

Robert Frederick Bennett

MESSAGE OF ROBERT F. BENNETT TO THE KANSAS LEGISLATURE PART I

January 17, 1977

Mr. Speaker, Mr. President, members of the 1977 Legislature

For the third time in as many years it is my privilege and constitutional duty to share with you a statement of the condition of our state together with recommendations for your positive action. As in previous years my message will be divided into two parts. The first is devoted to my legislative recommendations. The second will contain my budget recommendations for the operation of this state for the balance of the current fiscal year and for fiscal year and for fiscal year 1978.

I appear before you after the conclusion of our American Bicentennial year when much was said and done to both gently and forcefully remind us of our heritage and of the successes and failures and the sacrifices and the rewards which down through the years have occurred so that this nation might live. We were steeped in our yesterdays, as well we should be, for it is from the composite of those yesterdays that today is and tomorrow will be.

And so we must turn our eyes from the past and face the world and the problems of the future with the devotion and the rededication that was indeed the reason and the purpose for our celebration of the Bicentennial year.

The state which we are privileged to serve, our State of Kansas, has well survived the ravages and challenges of its years because those who have gone before us have been thrifty with its resources, industrious with its enterprises, responsive in its laws and compassionate in its behalf. It is of this mixture that our heritage was forged and it is with this mixture that our future must be planned.

With these imperishable ingredients of a sovereign state let us turn our attention to the actions of today and to the plans for tomorrow.

AGRICULTURE

No single activity is more important to the future of Kansas than agriculture. Though we are a state with a diverse and balanced economy, agriculture remains the backbone of that economy. Its successes are fully as important to those who live in our cities as to those who toil on our farms. It is important, therefore, that the government of this state continue to assist, and not impede, this most important activity.

In the last few years this state has clearly evidenced its concern for this segment of our economy in the laws that have been passed and in the appropriations that have been made:

1. We have continued and increased our general tax support for the operation of the State Board of Agriculture.
2. We have continued and expanded our funding of agricultural research to the highest level in this state's history.
3. We have broadened our state support for county-based extension programs and have improved the options available to local units of government to increase their support for such programs.
4. We have continued to expand facilities at Kansas State University facilities at Kansas State University devoted to education and research in the area of agriculture. These include a new clinical facility for the School of Veterinary Medicine, a new dairy research center, a new classroom facility and the preliminary plans for a new plant science building, not to mention the improvements that have been authorized at our various experiment stations.
5. We have continue a state-supported program for rural water development to enhance the quality of rural life.
6. We have strengthened our program of soil conservation and have now embarked on a new program of assistance in watershed construction.
7. We have provided new protections for the farmer in the areas of agricultural liming and soil amendments and conditioners and have continued to strengthen our other protective programs in such areas as weights and measures, seeds and grain inspection.
8. We have embarked upon a new program of pesticide use and application designed to allow the farmer the necessary use of these chemicals, yet to protect our environment from the hazards which were theretofore found to exist.
9. We have continued and expanded our program of weather modification and have granted expanded authority for its support at the local level.
10. We have embarked upon 3-R program of road improvement designed to address the needs of our rural highways so essential for farm to market travel and to the survival of our rural communities.
11. We have continued to promote Kansas agricultural products through the efforts of the Kansas Wheat Commission, the State Department of Agriculture, the Kansas State Fair and other programs and agencies. In April, 1976, it was my privilege to carry the message of the Kansas farmer to a world food conference in Madrid, Spain.
12. We have fought, and will continue to fight the intrusions of federal bureauracy into the operation of our farms and ranches whether it be in the placement of Kilroy castles in our wheat

fields or in the useless inspections and demurrage fees at our elevators, or in any other form designed to get votes in Washington by increasing farm costs in Kansas.

13. We have fought, and will continue to fight against a national farm policy which encourages a maximum of production but a minimum of market and which, on the one hand, uses embargoes on exports to drive down the price of our farmers' grains and yet, on the other hand, fails to impose reasonable import quotas which would allow our ranchers' beef to be more competitive.

In our efforts to aid the agricultural segment of our economy there still is much that can and must be done. No single act is more important, however, than the early, yet thoughtful, implementation of the constitutional amendment on use value appraisal. One of my first acts as the Governor of this state was to call for the adoption of a constitutional amendment which would allow reform in the area of evaluation of agricultural property. The Legislature responded to my request. Now the people, in recognition of the importance of agriculture and the need for equity in the evaluation of agricultural land, have given to you, their elected representatives, the tools which are so necessary to bring this reform about.

In the use of this tool and in the implementation of this policy the Legislature should remember that it was not developed nor adopted, nor should it be implemented, to grant advantage, but rather to address disadvantage and to provide equity in the valuation of property. For the most part, agricultural land is raw land capable of any alternative for development. As such, the speculative nature of that development has had a tendency to become a factor in the determination of sales value of that land regardless of how remote it may be from our urban centers and regardless of its potential for productivity as either a farm or a ranch.

With this acceleration in value, the burden of taxation bears little relationship to the actual use of the property or to the size of its probable profit or loss. Unlike other business property, agricultural land is frequently valued on what it might be used for and not what its use currently is nor what its earnings currently are.

If Kansas is to maintain its position as a leading agricultural state, if we are to discharge our duties as full partners in the business of feeding a hungry world and if we are to maintain the family farm which has been a bulwark of our state's economy then we must now join most of our sister states in implementing use value appraisal of agricultural land.

I urge this Legislature to give immediate and careful attention to the implementation of this constitutional amendment. In that implementation I recommend consideration be given to the following facts:

1. The words "agricultural land" should be carefully defined so that the amendment accomplishes its purposes, namely, to give equity to that which is truly an agricultural use of the land as opposed to giving benefit to those who hold the land for an acceleration in value under a pretense of crop or livestock production. Unless care is used in the development of a realistic definition, a constitutional amendment designed to grant equity may become a loophole of advantage for those least deserving of its protection.

2. The method for determining the income potential of agricultural land should be carefully constructed so that it may be objectively applied. Currently the Director of Property Valuation is granted the authority to make that determination in the case of state assessed property. The Legislature should consider whether similar authority should be placed in the Director, with appropriate guidelines, so that valuation may be uniform throughout the state and may be set on an annual basis reflective of current economic conditions.

3. In the development of guidelines for valuation, I recommend that the Legislature provide for an averaging of income over a period of years to avoid sudden fluctuations of values which might generate unforeseen and unfortunate burdens not in keeping with the tenor or purpose of the amendment.

4. Finally, I feel that this Legislature should consider a method of tax adjustment and recoupment in cases where truly agricultural land is sold for a higher use. Such a provision would minimize the ability of land speculators to take advantage of the law and yet would not penalize the operation of a truly agricultural use of the property.

I realize there are those who support the passage of this proposal in this session and I admire them for their fervor and for their enthusiasm in wanting to complete a task now long past due. You, and you alone, can determine whether such a task is possible in the short time available, particularly when so few of the specifics or their ramifications have been fully discussed. If it is possible to accomplish this goal, and yet address your other charges, I will be happy to work with you on such a time schedule. I believe it is important, however, that the implementing legislation be carefully and thoroughly written and all the effects be fully understood so that your support both in these halls and in your respective legislative districts may be knowledgeable. Administration of such legislation must be clear. Its fiscal effects in all areas must be considered. Good faith with this popular action of the people requires near perfect implementation as much or more than it does swift action for action's sake alone.

While studied implementation of use value appraisal should be a high priority for legislative attention there are a number of other areas where the interests of agriculture merit your affirmative support. Some will be discussed in other portions of this message relating to water, energy and health. Others related to the expenditure of monies will be discussed in the budget message.

I do wish to refer to several other areas, legislative in nature, where I feel that action is necessary.

As many of you know, the Congress of the United States passed a proposal for federal grain inspection, theoretically to address some of the grain scandals occurring at our port cities. Though efforts were made by our congressional delegation to write into the law some reasonableness and an acknowledgement that inspection programs of some states are far superior either to those now carried on or contemplated by the federal government, they were unsuccessful. Now the federal bureaucrats charged with the administration of this act are proposing not only to accelerate their regulations where not needed, but also to extract new fees for less service and more red tape. It is estimated that this additional cost for the State of Kansas

could be as much as one-half million dollars. Ultimately this cost would be passed on in marketing charges to the Kansas farmer at a time when he neither deserves such a burden nor is in the best position to assume it. The additional cost of these federal fees are the tip of the iceberg, for they go hand in hand with shipping delays and unknown demurrage costs.

Kansas has been blessed with an independent state grain inspection service which is known throughout the nation as excellent, effective and economical. The proposed federal intrusion will improve nothing other than the bureaucracy attendant to the marketing of Kansas grain. I urge this Legislature at the earliest possible date to adopt a resolution addressed to the President-Elect and to members of Congress demanding that they modify their law, reduce their bureaucracy and red tape and withdraw from the proposed imposition of needless new fees and expenses for federal grain inspection supervision.

Kansas does not fear the general supervision by federal authorities or our grain inspection program, but this general supervision should be a cost borne by the federal government in the protection of national and world consumers -- not by individual farmers in their domestic marketing places. It should be a program which provides general supervision and not bureaucratic control or procedures that mandate long delays in the shipment of marketed grain.

Currently the federal government is involved in a program providing for nationwide soil surveys. This federal program is of great value to the federal government and to the American farmer and it is also of particular value to the State of Kansas as we look toward the implementation of use value appraisal. The federal funding for this program has been minimal and should be accelerated. Considering the fact that federal funds have been used to support so many areas of less priority, and considering the importance of this study to the development of a national food and fiber policy, I urge this Legislature to immediately adopt a resolution requesting the President-Elect and the Congress of the United States to make additional funds available so that this survey program can be completed at the earliest possible date. I realize that an interim committee has recommended that the state provide financial support to accelerate completion of this federal program. It may well be that ultimately and because of our particular interest this may be the only viable option available. At the same time, however, I believe that first an effort should be made to encourage adequate federal funding for the federal government's own program, particularly in light of the waste that occurs in so many other areas of much less benefit either to this state or to our nation.

In my budget recommendations I am recommending the continuance of the State Meat Inspection Program. The interim legislative committee which studied this program has recommended that it be modified and that state financial support for meat and poultry inspections performed at meat processing plants operated under the provisions of the Talmadge-Aiken Act be terminated. I agree with that recommendation and urge this Legislature to enact appropriate legislation in accordance therewith.

CIVIL RIGHTS

Kansas for many years has been in the forefront of the civil rights movement. Historically, our state was born in that movement more than 100 years ago and has continued to play a significant

role through the years, with creation of the Civil Rights Commission and expansion of that activity into employment, public accommodations and housing. In the last two years we have continued to improve the authority and staffing of our Civil Rights Commission so that its goals may be more realistically accomplished.

Additionally, we have created a division in the Kansas Department of Economic Development for the promotion and advancement of minority business. The staff for this division has now been employed and the division is in the process of carrying out its mission.

As a part of the basic desire of this administration that minority participation in government be improved, I have carried out my own affirmative action program to seek out and appoint to the state's agencies, boards, commissions and courts more members of racial and national minority groups. Likewise, I have ordered a state affirmative action program for all of our agencies and departments in an effort to recruit members of minority groups, employ them and advance them in the service of state government. Though this program is far from complete, though its ultimate goals are not yet accomplished, I am pleased with the steps taken thus far. I am optimistic about what can be accomplished in the future.

The Civil Rights Commission has developed a program which merits your careful consideration in an effort to make its work more effective and more responsive to the goal to which we all ascribe -- equal opportunity in all areas of human endeavor.

In an effort to provide and assure these equal opportunities, however, costly problems may develop which unintentionally confuse and even obstruct the achievement of our goal. One of these areas has developed in the case of governmental contract compliance. Under the law as now written, all contracts, large and small, occasional or continuous, are subject to the requirements of certain assurances before they can be signed or paid. While the goal of such requirements is worthy, the requirements themselves often are unrealistic. They represent costly limitations on the ability of government to operate. And they also present unintentional roadblocks to major improvements in our equal opportunity efforts. The Civil Rights Commission has proposed the correction of this problem and I urge this Legislature to consider modification of our statutes so that the requirements of contract compliance can be effectively and inexpensively administered. The requirements should be limited to contracts for capital improvements, to contracts where substantial public funds are involved, and to ongoing contracts. This recommendation should not be implemented in a fashion that will allow avoidance of our goal of affirmative action.

COMMERCE AND INDUSTRY

In recent years Kansas has taken many progressive steps to improve the climate for commerce and industry. In fact, a highly respected national magazine recently surveyed state attitudes regarding friendliness and willingness to help new or expanding businesses and Kansas ranked at the top.

Even during this period of depressed farm prices our economy continues to improve and employment continues to grow. This is a clear indication that our economic base is sound and

that the climate provided by the partnership of business, labor and government is invigorating not only to those who invest and toil here now but also to those who may consider Kansas as a place for future investment and expansion. Our business and industrial environment has been blessed by compassion and conservatism of management which believes in the success and the future of the free enterprise system. Our labor force believes in giving a day's work for a day's pay and knows that neither is possible unless the free enterprise system survives and thrives. Our government has sought to limit its restrictions and to maximize its protections and its incentives to assure the economic growth of Kansas.

Out of this climate not only have we continued and encouraged the use of industrial revenue bonds, of freeport warehouses and of other advantages, but also we have embarked upon a program now being monitored which encourages the expansion of industrial capital improvements and the acceleration of employment opportunities.

The Kansas Department of Economic Development, now fully reorganized, is carrying out its mission of sustaining and improving the economic climate of our state. In the last three years 444 new businesses have located in Kansas and 242 have expanded their operations. Some \$614 million have been spent in capital improvements and some \$99.7 million have been allocated for increased Kansas payrolls providing more than 14,000 jobs. This business improvement, in conjunction with our agricultural endeavors, has given Kansas a stability which is the envy of our sister states.

A problem area continues to be the availability of housing, particularly in our rural communities where the need is great and where the lack of adequate housing is a deterrent to development. In the last year, a task force on housing has been organized and its report is nearly complete. I recommend that report for your examination and study.

As a part of the reorganization of the Kansas Department of Economic Development a housing division has been created and its staffing will soon be completed. This division will offer technical assistance to communities throughout the state and will assist communities in utilizing both private and governmental resources to address housing needs. The division will work with local governments and the private sector to improve housing opportunities for those Kansans without the necessary financial resources, leaving to the private sector the challenge of meeting the housing needs for those with adequate incomes.

Local units of government should be encouraged to support the formation of regional housing authorities, an action now authorized by law, in an effort to pool limited local resources in addressing their specific housing needs. The state housing division will be available to offer assistance in this regard.

One obstacle now confronting adequate housing development is the numerous, confusing housing codes in communities across the state. I have reservations about the wisdom of a state mandated building code, which might be but another invasion into the home rule of our communities. At the same time, the need for basic uniformity in an effort to improve housing is well established. This Legislature should give consideration to the development of a procedure to encourage this uniformity on a permissive rather than a mandated basis, including the providing

of services either in the Housing Division of the Kansas Department of Economic Development or in the Division of Architectural Services of the Department of Administration. Such an approach could encourage standards to conserve energy and to bring about cooperative enforcement among cities and counties, thus reducing the administrative costs of such a code.

An additional problem confronting industry in this state relates to the now limitless exposure to business loss as a result of increased liability due to allegedly defective products. The constant exposure of business and industry to this type of liability mandates, for most enterprises, the purchase of product liability insurance to insure continuous business operation. However, the number of court actions has drastically increased and the high cost of defense coupled with the potential high payment of damages has jeopardized the business economy. An interim committee has studied this problem in depth and has recommended enactment of legislation to ameliorate the hardships sustained under the current law without removing the right of an individual to be reasonably compensated for the injuries sustained as a result of the purchase of a defective product. I encourage this Legislature to give careful consideration to the recommendation of the interim committee and to enact legislation in this session addressing this problem.

For years this Legislature has toiled with the problem of evaluation and taxation of inventory held both by merchants and ranchers. Regardless of what system we have tried, the administration of that system has proven inadequate and in some instances has constituted unfair treatment for merchants or ranchers who attempt to comply with the laws that others may avoid. Total exemption of such personal property from taxation would seriously frustrate the ability of many local units of government to finance their operations and could in some instances constitute an unjustifiable shift of the property tax burden to taxpayers least capable of responding. Other states have addressed this problem by developing easily administrable alternatives to such a tax. Unfortunately, under Kansas law such an alternative is not constitutionally available. This Legislature should give serious consideration to whether the state Constitution should be further amended to allow business and livestock inventories to be separately classified and taxed.

CONFLICTS OF INTEREST AND ELECTION REFORM

In the past several years this Legislature has improved our conflict of interest and election laws. This legislation has been a positive step on the part of state government to recognize that the public has the right to know how candidates are financed and by whom, what sums are expended to influence governmental action and by whom, and what sources of income and assets are owned by public officials that might be considered in any way as in influence on their official actions.

Additional steps have been taken in the last two years to carry out the constitutional mandate to authorize recall of public officials, to improve the availability of absentee ballots and to authorize greater participation in our electoral process by authorizing registration by mail.

Each of these steps has been directed towards greater and more knowledgeable citizen involvement. Although these laws are new, and although their administration may be somewhat perplexing, in my view they have had a salutary effect on the general operation of government.

The requirements of the Campaign Finance Act have been valuable as a disclosure tool. Unfortunately, they apply only to state elections. City, county and school district elections are of equal importance and the methods of financing candidate campaigns at that level of government should be just as available to the voters for mayors, councilmen, commissioners and school board members as they are for governors, state senators and state representatives. I urge this Legislature to extend the requirements of the Campaign Finance Act to include these locally elected positions.

The Election Finance Act exempts candidates who do not raise or spend more than \$500 during any election campaign and political committees which do not raise or spend more than \$500 during any calendar year nor receive more than \$10 from any one contributor. Party committees such as the Republican or Democrat county central committees are not subject to this exemption. This exemption should apply to all. For this reason, I recommend that the exemption be revised so that candidates, political committees and party committees who do not raise or spend more than \$500 during any calendar year and who do not receive more than \$50 from any one contributor be allowed to seek exemption from the filing statute of the Campaign Finance Act law. Such candidates and committees should be required to maintain adequate and detailed records which may be checked to support the exemption claimed, but they should be relieved of the necessity of numerous filings now included in the act.

There are some who will argue that this constitutes a dilution of the law. I do not agree. The state and its people are legitimately concerned with large expenditures and with large contributions which might possibly influence official conduct. To require multiple and complex filings for campaigns of small monetary significance dilutes the attention which should be directed toward the more substantial contributions and the more heavily financed campaigns. Likewise, continuation of these current requirements on small party and political committees, normally operated totally on a volunteer basis, has the effect of dampening the enthusiasm and in some cases forcing from the political arena the man on the street who merely wants to be involved but becomes discouraged when he finds his small involvement tied with so much red tape.

The Ethics Commission has delivered to you a group of recommendations for statutory improvement of the Conflict of Interest Law and the Election Finance Law. For the most part, these are recommendations made to the 1976 session but not enacted. I encourage your consideration and implementation of these proposals as modified by the comments set forth above.

I call to your particular attention the Commission's proposals in the area of lobbyist reporting and regulation. This Legislature should improve both the method and content of reports now required to be filed. Additionally, provision should be made for a daily minimum fine for late filing of any report required by law. Late filing increases the work and the cost of operation of the Commission. The lack of a penalty constitutes an encouragement to procrastination and an avoidance of the disclosure provision of the act.

CRIMINAL ADMINISTRATION

In recent years much of the Legislature's time has been spent in addressing the problem of crime. The criminal code has been revised, the code of criminal procedure has been restructured, and a penal reform act has been enacted. We have provided for mandatory minimum sentences for the commission of a crime with the use of a gun. We have implemented the penal reform act by improving our current penal institutions, by expanding rehabilitation programs, and by embarking upon work release programs. We have developed standards for our jails throughout the state and offered specialized assistance and advice in the implementation of adequate jail standards, leaving to the local units of government decisions as to implementation.

Realizing that juvenile crime is an ever-increasing problem, we have revised our juvenile code, we have embarked upon a program of support for community based juvenile programs through our Division of Services to Children and Youth, and we have expanded the ability of the state's institutions to rehabilitate juvenile offenders.

These steps represent a beginning in addressing the problems of crime through prevention, punishment and rehabilitation. In this session of the Kansas Legislature there are additional actions that can be taken in an effort to reduce crime, protect society and rehabilitate those susceptible to self-improvement.

In the previous session of the Legislature I recommended that capital punishment be reimposed for certain heinous crimes where such punishment had the maximum potential as a deterrent. Although bills on this subject were passed by each house of the Legislature, the proposal was lost in controversy upon adjournment of the session. Since that time the Supreme Court has acted to provide guidelines for the imposition by states of capital punishment. The judicial standards which have been provided should simplify the questions involved in such a proposal. I urge this Legislature to reimpose the penalty of capital punishment for the crimes of premeditated murder, aggravated kidnapping, treason, air piracy and felony murder. The imposition of such a penalty should occur only after the accused has been tried and convicted by a jury and after, in a separate trial, one or more elements of aggravation have been found to exist and the jury has determined that the punishment is appropriate to the crime. Prior to the imposition of such a penalty there should be an immediate review and approval by the trial court and an immediate review and approval by the Supreme Court of the State of Kansas.

I realize that the question of whether or not the death penalty should be available as a tool for punishment is a matter on which honest minds of high morals integrity may differ. I believe, however, that the enactment of such a penalty can constitute a deterrent in some instances. If, as such, it saves one innocent life, then its existence will be justified. With the guidelines set by the U. S. Supreme Court the safeguards are sufficient to assure that capital punishment can only be used in the most extreme cases and where the crime committed well justifies the extreme action to be taken.

In previous sessions I encouraged this Legislature to provide mandatory presentence investigation in all felony cases. I again encourage the adoption of such legislation, believing that, in many instances, it may reduce the number of persons who are confined in our penal institutions by identifying those who may be adequately treated and rehabilitated in community operated programs.

An important part of the problem of punishment and rehabilitation is, of course, the availability of adequate local jails. An interim committee of this Legislature has indicated its support for the concept of permissive consolidation of jails by two or more counties which determine that tax savings and other advantages can result from such an approach. I support the recommendation of this committee and urge this Legislature to enact legislation to allow counties to join in the development and operation of regional detention facilities. I will encourage the Governor's Committee on Criminal Administration to make funds available to these counties to assist in their planning activities.

In my budget message I will discuss in greater detail programs for the improvement of our penal system, including recommendations on major capital improvements. The implementation of these recommendations will significantly improve the ability of Kansas to deal with the ever-increasing population in our penal institutions, two of which were built in the 19th century and one of which has entered its second 100 years of use.

The budget message will deal in greater detail with several specific programs in the area of juvenile detention and treatment and services to children and youth. Recommendations also will be made to increase the number of beds available for juveniles in our state institutions and to expand our financial encouragement for community programs designed to assist the rehabilitation of both delinquents and miscreants.

EDUCATION

Education continues to be a fundamental concern of state government. Its support and improvement are of high priority. Though dollars alone are not the sole mark of the state's concern for education, state aid to elementary and secondary education has grown by more than 550 per cent over the last 12 years. During this same period enrollments have dropped by 11 per cent and the pupil-teacher ratio, rather than increasing as was originally contemplated, has dropped from 18 to 1 to 14 to 1. At the same time, the number of nonclassroom certificated employees and their ratio to pupil has substantially accelerated.

During this period of increased funding and declining enrollments, growing concern has developed over the effectiveness of our education programs in such basic areas as reading, writing and arithmetic. There is a growing indication that in far too many instances our input in dollars has not been matched by enriched output in learning. One recent study, for example, showed a group of Kansas third graders scoring well above the national average. Yet by the time these youngsters finished junior high school their test scores had dropped significantly below the national average. The time has come for the state, the State Board of Education and local Boards of Education to re-evaluate the use and result of expanded funding for education. While taxpayers are willing to support funding of our educational endeavors, we are now at that trying time when funding and accountability are inextricably intertwined.

The School Finance Act is the basic support structure for elementary and secondary education. It contains a number of provisions which over the years has been subject to modification and review. Currently, that act is under constitutional attack in at least two court actions.

Additionally, the people of this state have approved the use of a new method for the evaluation of agricultural property. The implementation of this new procedure will have a material effect both on the current formula for school finance and on the state's commitment for funding its share. In light of these conditions I am recommending no modification in the provisions of that act at this time. I do recommend, however, that this Legislature give consideration to adjustments to that which may be necessary in the near future as a result of declining enrollments projected for the next several years.

In previous years I have pointed out the inadequacies of our state professional negotiations law. The vagueness of the items legitimately subject to negotiations and the absence of any procedure to resolve impasse limits the effectiveness of the law as a tool for resolving disputes and, in many instances, allows the procedures to produce more division and derision than decision.

Again I recommend that this Legislature enact legislation which will modify the professional negotiations act to clearly define the items which are subject to negotiation and to provide an impasse procedure by way of fact finding to verify and resolve disputes. In any such modification, locally elected boards of education should retain the final decision on the action to be taken. The alternatives to developing a fact-finding impasse procedure are strikes on the one hand or loss of control by a locally elected board on the other. Neither is acceptable. This situation mandates early implementation of this recommendation.

Child abuse is a serious and threatening human problem that is growing in both Kansas and other states. Statistics show nearly half of all reported child abuse cases occur among school age children. Teachers, of course, are most likely to be acquainted with the problem at this level, and they are required by law to report cases of child abuse. There is growing concern that some teachers could be threatened with loss of their jobs for reporting child abuse cases. Therefore, I recommend this Legislature consider legislation to assure that teachers who in good faith, in good conscience and without malice, report incidents of child abuse will not be subject to discipline or discharge for such action.

In my budget message I will comment further on the special education mandates, the community colleges, Washburn University, area vocational-technical schools and our Regents' institutions. The proposals relating to these activities are more directly related to appropriation authority than to new legislative enactment.

ENERGY

In the last two years, this administration has been painfully aware of the difficulties involved in assuring adequate supplies of energy for the Kansas consumer. In response, the State Energy Office was reorganized and funds were allocated to energy research. New incentives were granted to encourage certain types of exploration and development, along with encouragement through tax incentives for utilization of solar power.

My recent tours of the state convinced me that the availability and cost of energy supplies are of ever-increasing importance to Kansas. Few individuals would care to repeat the experience of the 1973-1974 OPEC oil embargo and the immediate energy crisis it caused in this country.

However, the message was quite clear. The fossil fuel resources that we have depended upon exclusively in past decades are, with the exception of coal, dwindling rapidly. Strict energy conservation and the development of reliable, alternative energy sources and technologies must be priority concerns of government, business, industry, agriculture and every citizen during the next decade. Although many aspects of governmental energy policy are beyond the control and responsibility of state government, we must play a contributing role in promoting the acceptance of energy conservation and in the development of realistic alternative energy sources.

While energy availability and cost are on the minds of most Kansans, perhaps the most critical short-range energy problem facing the state is the lack of consumer recognition of the seriousness and magnitude of our energy problems. Many energy consumers erroneously believe that these problems were contrived and have not continued to practice even basic necessary energy conservation measures. The natural gas supply shortage in Eastern Kansas this past week is a stark reminder of the critical nature of our energy situation and the need for continued conservation. This administration recognizes the immediacy and seriousness of this public awareness problem and places the highest priority on governmental efforts to inform Kansans of our energy condition on a regular basis.

A number of policy decisions have been made recently which will give new direction and support to the mission of the Kansas Energy Office. As a result, major improvements will be forthcoming in the form of expanded programs of energy conservation, public awareness of the energy problem, coordination of energy research and development within state agencies and institutions of higher education, and improvement of the quality and availability of basic information on energy in Kansas. Most notable among these improvements are efforts currently under way to develop a state energy conservation plan.

A major policy objective of this administration is to foster the development of a coordinated and comprehensive set of state energy policies dealing with the entire range of energy problems facing Kansas which are susceptible to state influence and direction. In support of this objective, I recommend for your consideration a number of energy-related actions and proposals:

1. A preliminary engineering study for the development of a coal-fired power plant at Kansas State University. A state-funded study in 1976 of the long-term energy supply problems recommended construction of this plant in the mid-1980s. Consequently, it is necessary that preliminary studies be initiated as early as FY 1978;
2. A detailed study of the feasibility of developing a solid waste-fired steam generation plant at the University of Kansas;
3. Two and one half million dollars in energy conservation projects at our state colleges and universities, including insulation, weatherstripping, boiler improvements and the testing of energy conservation devices at Emporia Kansas State College. These projects begin to implement the interim committee's recommendations for minimizing energy losses in buildings under the control of the Board of Regents.

4. Continued support for a series of energy-related research and development projects at the state universities. These projects include the testing of various agricultural energy conservation techniques and assessment of alternative energy sources, such as wind and solar power;
5. Funding the legal costs of the Kansas Corporation Commission for intervention in irrigation gas curtailment proceedings before the Federal Power Commission and lower courts in the interests of Kansas irrigators. A recent ruling during a gas curtailment proceeding resulted in a temporary priority two assignment -- immediately following residential and small business users -- for irrigation users of natural gas. The State should continue to intervene in these proceedings to protect the interests of Kansas irrigators.
6. Changes in the enabling legislation of the Kansas Energy Office to grant the director general, rather than limited, authority for the adoption of rules and regulations and to specify the powers at the Governor's disposal for implementing or enforcing fuel distribution priorities in the event of an energy emergency;
7. Clarification of the solar energy tax incentives to allow a \$1,000 tax credit over a five-year period for the cost of installing a solar energy system, accelerated amortization of the cost of a solar energy system over a 60-month period in the case of business properties, and the continuation of amortization benefits in the event of the sale of any business or trade property on which a solar energy system was installed;
8. Legislation which would establish irrigation as one of the preferred uses of intrastate natural gas, and legislation which would provide recourse in situations where an oil or gas lease was inhibiting rather than encouraging the extraction and development of oil or gas from subsurface zones.

EXECUTIVE REORGANIZATION AND GOVERNMENTAL OPERATION

The cost of the general administration of Kansas government represents a relatively small percentage of the total cost of that government and its programs. The need to be cost effective in those expenditures and to be efficient in our governmental operations, however, will continue to be a matter of high priority in this administration. During the past two years we have reorganized the Department of Transportation, the Department of Economic Development, and the Department of Human Resources. We have abolished a number of boards and commissions and merged other activities into larger departments where they can be better supervised and their expenses better controlled. The effects of these organizational efforts together with other administrative limitations on spending and hiring have improved governmental operations which were heretofore wasted in less productive areas of concern.

My administration is committed to continuing state governmental reorganization in the interest of economy and efficiency. I will submit to this Legislature an executive order which merges the Crippled Childrens' Commission with the Department of Health and Environment. The activities of the Commission are closely related to a number of activities carries on by the Department. Merging these two agencies can offer more effective benefits to those who so badly need the services and funds of the Commission. The merger creates opportunities for economy in

administration which can be translated into increased availability of funds for individual aid.

Earlier in the year I forwarded to the Legislative Coordinating Council a recommendation that consideration be given to sunset legislation which would provide for a mandatory opportunity for both executive and legislative review of all of the boards, agencies, commissions and departments of state government. An interim committee has introduced a proposal which would implement sunset legislation in Kansas. I urge this Legislature to consider this proposal as an additional tool for oversight. It would provide procedures to continually examine the need for a given governmental activity as well as the effectiveness of administration.

Too often, agencies are created to address a specific need, then are allowed to continue and to grow long after that need ceases to exist. Sunset legislation offers an opportunity to encourage incisive review and improvement of governmental activities.

HEALTH

It has been said that good health is a blessing. It also must be said that the availability of health care is an appropriate obligation of government, particularly when individual and private action fall or falter in the achievement of that goal. In the attempted discharge of that obligation we have in recent years expanded and improved the activities of our Department of Health and Environment, embarked upon a preventive program of health screening and dental care, enlarged the facilities of our Medical Center and its branch in Wichita, expanded our capabilities to provide training not only for more physicians but also for other health professionals and paraprofessionals, expanded our residency programs and in compliance with federal mandates enacted a Kansas Health Planning and Development Act.

A number of programs have been initiated by the University of Kansas Medical Center in recent years to improve the availability and quality of health care in the state. The state, through its Medical Center, increasingly is committed to assuring access to health care by all citizens of the state, whether they live in rural areas or urban centers.

In its efforts here are but a few of the examples of action taken to achieve this goal:

1. An Office of Student Development has been established at the Medical Center to work with high schools, colleges and universities throughout the state in attracting qualified students from medically underserved areas in the hope that they will return on completion of medical training to these areas help meet professional care shortages.
2. The medical perceptorship program which requires medical students to spend more time with practicing physicians has been strengthened. Such a program exposes students to the practice of medicine not just in urban areas but in rural areas of the state.
3. A locum tenens program has been established and makes advanced medical residents from the KU Medial Center available to communities in order to relieve practicing physicians who need time away for additional training or vacations. Communities in all areas of the state have been served by this program and requests already exceed the capacity of the Center to respond.

4. The KU Medical Center has established a goal of having at least 50 per cent of the Medical School graduates select residencies in primary care fields by next year. With additional residencies requested for FY 1978 the Center should be able to increase even further the number of residents taking their training in primary care.

5. The Medical Center has developed a program to accept requests from communities which want to help finance the education of medical students as an incentive to attract the students to their areas upon graduation. Such community-student financial relationships may help attract medical students to communities in need of physicians.

6. The Medical Center each year enrolls approximately one-half of the practicing physicians of the state in courses offered through its Division of Continuing Education, so that physicians in the smaller communities and rural areas of the state are provided with opportunities for professional growth and development. The Medical Center has also provided a toll-free telephone line so that physicians over the state may consult on medical problems with clinical specialists at the Center.

With these and other initiatives we have begun to address the problems of health care in our state. Unfortunately, the problem is far from solved. It continues to demand attention and dramatic action if we are to achieve our basic goals of preventing illness and accident where possible and of providing accessible and quality health care where needed.

Numerous state and local agencies are dedicated to the accomplishment of these goals and action taken by the state must be carefully coordinated on a number of fronts. I am recommending for your consideration a number of related steps which will move toward the achievement of our health goals, including expanded home health care to prevent wherever possible the necessity of institution care, the expansion and enrichment of existing programs for training and increasing the pool of health care professionals, particularly those in the primary care area, various actions to address the maldistribution of health care professionals and facilities within the state, as well as a recommendation that we carefully review our method of financing a medical education in Kansas so that incentives can be provided for Kansas-educated doctors to practice in our state, particularly in its underserved areas.

One of the primary missions of our Department of Health and Environment is to promote good health practices in and effort to prevent the necessity for institutional care and to avoid the high cost of remedial medical techniques when preventive measures have either failed or have not been applied. When one considers the accelerating cost of institutional and medical care, particularly for elderly Kansans, alternatives for providing good health care must be considered.

The home health care program is a cost-effective alternative which should be expanded. Programs of home health care are presently available in 43 Kansas counties, allowing elderly Kansans to remain in their own homes and stay active in family and community affairs. Where home health care programs exist, early hospital discharge is available for many patients, thus reducing their medical costs. Because the daily cost of home health care is one-tenth the cost of hospitalization and one-third the cost of care in skilled nursing homes, the provision of these services assists the state in avoiding substantial costs in the medical assistance program. As an

example, for every 200 persons who can avoid confinement in a nursing home through assistance in their own homes, the savings to the state is approximately \$1 million. My recommendation to this Legislature will allow for the expansion of this program into currently unserved areas.

At the same time I have directed the Secretary of the Department of Health and Environment and the Secretary of the Department of Social and Rehabilitation Services to commence a program of coordination between the home health care service and the homemaker chore care service so that the needs of their respective clients can be expeditiously and economically addressed. The goal of both these programs is to develop a statewide system of home health care and homemaker services which can reduce costs to the individual and to the state.

Additionally I am recommending the expansion of a number of educational programs designed to increase the number of health care professionals, including medical doctors, nurses, and allied health care personnel. The need to increase the supply of paraprofessionals must not be ignored. With the acute doctor shortage, the availability of early care and attention from paraprofessionals represents at least a partial answer to some of the less complex medical needs in smaller communities. I cannot argue with the assertion that all medical problems should be diagnosed and treated by a certified physician. But when the services of a certificated physician are not immediately available, the vast majority of those suffering from ill health or injury would prefer to be tended temporarily by a trained nurse, or a nurse clinician or paraprofessional than to receive no treatment at all. Until physicians can be made available to all areas of the state it is foolish to turn our backs on more immediate steps which can be taken to address medical needs.

Kansas is making every effort to increase the availability of physicians through the improvement of the staff and the facilities at the University of Kansas Medical Center. In the past five years we have increased the size of the beginning medical school class by 60 per cent -- from 125 to 200 students. While these new students will not enter practice for a few years, the steps already taken should assure a growing pool of medical doctors for the state in the future.

Evidence clearly indicates that primary care is the principal need of underserved rural communities. To this end a Department of Family Practice was created in our medical school and its programs and capabilities for training have been regularly increased. Additional increases will be recommended in my budget message in the expansion of our family practice and other primary care programs offered both at the Medical Center and at its branch in Wichita.

While the expansion of existing programs is an essential step in addressing the long-range health care needs of our state, there are additional initiatives which merit your consideration.

Members of this Legislature know that adequate health care delivery in Kansas is complicated by the size of our state and by the fact that one-half of our residents are widely disbursed over a large rural area. The distance of many rural Kansans from health care facilities and health care personnel is major obstacle to adequate treatment, both preventive and remedial. Likewise, the ration of physicians to population in Kansas is considerably below the national average. This problem is due in part to the fact that, historically, many Kansas-trained doctors have left the state to practice their profession. Even though Kansas trains 50 per cent more medical students per capita than the national average our physician-population ratio is hardly one-half of the

national average. Additionally, the health care professionals practicing within the state are seriously maldistributed. In some Kansas counties there is 1 physician for every 500 persons, while in others there is 1 physician for every 5,000 persons. In other counties there are no physicians at all. Unfortunately, many physicians who service our rural communities are nearing retirement. Thus, we can expect the ration of physicians to population to worsen in the next five years in these areas.

The character of our health care delivery system urgently demands our collective action to place more physicians in underserved areas as quickly and as effectively as possible. I am recommending to this Legislature the following acts:

1. Where a medical student serves his residency is considered one of the most important factors in determining where the student will eventually practice. While we have nearly doubled the number of residents outside of Kansas City and Wichita in the past two years, I proposed that we add 12 more residencies in the primary care fields. In addition, I propose that we enrich the stipend for residencies to make the positions more attractive and competitive with other states. Such a program should increase the likelihood of Kansas residents practicing in Kansas communities.
2. I urge continued support of the program planned by the University of Kansas to initiate a family practice residency in cooperation with community physicians in two Western Kansas communities. The program will acquaint the students with the advantages of practice in smaller Kansas communities and increase the likelihood of their remaining in those communities during their careers.
3. In an effort to assist in recruitment of doctors to rural areas, I am recommending that a special office be created and placed at the University of Kansas Medical Center. This office should work with the State Department of Health and Environment in locating a community-based recruiter in at least one of the Department's regional offices in Western Kansas. On-site location should gear recruitment to the needs of communities outside the major metropolitan area. While the obvious importance will be the recruitment of Kansas-educated physicians to serve in Kansas communities, the work of this office should not be limited to graduates of the University of Kansas Medical Center, but should include recruitment for health professionals on a national basis.
4. It has been suggested that medical students should be admitted to Medical School on a geographic basis, thus enhancing the probability that a student who comes from a rural area will return there to practice. While geographic residence should be considered, it would be most inappropriate to make this consideration an overriding basis for selection of persons capable to render medical service. I have urged those in charge of admissions to our medical school to consider some type of weighting which makes geographical balance an element in admission. Such action can best be accomplished administratively. It is falsely optimistic to assume a geographical weighting system would assure the return of rural students to their home communities. However, such a system would be a step toward the goal of providing rural health care and would encourage a greater responsiveness on the part of the Medical Center to all geographical areas of the state.

5. The problem of geographic inaccessibility of health care facilities and personnel is particularly crucial in emergency situations, because lack of communications and transportation directly endangers lives. State and local governments have begun planning a program for emergency medical services. In an effort to assist, I am recommending the state initiate a statewide communications network for emergency medical services by utilizing, where feasible, existing public safety networks. Such a communications program should tie together the various emergency services provided in communities throughout our state. I have directed the chief executives of agencies and departments potentially involved in such a network to develop a plan for its implementation along with realistic funding estimates and have reserved funding in the budget recommendation to be submitted to you for that purpose.

6. I would also recommend legislative consideration of a program of limited licensure of "out-of-phase" doctors - those who have completed medical school and are awaiting a residency slot. Such a program, which already is in effect in other midwest states could provide additional health care manpower for the state while allowing these doctors the opportunity for valuable work experience and acclimation to the practice of medicine in rural Kansas communities.

7. Finally, I have become convinced that all of the programs we currently offer to encourage physicians to locate in the underserved areas of Kansas have a cumulative salutary effect. However, the programs still fall short of guaranteeing that a high percentage of doctors educated at Kansas taxpayers' expense will remain in Kansas and, more important, be willing to serve in the underserved rural areas of our state. Unfortunately, but realistically, the doctor shortage is not confined to Kansas. Upon completion of medical education a doctor may quickly earn the dollars sufficient to repay loans and scholarships in order to be released from any specific requirement for practice within the state or for practice in any specific community.

Whenever a doctor has been educated in our medical school and then moves beyond our borders the taxpayers' investment in that individual is gone and with it the hope of help in addressing our health needs. Short then of chains and slavery or of government medicine, neither of which are effective solutions, this state must continue to enhance its opportunities to educate and retain physicians to address the needs of its people.

Colorado became concerned with a similar problem in the education and retention of dentists. To address that problem they embarked upon a new approach to the financing of dental education. The approach included two basic concepts. First, the student would be charged tuition roughly equal to the full cost of his professional education. Second, the student would have the option of paying these costs in full or asking the state to underwrite these costs in return for a written commitment that the student would practice in an underserved area of the state for a specific period of time. Under the plan, for each year the student practices in the underserved area, one year of the tuition cost would be written off the student's obligation to the state.

This approach has two major advantages. First, it attaches the real costs of medical education to the privilege of admission to medical school and to the medical profession, yet provides for a method for the payment of these costs which would make the education available to all who are qualified and who are willing to serve. Secondly, the approach should increase the pool of physicians available to practice in the underserved areas of this state.

Given the critical nature of our physician shortage and the substantial investment by the State and its taxpayers in our medical school, it is proper for the state to ask those who receive the special benefit of a coveted medical education to provide at least a few years of service to areas of our state where the need is greatest and where current medical service is either limited or lacking.

Admittedly, this is not a proposal to be adopted lightly nor without serious study of its overall concept, its administrative feasibility and its impact on the health care community. However, these are times when the health care needs of our people demand that we overlook no potential solution. I urge that you give this proposal careful consideration as we seek to improve access to health care for all Kansans.

JUDICIARY

In recent years Kansas has implemented general judicial reform and the development of a nonpartisan system for the selection of justices of the Supreme Court, and judges of the Court of Appeals and lower courts. Our state can take pride in the steps thus far taken to improve the administration of justice.

Though additional refinements are necessary, one of the long-range goals of this reform is gradual state assumption of total costs of our court system. Unfortunately, at this time, adequate funds are not available for that purpose, though some relief will be recommended in my budget message. There is need, however, for a restructuring of the personnel requirements and the salary commitments for nonjudicial personnel before any substantial assumption of these costs is recommended. The number and type of nonjudicial staff in each of the judicial districts vary substantially -- for the most part because of local circumstances and demand rather than any well coordinated plan. Likewise, salaries in the judicial districts vary materially and are based on local circumstances and local demands, regardless of the similarities of qualifications or job requirements.

Ultimate state assumption of the cost of our state judicial system is desirable. But to assume those costs without some standardization of personnel requirements, practices and salaries would be totally irresponsible, regardless of the merit such a plan might have in reducing property tax commitments required for judicial operation.

I urge an interim committee of this Legislature to give thorough and detailed study of staffing and salary practices in all areas of our state court system and to develop a standardized program for state support and state assumption of these judicial costs. This study must be complete before we can proceed further. Consideration should be given in the study to the appropriate salary levels for both judicial and nonjudicial personnel. This study should provide for a uniform staffing pattern and salary practice which the state could fund, leaving local disparities to local funding.

The law does not permit me to review or modify the budget submitted for the support of our courts. I must, however, comment on the general cost of the administration of justice in Kansas. Costs of attorneys' fees and other expenses in the program of aid to indigent persons accused of

crimes have soared. In past years these fees and expenses were individually reviewed and approved by the Legislature. The law providing for such an analysis was changed and the decision as to payment was vested in the court, which has developed guidelines as to the amount appropriate for the type of service rendered.

It appears to me there could be an expansion of the public defender program to more judicial districts, particularly to those in urban areas, with a resulting savings and improved service for those who must use the program. I urge this Legislature to review the accomplishments of the public defender program now in operation and to consider the mandatory expansion of the program into other judicial districts with heavy caseloads.

LOCAL GOVERNMENT

Many years ago the people of our state approved the concept of limited home rule for Kansas cities. Since that time much of the philosophy of that amendment has been embodied into law. Likewise, by statute, the Legislature has expanded the home rule concept to certain activities carried on by our counties. These concepts of home rule should be retained and improved to allow the maximum of local autonomy and flexibility commensurate with the basic and central interest of the State of Kansas.

In recent years we have addressed at least some of the financial concerns of cities and counties by providing local options for finance, by continuing various financial assistance programs, by the assumption of certain county costs and county services, by allowing all of the intangibles tax, to the extent collected, to be distributed to cities and counties, by offering a number of services without charge to assist those units of government in their daily operation, and by acting as a distribution agent for a number of federal programs and funds.

It has been estimated that, exclusive of the value of direct services, the state is distributing to all local units of government, including school districts, more than \$400 million per year. When the various assumption of costs programs and release of revenue programs are considered, even without placing a value on direct services which the state provides to local governments, the total aid program approaches one-half billion dollars. This local aid program has increased nearly 50 per cent since 1974 and, in total, is equal in amount to more than half of the general fund budget of our state. Clearly, both the percentage of increase and the total dollars devoted to this activity are indicative of the state's concern for grassroots government.

Not only have we continued an improved state aid program and shared tax program for local units, but, in addition, and in keeping with the concept of home rule, the state has developed several local options for municipal and county finance which are dependent upon the ability of these units of government to sell the need for additional revenue as well as the means whereby it may be provided.

One of these options is the local option sales tax. A total of three cities and four counties are utilizing this option in an effort to finance their local needs. Current estimates indicate that these cities and counties will collect more than \$20 million per year under this option to help finance their operation. This and other options dependent upon a vote of the people remain available for

the solution of local fiscal concerns.

Greater flexibility has been written into these local option provisions to remove some of the objections to implementation and administration. There is now the opportunity, for example, for two or more counties to join to impose a local option sales tax, thus avoiding some of the concern about competitive advantage and disadvantage.

Additionally, the Legislature has broadened the law relating to the investment of local idle funds in order to provide for greater flexibility and greater return on such investments. Kansas also has recognized the need for and has provided legislation for incentives to renew and rebuild our core cities. These and other actions clearly demonstrate the state's concern with its cities and counties, a concern that must be continued as we work to bring greater realism to the concept of home rule.

I know there are those of you who would like to expand our dollar aid to local units of government. I can appreciate the sincerity of your concern. At the same time I seriously question the availability of funds for that purpose as well as the wisdom of further enlargement on the philosophy that one tier of government should take responsibility for taxing and the other take the responsibility for spending. I continue to believe that spending is perceptibly more responsible when the government that spends is the government that must finance the spending by raising taxes.

While I do not support increasing our current commitments for direct aid to cities and counties, I do believe that aid now being distributed through a hodgepodge of formulas and from different funds and accounts could be more effectively and efficiently distributed by consolidation of funds and accounts and by development of a realistic formula reducing the number of aid plans in operation. To that end I recommend this Legislature give this matter in-depth and detailed consideration for the purpose of developing a simplified yet responsive formula for the distribution of state aid to cities and counties.

Additionally, I recommend that this Legislature continue to improve the method whereby cities and counties may enact local option sales taxes to address their individual needs so long as the right is present for the people to vote on such taxes if they so petition. This matter was studied by an interim committee. I am in general support of the committee recommendations regarding the local option sales tax. I do believe, however, that in the case of cities, the current exemption of farm implements should be continued. The cost of such equipment is substantial, and the use limited to nonmunicipal areas. The exemption is fully justified in my view.

One of your interim committees has recommended a local option income tax for municipalities. This recommendation is fully in keeping with the concept of home rule and with the linking of the obligation of funding to the opportunity for spending. At the same time a broad and far-reaching question should first be answered before such right is vested in our cities. For some years now income has been, in one form or another, an element of our distribution formula for aid to unified school districts. While it has been an element of the formula it never has been made available for local educational support to the extent considered in that formula. This shortcoming has been the subject of some discussion in debates on the formula and is currently a

basis for constitutional attack in cases now pending. Therefore, in my opinion, it would be premature to authorize cities and counties to levy a local option income tax at this time, since such authorization might materially limit the options available if additional adjustments prove necessary in the area of school finance.

If the income tax is to be utilized through a local option approach, it lends itself particularly to support of elementary and secondary education because of its ease of administration and because the revenues derived can be closely associated to the education of the children of taxpayers residing in a given district.

It seems obvious that multiple local option income taxes imposed by various districts on the same taxpayer would be untenable. Therefore, a determination of where the option should exist, if at all, should be delayed until the full fate of the school finance formula has been determined.

I do urge this Legislature to continue improving other options for local finance now available to cities and counties and to consider new options which could be provided without adversely affecting the basic interests of the state or its people, yet which would provide the tools for the financial support for programs deemed essential for these local units of government.

The property tax continues to be the principal source of support for cities and counties even with current state aid and with an ongoing program of federal revenue sharing. Through the years the imposition of this tax has been restricted in one form or another. Currently it is limited by a property tax lid which serves as a limit to taxes and also as an effective limit to spending even where that spending may be mandated by state or federal law.

This Legislature has realized that any limit must have exceptions, particularly where the opportunity for the exercise of discretion is near nonexistent, as in the case of federal or state mandated programs. The state can and should be of assistance in these areas by either avoiding mandates or by assuring they can be funded either at the state or local level. Likewise, though the state cannot control the ever-increasing federal mandates that carry with them increased expenses for local units of government, it can provide mechanisms for their funding.

I again urge this Legislature to enact legislation which will authorize cities and counties to provide the funding necessary to carry out these mandates if their current taxing authority is not sufficient for such purposes. To do less would fail to recognize the needs that exist at the grassroot levels of government.

Likewise, the current tax limitation law provides a number of restrictions on the ability of local units of government to gain voter approval for a needed increase in funding. The public's ability to participate in determining increased levels of spending is inherent to the home rule concept of government and to the necessity of selling new programs to the people. However, it is not contrary to either of those philosophies to broaden the opportunities for action, so long as the opportunity for citizen involvement is assured.

I encourage this Legislature to expand the various procedures available to cities to address their local revenue needs within the general philosophy of the Kansas law limiting local property

taxes. This would include, subject to realistic protest and popular vote, the opportunity to exempt certain areas of government from current tax limitations, the opportunity to obtain prior and ongoing approval for adjustments in keeping with the cost of living index and the opportunity to adjust the base amount of the current tax limitations. In the implementation of such a proposal the ability of the citizenry to be knowledgeable and effectively involved in any final decision should be clearly guaranteed.

In recent months a few Kansas cities have received national attention as the result of the default of certain municipal revenue bond issues. Unfortunate occurrences such as these have a materially adverse effect on the interest rate paid by local units of government on other bond issues which are sound in their particulars and meritorious in their purpose. Total state control of the issuance of industrial revenue bonds is neither needed nor desirable and could be unnecessarily costly. The Kansas Department of Economic Development in cooperation with a number of other interested individuals and associations has studied a simplified procedure for filing in advance of sale. As a result of this study proposed legislation has been developed to provide a minimum of regulation and bureaucracy and yet, at the same time, to assure advance disclosure and review. I urge this Legislature to give favorable attention to the proposal.

In recent months I have considered the various methods used to take our Kansas census and to project future population trends. During the process of this analysis I have learned that Kansas is the only state in the union to mandate an annual census and that the current method of census-taking costs local units of government an estimated \$4 million each year. With the federal census now instituted on a five-year basis, local units of government might be spared this burden. Obviously the change in the method of census taking in Kansas has broad ramifications in a number of state and local activities. I urge this Legislature to assign to an interim study committee the question of census taking with a view toward eliminating or reducing this mandated cost to local governments while maintaining accurate figures on our current population, both for the distribution of aid and for future state and local planning.

In my later budget message I will discuss several other programs of benefit to local units of government. Included will be recommendations for the allocation of funds to regional planning commissions, my support for additional fire safety inspections and arson investigations as a service to local units of government and my support for expansion of the Kansas Bureau of Investigation to provide specialized training units for crime prevention and detection.

PUBLIC TELEVISION

The last Legislature considered a recommendation of the Public Television Commission to provide public television services throughout the state. The goal was laudable, one which I supported when I assisted in passing the first legislative appropriations for public television. Unfortunately, however, the detailed plan developed by the Commission went far beyond the action necessary to implement a public television program for our state. It proposed committing funds far in excess of the state's capability. Additionally, the proposal created a separate and ongoing bureaucracy with provisions for perpetual state control. Though public television offers a cultural advantage now denied to the residents of many areas of the state, implementation of a program exceeding current and projected requirements and requiring funding beyond both

current and projected capabilities cannot be justified.

During the last nine months, my staff and others vitally interested in the development of an expanded program for public television have spent considerable time examining various options to provide the service with local participation and adequate state support. As a result of this study, I am recommending that Kansas support the expansion of public television into the areas of Southeast, Southeast and Northwest Kansas. These are areas which are currently unserved by existing public television facilities. Under the plan which I am proposing the providing of service to these areas will increase public television broadcasting coverage to nearly 400,000 Kansas residents not currently reached by existing stations. It will expand this service to almost 90 per cent of the residents of our state.

The plan builds on the strengths of existing institutions by providing them assistance to expand public television. Specifically, I am recommending the establishment of three new broadcasting stations in association with existing educational institutions in the three unserved regions of the state. These stations will utilize signals carried from existing stations in Topeka and Wichita. The plan will require both capital and operating grants to support the new stations, as well as a continuation of our present level of operational support to existing stations and capital grants to enhance their capability to handle an increased broadcast load.

Obviously, this approach is dependent upon the cooperation and coordination of local, state and federal efforts in the field of public television in a number of ways. First, by providing additional planning grants to interested educational institutions, the plan assures that local interest is mobilized and local support sought before additional state aid is offered toward the establishment of broadcast facilities and the attainment of licensure. Second, local educational institutions will receive the state support needed to match federal funds for the capital cost of public television. The state underwriting of the local share will enable these institutions to obtain funds adequate for the establishment of broadcasting facilities. Finally, the proposal does not create an elaborate, expensive, or a highly centralized state television system, nor does it require a grandiose state bureaucracy with an attendant group of technocrats on the state payroll. Rather it is a plan to build on the service capabilities of existing broadcast stations and existing educational institutions by enhancing independent local efforts to meet local needs.

In my judgment the proposal which I am submitting for the expansion of public television in Kansas is the most cost effective program that can be developed. It is designed to maximize the use of federal monies available to Kansas and to minimize the long-term commitments of the state to operating expenditures. For less than one-fifth of the expenditures proposed by the Commission study last year, this program will expand coverage to the three major unserved areas of the state. The details of the proposal will be included in the details of my budget message.

I urge this Legislature to enact the legislation necessary to accomplish this program and to vest in the Secretary of Administration authority to administer its provisions.

TAX REFORM

I am aware of the fact that many who were elected to serve as Senators and Representatives

announced during their campaigns that they would seek what is referred to as "tax reform" by supporting legislation to increase the personal exemption from \$600 per person to \$750 and to exempt prescription drugs from the state and local sales tax. Neither of the proposals is new. Both have been discussed in previous sessions of this Legislature. In fact, some years ago when I served in this legislative body I was a co-author of legislative proposals to accomplish these very reforms. Few can argue with the merits of such proposals. Thus, their implementation turns primarily upon the availability of dollars now and in the future to support the lost revenue should such modifications be made.

A recent analysis of the effects of these proposals upon the revenue of the state indicates that in the event the personal exemption is increased to \$750 per person the potential loss would be \$10.3 million per year. Likewise, in the event the sales tax is removed from prescription drugs the potential loss in revenue would be approximately \$3 million per year. Such a reduction in our revenue capabilities on an ongoing basis would be fiscally irresponsible. The budget message which will be submitted to you clearly illustrates that neither our current nor projected revenues nor our current nor projected balances are sufficient to support such a reduction in resources on any ongoing basis.

These reforms are fundable, however, and would be fiscally responsible if accompanied by one of two possible actions. The first would obviously be to reduce the recommended level of expenditures to an amount equal to the loss of revenue. Such action would produce hardship and, in my view, would represent the diminution of a most cautious and conservative program of spending designed to fit within our current and projected public purse.

The other alternative, and one which I would recommend, is not only to reform our tax structure by conforming to the current federal exemption, but also to conform to current federal tax laws in a sufficient number of other areas to offset such loss of revenue. For instance, while the federal government is more generous than the state in granting increased amounts for personal exemptions, it is more restrictive in allowing deductions for medical expense. The projected loss of revenue from increasing the personal exemption is roughly equal to the gain of revenue in conforming with the federal return in medical expense deductions. The implementation of such a reform would maintain current levels of revenue and would simplify the filing of many state income tax returns.

Additionally, there is a current loss of revenue of approximately \$3 million as a result of a statutory requirement which allows some taxpayers to compute their tax liability through the use of tax tables. These tables include tabulations for the standard deduction, the number of exemptions and the federal tax paid. The problem arising and the resulting loss of revenue which stems from the use of these tables is the direct result of the allowance of additional credit on the federal tax. The availability of these tables grants an advantage to those using them over those to whom they are not available. The repeal of legislation allowing the use of these tax tables would tend to equalize the loss of revenue from granting an exemption from the sales tax on the purchase of prescription drugs.

Additionally, the state faces a potential loss of revenue through a court decision which would eliminate sales tax liability on goods and services furnished in the erection of certain structures.

The potential loss of revenue, if this decision is affirmed on appeal, is nearly \$5 million per year. Legislation should be enacted to correct this situation and to continue the application of the sales tax to this activity.

The passage of a tax reform package as I have described would grant the reforms that are necessary without reducing present or future resources of the state. While admittedly it is politically palatable to support tax reduction, unless we can honestly say we have done that which needs to be done, unless the dollars are available in excess of our needs, or unless we can offset one revenue loss with another revenue gain, such a program is fiscally irresponsible. While tax reduction can be funded at the national level with borrowed money or with newly printed currency, no such option exists to the government of this state where we must serve our people within and not beyond the dollars which they currently provide.

TRANSPORTATION

Kansas' transportation system is one of our most valuable assets. We must continue our commitment to planning, building, maintaining and operating the system so that it efficiently serves all areas of the state. And we must do it so that maximum benefit is realized for every dollar spent.

In my message to the 1976 Legislature I recommended, and the Legislature approved, expanded highway financing in response to rising costs and growing needs. Additional funds were needed to assure that we could continue to fully match federal funds and to initiate a 3-R program of resurfacing, reconstruction and rehabilitation to meet critical needs on our highway system. At the same time I outlined an ambitious 18-month highway program -- from January 1, 1976, to July 1, 1977 -- which would be undertaken and accomplished with the additional funds. This program called for 225 projects and improvements to 491 miles of our highways.

I am pleased to report that this 18-month program has been aggressively and effectively carried out. As of December 31, with 67 per cent of the program time elapsed, the Department of Transportation had let to contract 87 per cent of the projects in the program. These projects will result in improvements to 488 miles, or 98 per cent of the programmed miles. The 3-R projects have resulted in improvements to 238 miles and have proven to be highly cost-effective. In total, during calendar year 1976, the Department of Transportation committed more than \$133 million to construction contracts. This is the largest single-year total in history.

Last month there was published, for the first time in many years, a comprehensive multi-year short - and long-range program of planned transportation improvements. It lists specific projects by year of scheduled letting and calls for expenditure of approximately \$1.3 billion over the next several years, most of it on highways. These projects were defined after a statewide system needs analysis with priorities according to greatest need within specific program funding constraints. This program places emphasis on making best use of our existing facilities to assure most cost-effective use of available funds. It calls for replacement of many of our sub-standard bridges, safety improvements to railroad crossings, and improvements to high-accident locations on our highway system.

While our present planned transportation programs are a much needed systematic approach to building and maintaining our statewide transportation system they will, in reality, address only about 25 per cent of the \$3.8 billion backlogged needs defined in the 1975 Wilbur Smith report, to say nothing of the needs projected to accrue from now to 1990. There are several factors which make it imperative that we begin now to plan ahead for the kind of statewide transportation system we need and can afford, along with effective means for financing it. Among the more important of these factors are:

1. Annual average vehicle miles traveled on our system are projected to continue increasing in the future. Yet, necessary emphasis on energy conservation will continue to result in more miles per gallon of fuel. Consequently, there will be less revenue from motor fuel taxes per vehicle mile traveled.
2. The average annual rate of growth in the number of vehicles registered in the state from now to the year 2000 is projected to be at a sharply lower rate than it was from 1950 to 1975, which will result in a slower rate of increase in revenues from motor vehicle registration fees.
3. Future rates of inflation are a great uncertainty. They have already resulted in a 100 per cent increase in construction and maintenance costs from 1968 to 1976. All indications are that further inflation can be expected in the future.
4. One of the greatest uncertainties is, of course, impacts of probable increasing shortages and higher costs of petroleum fuels. These undoubtedly will affect design standards of highways as well as utilization of other modes of transportation.

There is a special problem related to the future of the 1,234 mile Freeway System which is now financed by a combination of bonds and federal funds. The last annual \$40 million bond issue is scheduled to be sold in fiscal year 1979. All monies now available, and expected to be available, for this particular highway system are programmed for expenditure between now and 1984. The freeway bond program originally approved by the Legislature was intended to address only a part of total freeway construction needs. The Department of Transportation's forward programs show that the funds now provided will complete only about 25 per cent of the total system. It now is time to initiate an in-depth re-evaluation of this system in light of projected economic conditions and possible changes in design standards which may be feasible and desirable as a result of speed limitations. Such an evaluation must also consider alternative means of financing after all authorized bonds are sold.

The problems outlined here are not unique to Kansas. Similar problems confront every state.

Feasible medium-range and long-range solutions to these transportation problems will require sound, objective study and consideration of a multitude of relevant factors. We must not wait until a crisis is upon us to begin to search out and define solutions. To this end, I propose this year to appoint a special committee to study these problems and make recommendations to me and to the Legislature. The committee will have broad geographical representation. Its membership will include local officials, businessmen, representatives of planning agencies, members of the Legislature, and others whose input will be valuable. The committee will be

charged in the following areas:

1. To make recommendations, in light of economic and energy factors, for future development of a balanced and diversified statewide transportation system, including the approximately 124,000 miles not included in the 10,000 mile state highway system and with particular attention to the freeway system.
2. To make recommendations as to how best to accomplish effective planning and coordination of joint efforts of state and local transportation agencies, including recommendations as to functional classifications which will establish jurisdictional assignment of the state's highway and street system to the several levels of government.
3. To specifically identify methods of financing future transportation system development, maintenance and operations, including distribution of funds to state and local government agencies in accordance with established needs.

The desired result of this committee's efforts should be the major elements of a plan and guidelines for effective planning and development of a balanced and diversified statewide transportation system adequate to meet present and future needs of the people of Kansas. Adequate staff and resources of the Kansas Department of Transportation will be made available to assist the committee in its efforts.

It is my conviction that this self-study is of vital importance to the future of transportation in this state. The magnitude is great. I therefore anticipate that it will require 12 to 18 months to assure adequate study and consideration.

Highway transportation is but one of the means of travel available for the convenience of our citizens and for the enrichment of our economy. Adequate airport facilities are also a matter of great need and great concern. The Division of Aviation of the Kansas Department of Transportation has now completed a detailed and comprehensive airport systems plan providing guidance to state and local officials in planning for airport development in our state. As this plan was being completed an interim committee of this Legislature was giving additional study to a recommendation which I submitted to this Legislature last year which would provide funds to assist in the planning and development of airport facilities in various areas of the state. I have reviewed the recommendations of the interim committee which supports the closing of a loophole in the collection of the gallonage tax on aviation fuel and provides that the funds derived therefrom be diverted to assist local units in their airport planning activities.

The greatness of this state is deeply rooted in the mobility of people and goods. The economy, the quality of life, and opportunities for personal fulfillment of our people are all largely dependent upon an adequate transportation system. The experience of the energy crisis has dramatically illustrated the impact that shortages of petroleum fuels may have on the state and also on transportation system financing, development and operation. It is essential that we do not delay consideration of alternative courses of action to ensure the future of our transportation system.

WATER

No natural resource is more basic than water to the continued survival and prosperity of mankind. Consequently, its quality and continued availability in sufficient quantities to meet the smallest domestic need and the largest industrial or agricultural demand must be the concern of state government. As Kansans we are intimately aware of both the creative and destructive powers of the state's water resources. We know that the irregularity in the state's topography and climate produces wide variations in the availability and quality of the state's surface and groundwater resources. Within any given year we may experience the ravages of both flooding and drought. However, certain aspects of our water resource problems have a degree of predictability about them. Most notable is the rapid depletion of our valuable groundwater resource now taking place in the South-central and Western areas of the state.

The efforts of state government on behalf of Kansas' highly valued water resources have been numerous. Particularly since the passage of the Water Appropriation Act of 1945, the state has invested heavily in the development, management and conservation of water resources. At this time there are 13 reservoirs in the state water marketing plan with a total water supply storage space of 1,012,900 acre-feet and a maximum yield capability of about 354,000,000 gallons per day during prolonged periods of drought. Since the early part of this century the state has been instrumental in encouraging local participation in developing and implementing solutions to the state's numerous water-related problems through the creation of special-purpose water resource districts at the local level. The most recent example of this approach to water resources problem-solving was the passage of innovative legislation authorizing the creation of groundwater management districts in areas of the state with declining groundwater tables and the local desire and commitment to manage the remaining groundwater resource. At this time, there are six major types of special districts authorized by law. Approximately 450 different local units have been organized in the state under their provisions.

The state's commitment to the development, management and conservation of Kansas' water resources has been apparent in the creation of numerous state agencies and institutions. The major state water resource agencies -- the Kansas Water Resources Board, the Division of Water Resources of the State Board of Agriculture, the State Conservation Commission, the Kansas Geological Survey, and the Division of Environment of the Kansas Department of Health and Environment -- have developed and successfully secured funding for an array of programs concerning the quantity and quality of the state's water resources, including a significant number that provide technical and/or financial assistance to municipal and special district governments in wastewater planning and treatment, floodplain planning, watershed district formation, watershed planning, watershed construction, groundwater management district formation, as well as other activities.

Yet, despite the significance of the state commitment to address and eventually resolve water resource problems, critical water supply and quality problems still are facing the state. During my listening tours throughout the state and during the annual budget hearings I became convinced that the proliferation of these agencies and programs has actually inhibited rather than encouraged the development of a coordinated state water resources program of planning, development, conservation and technical assistance.

The recommendations which follow are aimed at obtaining the greatest benefits from the amount of state resources which can be committed to the effective and efficient management of Kansas' valuable water resources. I request your consideration and support for this program:

1. The number and complexity of water resource problems in Kansas require effective coordination of existing and proposed state water resource programs. The need for such coordination has been apparent in other areas of programmatic concern to state government as well. To promote the effective coordination of state water resource agencies and programs, I propose to establish by executive order later in this session a Water Resources Policy Committee composed of state agencies that are charged with water resource planning, development, management and conservation responsibilities. The major functions and responsibilities of the Water Resources Policy Committee will include the following:

- a. Ongoing coordination of state water resources policies and programs:
 - b. Recommendations to the Governor and the Legislature concerning changes in existing state water resource policies and programs;
 - c. Evaluation of the data and information handling needs of state water resource agencies:
 - d. Effective and efficient implementation of any necessary interagency water resources management and /or data-sharing agreements;
 - e. Prioritization of state water resource programs, particularly programs of technical and financial assistance to special district governments;
 - f. Coordination of the budget requests of state water resource agencies;
 - g. Establishment of state water resource research priorities; and
 - h. The identification, assessment and prioritization of any new water resource problems or needs deserving the attention of state government.
2. Continuation of state programs of technical and financial assistance for conservation districts, watershed planning, watershed construction and rural water districts;
3. An increased staff in the Division of Water Resources of the State Board of Agriculture to eliminate the backlog of requests for water appropriation rights;
4. Initial state financial support for the computerization of the records of the Division of Water Resources, together with the funding of a study in cooperation with the U. S. Geological Survey, to determine the effects of groundwater development on surface water rights in the Arkansas River Valley from the Colorado-Kansas state line to Garden City;

5. Funding the legal costs of the Kansas Corporation Commission in monitoring and intervening in irrigation gas curtailment proceedings before the Federal Power Commission and lower courts which may adversely affect the interests of our state. A recent ruling during such a proceeding resulted in a higher priority assignment for irrigation uses of natural gas. The state should continue to monitor and intervene in these proceedings in order to protect the interests of Kansas' irrigators; and

6. The enactment of legislation authorizing the Chief Engineer of the Division of Water Resources, State Board of Agriculture, to grant temporary permits to appropriate water for up to six months; making it a Class C misdemeanor to appropriate, or threaten to appropriate, any water (with the exception of domestic, small dam and salt water uses) without first making application for and receiving a permit to appropriate water from the Chief Engineer of the Division of Water Resources, State Board of Agriculture; and increasing the current one-acre limit of domestic uses of water for gardens, orchards and lawns to two acres in light of changing domestic land use practices and needs.

The action which I propose to take as the chief executive of the state as well as the steps which I am recommending for your legislative consideration fall short of a solution to the water problems of our state. They do, however, represent a studied commencement of action which should lead to the solution of this problem through the enactment and implementation of additional legislation which may ultimately mandate conservation by further regulating the availability and usage of water for all purposes. Such restrictive involvement on the part of government, however, should occur only after all alternatives have been explored and then only after a thoughtfully detailed procedure has been developed to assure the availability of water on a planned basis and to protect the rights of those involved to reasonably use the water to which they are lawfully entitled. The key to the continued availability of a reasonable supply of water must be found through the coordinated efforts of our state departments and agencies in partnership with local units of government and the water consumers of the state. Your early attention to these recommendations and your continued and active involvement in the development of a realistic solution is sincerely solicited.

As we go about our efforts toward coordination and development and solution we will continue to enrich our research capabilities in this area and participate with our sister states in the examination and development of proposals to improve both the conservation and the availability of water as well as the alternatives for land use if the supply of water continues to diminish beyond any possibilities of planned recoument.

CONCLUSION

In this legislative message I have attempted to accurately portray the state of the state and to profile specific problem areas which materially effect the quality of life in Kansas and thereby justify your personal concern and your legislative attention. The problems enumerated and the solutions suggested are by no means exclusive but rather indications of my concern which have come through two years of service as governor, through listening to recommendations in my travels throughout the state, and through the study of the hundreds of research documents and proposals which have crossed my desk in recent months.

The composite of this flow of information with its detailed statistics and divergent points of view indicates that our state is sound in its philosophy, solvent in its economy, compassionate in its concern for people and responsive in its government. More important, however, Kansas is forward thinking in its approach to the quality of life and living and to the government's limited involvement in providing assurances and guarantees for both.

I realize there are Kansans who would do more, just as there are Kansans who would do less, and it is between these two extremes that a program for progress and a plan for posterity must be realistically and responsibly developed. It is my task, as the chief executive of this state, to suggest what those programs and plans might be. It is your task, as the elected representatives of you separate Kansas constituencies and as the final policymakers of this state to first deliberate on and then to ultimately decide on the path which we will follow in addressing the problems of our state and in planning for the Kansas of tomorrow.

Many of the goals which we have for the future of our state and its people are not susceptible of immediate attainment but if we do not plan for their accomplishment and aspire to their achievement we will become immobile relics in a moving and modern time and those who are to follow us and are to be the beneficiaries of our service may innocently become the victims of our neglect.

With some envy which stems from the nostalgia of recollection of my prior service in these legislative halls, I wish you well in your deliberations and may God grant to you and to me the wisdom to know what needs to be done and the courage to see that we do it.

Transcribed from: Governor's Legislative Message: Delivered by Governor Robert F. Bennett to the Kansas Legislature, 1977.

[S.l. : s.n.], 1977.

Transcription by Rita Troxel.

Editing and html work by Victoria A. Wolf,

State Library of Kansas, November, 2005