

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Ty Masterson at 10:30 am on Monday, February 15, 2016, 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of Revisor of Statutes
Scott Abbott, Office of Revisor of Statutes
David Wiese, Office of the Revisor
J. G. Scott, Legislative Research Department
Shirley Morrow, Legislative Research Department
Dezeree Hodish, Legislative Research Department
Bobbi Mariani, Legislative Research Department
Dylan Dear, Legislative Research Department
Mark Dapp, Legislative Research Department
Debbie Luper, Chief of Staff
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Sarah Shipman, Acting Secretary, Department of Administration

Others in attendance:

[See Attached List](#)

Point of Personal Privilege

After the Chairperson called the meeting to order, he asked Senator Tyson to introduce a group of young 4-H people from Clay, Cloud and Washington Counties, who were visiting the Capitol and were guests in the Senate Ways and Committee meeting.

Bill introductions

There were no bill introductions.

Confirmation hearings on:

Sarah Shipman, who was nominated by the Governor to be Secretary of the Kansas Department of Administration, introduced her husband, Scott, and their son Jeremiah and daughter Eleanor. She presented a bio of her past accomplishments, including being promoted to Chief Counsel in 2013 and assuming the additional role of Deputy Secretary of Administration in 2014. She was nominated for this position by Governor Brownback, and if confirmed, her tenure will be at the Pleasure of the Governor ([Attachment 1](#)).

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Senator Kelly asked Ms. Shipman to explain in more detail how she helped restructure Human Resources for workers employed by the State. She stated that through legislation last year, it is now possible to hire more unclassified employees for State service. She said, in January, 2011 there were approximately 23,000 employees and of those 18,000 were classified, and by restructuring, at the end of 2015 there are approximately 20,000 employees and of those 12,000 are classified.

Senator Francisco asked Ms. Shipman why she chose to focus on no-cost benefits. Ms. Shipman said the pay for State employees is set by the legislature, so she said she is focusing on benefits that have no cost, such as improving their work experience, for example giving the option of flex time.

Senator Kerschen asked Ms. Shipman how she thinks her agency can be competitive when we have the highest lease rates in the area. Ms. Shipman replied that in actuality, the negotiated rates are much lower, because the actual rate charge to the agencies includes other costs, for example, debt service and the cost of the renovations of the building. She also stated that the agencies are all charged the same amount of rent.

Senator O'Donnell said he wants to know what rates we are paying for the vacant lots in the City of Topeka, which he said according to his sources, seems to be extraordinarily high. He asked Ms. Shipman to provide the committee with the base rate that was negotiated for the cost per square foot and the leasing company that was retained to relocate the agencies from the Docking building. He said he was requesting lease rate information particularly for the former Dillon's store on South Topeka Boulevard. He further asked for information concerning who was involved in negotiating the lease rates for the State. Ms. Shipman said the Office of Facilities and Property Management sent out bids all across the City for all the leases which at the same time included a request for a bid for space for the Department of Revenue and Department for Children and Families. She said there were multiple bids encompassing the City and they all together negotiated the lease rates.

Senator O'Donnell said he hoped this information comes faster than the information from the University of Kansas which he said he requested at a Senate Ways and Means meeting a week before. Ms Shipman said she would furnish him with the information later that day.

Senator Kelly said over the past few weeks there has been serious discussion concerning the power plant. She told Ms. Shipman that in at least one or two meetings she has said that she was unaware that in an October meeting, the joint building committee asked for additional information concerning the lease rates. Ms. Shipman said that the information was not conveyed to her and the minutes of the joint building committee did not reflect the request for additional information. She said she felt the breakdown in communication went beyond the Department of Administration. Senator Kelly then asked Ms. Shipman if she understood there is a lack of trust between the legislature and the Department of Administration and asked her how she planned on restoring the trust. Ms. Shipman said she hoped to restore the legislature's trust by stopping further action on the power plant and by involving the legislature in all negotiations concerning the plant from this date forward. She said she made a

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commitment to the Chairperson of the building committee to personally attend the meetings to insure there will not be a breakdown in communication in the future.

Senator Denning asked Ms. Shipman what her overall position was toward oversight and involvement of the legislature concerning the power plant, and if she was willing to allow modifications to the existing plan. She said since she discovered the problem, she does not resent requests that were made, and has begun working with the building committee and legislature for other options. She said at this time, she has not presented a request or plan to the Governor.

Senator Melcher said he was following up on Senator O'Donnell's question regarding the lease rates. He wanted to know if copies of the actual leases would be sent. She said she would send any information the committee requests. Senator Melcher said he would like actual copies of any recently negotiated leases because he is interested in the lease terms, their length, and of any special terms negotiated.

Written testimony in support of Ms. Shipman's confirmation was distributed from Jim Clark, Past Secretary, Kansas Department of Administration. ([Attachment 2](#)).

After all of the questions were answered by Ms. Shipman, Chairperson Masterson asked for a motion.

Senator Denning made a motion to move the confirmation of Sarah Shipman for Secretary of the Kansas Department of Administration to the full Senate. Senator Powell seconded the motion and the motion carried on a voice vote.

Senator Kelly requested to have in writing in the permanent record of the Senate Ways and Means minutes that she opposed the confirmation of Sarah Shipman for Secretary, Department of Administration.

Final action on: SB423 — Redesignating Kansas state university - Salina, college of technology as Kansas state polytechnic.

Chairperson Masterson reported to the committee that **SB423** applied only to a name change for the Kansas State University - Salina, to a new name of Kansas State Polytechnic. He said Senator Arpke asked that the committee take final action on this non-controversial bill even though no hearing was held. He said Senator Arpke reported that the new name is being used at this time and the State's records now need to reflect the change. No committee member objected to taking final action on **SB423**, so the Chairperson asked that a motion be submitted from the committee.

Senator Arpke made a motion that **SB423** be passed and placed on the consent calendar. Senator Kelly seconded the motion and the motion carried on a voice vote.

The next Ways and Means Committee meeting is scheduled for Tuesday, February 16, 2016, at 10:30

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Chairperson Masterson adjourned the meeting at 10:55 a.m.

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