nursing Homes | 89,639,626 | | 119,085,925 | 208,725,551 | 97,765,795 | 0 | 128,569,499 | 226,335,294 | 94,819,274 | | 135,543,857 | 230,363,131 |
| AFDC | 48,269,101 | | 68,602,344 | 116,871,445 | 51,972,412 | 0 | 72,872,588 | 124,845,000 | 53,959,557 | | 78,019,443 | 131,979,000 |
| Administration and Child Support Enforcement | 27,729,363 | | 36,626,572 | 64,355,935 | 29,883,423 | 0 | 44,536,747 | 74,420,170 | 31,526,172 | | 45,967,259 | 77,493,431 |
| Custody and Adoption Services | 6,169,157 | | 9,970,985 | 16,140,142 | 8,705,660 | 0 | 13,142,905 | 21,848,565 | 8,766,576 | | 13,081,989 | 21,848,565 |
| KanWork/JOBS Services | 10,731,755 | | 18,908,960 | 29,640,715 | 19,582,455 | 0 | 29,493,232 | 49,075,687 | 22,550,947 | | 33,987,551 | 56,538,498 |
| Vocational Rehabilitation | 3,461,519 | | 15,043,539 | 18,505,058 | 4,525,783 | 0 | 16,907,765 | 21,433,548 | 4,779,278 | | 16,864,883 | 21,644,161 |
| SRS Subtotal | 332,356,728 | 0 | 440,368,502 | 772,725,230 | 379,751,323 | 0 | 520,490,017 | 900,241,340 | 396,122,238 | 0 | 574,425,224 | 970,547,462 |
| State Hospitals | | | | | | | | | | | | |
| Larned State Hospital | 20,578,971 | 1,456,064 | 9,292,193 | 31,327,228 | 17,180,627 | 1,531,327 | 13,734,007 | 32,445,961 | 18,414,372 | 1,238,959 | 12,711,537 | 32,364,868 |
| Osawatomie State Hospital | 10,443,392 | 2,816,728 | 7,824,786 | 21,084,906 | 9,298,569 | 2,002,462 | 9,842,039 | 21,143,070 | 8,323,895 | 1,884,884 | 11,458,613 | 21,667,392 |
| Rainbow Mental Health Facility | 1,763,699 | 222,139 | 3,044,362 | 5,030,200 | 1,663,261 | 228,508 | 3,411,518 | 5,303,287 | 2,174,986 | 221,689 | 3,025,983 | 5,422,658 |
| Topeka State Hospital | 8,029,687 | 4,196,814 | 9,436,726 | 21,663,227 | 8,045,666 | 3,377,713 | 11,345,804 | 22,769,183 | 8,771,109 | 3,517,418 | 9,761,375 | 22,049,902 |
| Kansas Neurological Institute | 10,974,150 | 714,698 | 12,760,548 | 24,449,396 | 10,110,798 | 853,757 | 13,647,506 | 24,612,061 | 11,735,938 | 769,556 | 11,837,960 | 24,343,454 |
| Parsons State Hospital | 6,839,117 | 579,840 | 10,550,572 | 17,969,529 | 6,317,199 | 762,816 | 11,120,306 | 18,200,321 | 8,046,839 | 610,076 | 9,685,201 | 18,342,116 |
| Winfield State Hospital | 13,521,176 | 924,329 | 14,345,529 | 28,791,034 | 11,267,550 | 1,298,700 | 14,977,423 | 27,543,673 | 13,398,269 | 994,850 | 13,194,141 | 27,587,260 |
| State Hospital Subtotal | 72,150,192 | 10,910,612 | 67,254,716 | 150,315,520 | 63,883,670 | 10,055,283 | 78,078,603 | 152,017,556 | 70,865,408 | 9,237,432 | 71,674,810 | 151,777,650 |
| Department on Aging | | | | | | | | | | | | |
| Older Americans Act | 580,712 | | 8,246,035 | 8,826,747 | 622,261 | | 8,967,788 | 9,590,049 | 622,259 | | 8,693,367 | 9,315,626 |
| Senior Community Employment Programs | 8,114 | | 811,369 | 819,483 | 8,131 | | 813,113 | 821,244 | 8,133 | | 813,274 | 821,407 |
| Aging Subtotal | 588,826 | 0 | 9,057,404 | 9,646,230 | 630,392 | 0 | 9,780,901 | 10,411,293 | 630,392 | 0 | 9,506,641 | 10,137,033 |
| Department of Human Resources | | | | | | | | | | | | |
| Unemployment Insurance Program | | 188,063,850 | 108,655,850 | 296,719,700 | | 209,055,000 | 84,439,999 | 293,494,999 | | 209,055,000 | 18,302,049 | 227,357,049 |
| Job Service | | | 6,647,455 | 6,647,455 | | | 6,704,613 | 6,704,613 | | | 6,930,000 | 6,930,000 |
| Job Training Partnership Act | | | 15,758,475 | 15,758,475 | | | 21,926,491 | 21,926,491 | | | 16,403,544 | 16,403,544 |
| OSHA | 32,012 | 0 | 320,115 | 352,127 | 33,074 | 0 | 330,744 | 363,818 | 33,706 | | 337,063 | 370,769 |
| KDHR Subtotal | 32,012 | 188,063,850 | 131,381,895 | 319,477,757 | 33,074 | 209,055,000 | 113,401,847 | 322,489,921 | 33,706 | 209,055,000 | 41,972,656 | 251,061,362 |
| Department of Health and Environment | | | | | | | | | | | | |
| Medicare Inspections | | | 1,233,658 | 1,233,658 | | | 1,327,884 | 1,327,884 | | | 1,472,871 | 1,472,871 |
| Function Two Subtotal | 405,127,758 | 198,974,462 | 649,296,175 | 1,253,398,395 | 444,298,459 | 219,110,283 | 723,079,252 | 1,386,487,994 | 467,651,744 | 218,292,432 | 699,052,202 | 1,384,996,378 |

**Federal Mandate Summary
By Agency**

| | FY 1993 | | | | FY 1994 | | | | FY 1995 | | | |
|------------------------------------------|-------------|----------------------|------------------|---------------|-------------|----------------------|------------------|---------------|-------------|----------------------|------------------|---------------|
| | SGF | Other State Funds | Federal Funds | Total | SGF | Other State Funds | Federal Funds | Total | SGF | Other State Funds | Federal Funds | Total |
| Function Three | | | | | | | | | | | | |
| Department of Education | | | | | | | | | | | | |
| Special Education | 149,025,559 | | | 149,025,559 | 149,026,071 | | | 149,026,071 | 153,496,853 | | | 153,496,853 |
| School Bus Safety | 1,092,860 | | | 1,092,860 | 1,158,432 | | | 1,158,432 | 1,227,938 | | | 1,227,938 |
| KDOE Subtotal | 150,118,419 | 0 | 0 | 150,118,419 | 150,184,503 | 0 | 0 | 150,184,503 | 154,724,791 | 0 | 0 | 154,724,791 |
| Regents Institutions | | | | | | | | | | | | |
| Americans With Disabilities Act | | 367,500 | | 367,500 | | 735,000 | | 735,000 | | 867,000 | | 867,000 |
| Financial Aid | 459,092 | 507,785 | | 966,877 | 477,227 | 801,333 | | 1,278,560 | 477,227 | 1,092,684 | | 1,569,911 |
| Regents Total | 459,092 | 875,285 | 0 | 1,334,377 | 477,227 | 1,536,333 | 0 | 2,013,560 | 477,227 | 1,959,684 | 0 | 2,436,911 |
| Historical Society | | | | | | | | | | | | |
| Historic Preservation | 144,052 | | 145,238 | 289,290 | 149,231 | | 149,232 | 298,463 | 125,781 | | 168,092 | 293,873 |
| State Library | | | | | | | | | | | | |
| Library Services and Construction Act | 2,201,048 | | 914,616 | 3,115,664 | 2,195,048 | | 981,137 | 3,176,185 | 2,195,048 | | 891,137 | 3,086,185 |
| Function Three Subtotal | 152,922,611 | 875,285 | 1,059,854 | 154,857,750 | 153,006,009 | 1,536,333 | 1,130,369 | 155,672,711 | 157,522,847 | 1,959,684 | 1,059,229 | 160,541,760 |
| Function Four | | | | | | | | | | | | |
| Department of Corrections | | | | | | | | | | | | |
| Special Education | 383,920 | | | 383,920 | 506,025 | | | 506,025 | 506,025 | | | 506,025 |
| Federal Substance Abuse Funds | 117,448 | | 352,345 | 469,793 | 88,550 | | 265,649 | 354,199 | 70,387 | | 211,162 | 281,549 |
| Kansas Bureau of Investigation | | | | | | | | | | | | |
| Narcotics Strike Force | 197,567 | | 1,004,613 | 1,202,180 | 207,004 | | 966,911 | 1,173,915 | | | | 0 |
| Kansas Highway Patrol | | | | | | | | | | | | |
| Motor Carrier Safety Assistance Program | | 289,593 | 1,096,195 | 1,385,788 | | 302,446 | 1,359,135 | 1,661,581 | | 289,967 | 1,140,525 | 1,430,492 |
| Function Four Total | 698,935 | 289,593 | 2,453,153 | 3,441,681 | 801,579 | 302,446 | 2,591,695 | 3,695,720 | 576,412 | 289,967 | 1,351,687 | 2,218,066 |
| Function Five | | | | | | | | | | | | |
| Department of Health and Environment | | | | | | | | | | | | |
| Federal Clean Air Act Requirements | | 393,081 | 917,190 | 1,310,271 | | 1,117,244 | 922,800 | 2,040,044 | | 2,718,810 | 946,378 | 3,665,188 |
| EPA Water Supply | | 221,418 | 516,642 | 738,060 | | 300,432 | 701,009 | 1,001,441 | | 314,520 | 733,881 | 1,048,401 |
| EPA Hazardous Waste | | 231,624 | 694,871 | 926,495 | | 328,309 | 984,928 | 1,313,237 | | 342,490 | 1,027,470 | 1,369,960 |
| EPA Underground Injection Control | | 55,361 | 166,083 | 221,444 | | 67,510 | 202,531 | 270,041 | | 58,800 | 176,400 | 235,200 |
| EPA 106 Water Pollution Control | | 372,949 | 1,008,346 | 1,381,295 | | 383,814 | 1,037,722 | 1,421,536 | | 430,799 | 1,164,753 | 1,595,552 |
| Underground Storage Tank Regulation | | 41,984 | 125,952 | 167,936 | | 61,476 | 184,428 | 245,904 | | 61,056 | 183,168 | 244,224 |
| Surface Mining Control and Regulation | | 67,923 | 67,923 | 135,846 | | 111,274 | 111,274 | 222,548 | | 108,891 | 108,891 | 217,782 |
| Abandoned Mine Reclamation | | | 1,303,894 | 1,303,894 | | | 2,494,771 | 2,494,771 | | | 2,476,147 | 2,476,147 |
| Solid Waste Management | | 390,778 | 0 | 390,778 | | 4,562,010 | 0 | 4,562,010 | | 4,222,832 | 0 | 4,222,832 |
| KDHE Subtotal | 0 | 1,775,118 | 4,800,901 | 6,576,019 | 0 | 6,932,069 | 6,639,463 | 13,571,532 | 0 | 8,258,198 | 6,817,088 | 15,075,286 |
| Department of Wildlife and Parks | | | | | | | | | | | | |
| Wildlife Activities | | | | 0 | | | 200,000 | 200,000 | | | 200,000 | 200,000 |
| Federal Boating Funds | | | 236,723 | 236,723 | | | 233,500 | 233,500 | | | 233,500 | 233,500 |
| Sport Fish and Wildlife Restoration Acts | | 1,337,337 | 4,012,012 | 5,349,349 | | 1,500,000 | 4,500,000 | 6,000,000 | | 1,666,667 | 5,000,000 | 6,666,667 |
| National Wetlands Council | | 910,265 | 910,265 | 1,820,530 | | 1,000,000 | 1,000,000 | 2,000,000 | | 1,000,000 | 1,000,000 | 2,000,000 |
| DWP Subtotal | 0 | 2,247,602 | 5,159,000 | 7,406,602 | 0 | 2,500,000 | 5,933,500 | 8,433,500 | 0 | 2,666,667 | 6,433,500 | 9,100,167 |
| Function Five Total | 0 | 4,022,720 | 9,959,901 | 13,982,621 | 0 | 9,432,069 | 12,572,963 | 22,005,032 | 0 | 10,924,865 | 13,250,588 | 24,175,453 |
| Function Six | | | | | | | | | | | | |
| Department of Transportation | | | | | | | | | | | | |
| Comprehensive Highway Program | | 26,533,000 | 106,131,000 | 132,664,000 | | 29,033,000 | 116,131,000 | 145,164,000 | | 29,491,000 | 117,962,000 | 147,453,000 |
| Safety Construction | | 143,000 | 5,895,000 | 6,038,000 | | 157,000 | 6,450,000 | 6,607,000 | | 159,000 | 6,552,000 | 6,711,000 |
| Highway Planning and Research | | 967,000 | 3,868,000 | 4,835,000 | | 938,000 | 3,751,000 | 4,689,000 | | 1,020,000 | 4,078,000 | 5,098,000 |
| Demonstration Projects | | 1,077,000 | 4,307,000 | 5,384,000 | | 1,063,000 | 4,250,000 | 5,313,000 | | 1,063,000 | 4,250,000 | 5,313,000 |
| Function Six Total | 0 | 28,720,000 | 120,201,000 | 148,921,000 | 0 | 31,191,000 | 130,582,000 | 161,773,000 | 0 | 31,733,000 | 132,842,000 | 164,575,000 |
| Statewide Total | 561,893,471 | 234,155,201 | 784,034,913 | 1,580,083,585 | 601,582,655 | 263,035,827 | 870,813,579 | 1,735,432,061 | 629,316,172 | 264,798,581 | 848,644,186 | 1,742,758,939 |
| % of Total | 35.56% | 14.82% | 49.62% | 100.00% | 38.07% | 16.65% | 55.11% | 109.83% | 39.83% | 16.76% | 53.71% | 110.30% |

MAR 1994 *Attach. 4*

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Testimony of Judy Ancel
Director, The Institute for Labor Studies
A Joint Project of The University of Missouri-Kansas City
and Longview Community College

before The Senate Committee on Federal and State Affairs
Kansas Senate
on Senate Bill No. 283

February 24, 1993

Thank you for the opportunity to testify on behalf of the establishment of a labor education program at Kansas State University. I am the Director of The Institute for Labor Studies which is a labor education program jointly funded by The University of Missouri-Kansas City and Longview Community College. It is a unique collaboration between a state university and a community college in this field and not only spreads the responsibilities for funding to two institutions but also provides the opportunity to offer courses at different levels and use the resources and knowledge of two colleges. My program serves the Kansas City metropolitan area. Missouri has two other labor education programs: one at The University of Missouri-Columbia and one affiliated with University Extension in St. Louis.

The Institute for Labor Studies provides credit and non-credit classes aimed at union leaders, staff and members as well as the general public. We offer such staples as grievance handling and arbitration, collective bargaining, labor law, and labor history and are constantly creating new courses and programs to serve the needs of a changing workforce, and new challenges in the workplace and the economy. Labor education programs like ILS not only provide skills training, but also bring new ideas and perspectives to labor which are otherwise unavailable.

Most labor education programs were established after World War II by state legislatures at land grant universities. Their purpose was to fulfill the goals of U.S. labor law and policy to promote collective bargaining and bring peace and stability to labor-management relations. Through education and research, labor education programs have helped to professionalize labor relations and bring new solutions to the workplace.

Currently The University and College Labor Education Association lists 51 labor education programs in 29 states in the U.S. Each has an advisory board made up of constituents to advise them on workers' education needs. Programs vary from very large ones like Cornell University's with 35 professors and specialists in six locations to small ones like mine or the one just to the north in Omaha each of which has only one staff person.

All these programs still focus on skills training and the prevention of conflict. In the current context, however, that means increased attention

*Senate Fed + State
March 14, 1994
Attachment 4*

to the revolution occurring in the economy and workplace. Many are offering credit courses and training in new work systems, understanding the global economy and competition, labor-management cooperation programs and new technology. Many are also increasingly focusing on the public sector workplace.

Like so many other states, Kansas faces the challenges of global competition and maintenance of an industrial base, of outmoded labor-management styles, and of pressures on government to cut funding yet maintain efficiency. The research and education provided by a university-based labor education program could help workers, corporations and the state government meet such challenges.

In the area of labor-management cooperation, many unions and companies have a history of adversarial relations. Neither side trusts the other; both hide information and withhold cooperation. If they both sincerely want to change, they both need training: training in the reasons for to change as well as in the communications and problem solving skills necessary to make it happen. A university labor education program often is the only resource available to the union and to many companies to help them prepare.

Some labor education programs are deeply involved in the problems of corporate downsizing, plant closing and retraining. They provide classes on surviving layoff and job search skills as well as research and consultation on alternatives to a shutdown like employee buyouts. Others work closely with union apprenticeship programs bringing college education to apprentices in addition to their skills training.

Recently in many states, labor education programs have conducted conferences on the global economy with presentations aimed at demystifying economics so that workers can understand the enormity of the changes we face. In these and other programs, labor education brings the expertise, knowledge, and resources of the university to the community of workers and brings workers into the university. This interchange will become more and more significant if we are to meet the needs of our state's economy for well-trained, high-skilled workers.

Currently Kansans must go out-of-state to meet their educational needs. They are going to Missouri and even farther to Wisconsin and Washington, D.C. My program enrolls many students who are residents of Kansas, and/or who work in Kansas. They come from as far away as Wichita. I therefore have long recognized the need for the establishment of a labor education program in Kansas and look forward to the opportunity to cooperate with such a program to meet the needs of Kansas City area residents who live or work in Kansas. I therefore strongly urge you to establish a labor education program at Kansas State University.

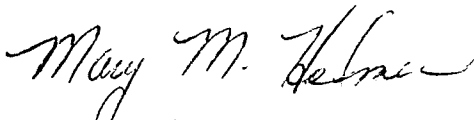


3/10/1994

My name is Mary M. Helmer and I am the Trainer for Kwik Shop stores in Kansas. I am here to testify in regards to Senate Bill #826. I wanted to provide you with the information we use to train all employees before they work a shift and sell alcohol at any of our locations. I feel it is not necessary to put into a law what our training program is already meeting. Please let take a few moments of your time to elaborate on the training program.

All employees receive their own copy of the Kansas State Regulations for Cereal Malt Beverages. (refer to handout #1) Each employee is trained regarding: Why should you refuse a sale and how to handle the sale of alcohol using the Techniques of Alcohol Management, ie, SIR, MAAM, and STOP. (refer to handouts #2 and 3) We also have a section in the employee handbook on the use of alcoholic beverages by the employee. (refer to handout #4) After we cover all this information the employee completes and signs an employee acknowledgement sheet, (refer to handout #5) that they have received thorough training in alcohol management. After 60 days, we have the employee complete an employee awareness acknowledgement that also includes the sign-off on alcohol which I have highlighted for you. (refer to handout #6) We want to make sure all employees understand and follow all regulations concerning the sale of alcohol.

Thank you for your time and attention,


Mary M. Helmer

Senate Fed + State
March 14, 1994
Attachment 5