

Approved _____

Date

3-27-1984
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MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE

The meeting was called to order by Marvin Littlejohn at _____
Chairperson

1:30 ~~A.M.~~/p.m. on March 19, 1984 in room 423-S of the Capitol.

All members were present except:

Representative Kenneth King, excused

Committee staff present:

Bill Wolff, Research
Emalene Correll, Research
Norm Furse, Revisor
Sue Hill, Secy. to Committee

Conferees appearing before the committee:

Representative Kathryn Sughrue
Barbara Sabol, Secretary Department of Health and Environment
Lynelle King, Kansas Nurses Association
Dick Hummel, Kansas Health Care Association, Inc.
Aileen Whitfill, Kansas Department of SRS
Gary Petz, Kansas Department on Aging
Debra Brummer, Randolph Sheppard Vendors of Kansas, Inc.
Mike Rusk, President of Randolph Sheppard Vendors of Ks. Inc.
Michael Byington, Kansas Association for the Blind and Visually Impaired.

Visitor's Register, (Attachment No. 1.)

Chair called meeting to order and asked committee's consideration on Minutes of meetings for March 12, March 13, March 14, March 15th. Rep. Walker moved to approve these minutes, seconded by Rep. Harder, and motion carried.

Chair recognized Rep. Sughrue as she had to appear at another meeting as well as this one.

Hearings began on HR 6126:-

Representative Kathryn Sughrue spoke to HR 6126, in that it is a request for the Secy. of H. & E. to develop a statewide policy in regard to the presence of pets in Adult Care Homes in the state. She spoke to the value of pet therapy in older citizens, and many times this is the way that barriers are broken for adults who have not talked or responded to staff in Adult Care Homes. It is the giving that pets do, and that they expect very little in return that these older people seems to respond to she said. She shared some news clippings with committee in regard to the benefits of pet therapy. Further, she stated she realized there would be problems that would have to be worked out, and that the Individual Health Care Homes would have to set some criteria. (See Attachment No. 2.), for details.

Secy. Barbara Sabol spoke to HR 6126, saying that her Department supports the facts of the potential benefits of pet therapy for these older citizens, but in 1982, her Department did do a major revision of Adult Care Home regulations, and at that time regulations were designed to prohibit the maintaining of pets in these Adult Care Homes. However, there are a few facilities where there are pets maintained, for the specific benefit for one or general benefit for several or all residents. For such facilities that do have this type of a program, they must have policies and procedures written down in specifics allowing for the care and maintaining of such pets, i.e., sanitation, handling, etc. Their Department feels that their policy is consistent with HR 6126, but the Department has stopped short of actively encouraging the maintaining of pets in Adult Care Homes. She then answered questions from committee. No they have not taken any affirmative action.

Lynelle King, Ks. Nurses Association, (see Attachment No. 3.), for details of testimony. Ms. King expressed their support of HR 6126 and spoke to the issue of how many older people respond to pets far better than to people.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,

room 423-S, Statehouse, at 1:30 a/m./p.m. on March 19, 1984

HR 6126 continues:--

Further, Ms. King said that the blind and hearing impaired respond even more to pet therapy. This is called sensory communication. Several other states currently have very successful programs in regard to maintaining pets in Adult Care Home facilities she said. She then answered questions from committee.

Dick Hummel, Ks. Health Care Association spoke to HR 6126, in that their Association is hopeful that common sense will prevail as to whether or not pets will be allowed to be maintained in Adult Care Homes. He said they are fully aware of benefits of pet therapy, and their Association has for the last 10 years provided a 36 hour course for staff on these benefits. When HR 6126 is carefully studied he continued, you can see there might be problems arise. There are many instances already where a pet is brought in for the day for residents to enjoy, but then since the animal does not live in the Adult Care Home facility is taken away at the end of the day's visit. This he said appears to be working very well in several cases. The practicality of language in the bill, i.e., "individually", or "collectively", should be clearly defined he said, and the Adult Care Homes should be able to individually set some rules and regulations for their particular facility.

Hearings closed on HR 6126.

Hearings began on SB 656.

Secy. Sabol spoke to SB 656, and distributed printed testimony, (see Attachment No. 4-a), for details, and (Attachment No. 4-b), for details of a fact sheet in regard to SB 656. She spoke of cost to the State when receivership is necessary of an Adult Care Home, in that often substantial funds may be necessary to keep the facility open long enough to transfer the residents in an orderly fashion, and so that their medical care will not be interrupted. As per example, the cost to the state was \$67,000 and \$126,000 on the last two receiverships by the Department. This is a substantial cost to tax payers and they should not be required to bear the cost of rehabilitating a delinquent Nursing Home. Her Department, she said, is recommending SB 656 be favorably passed as amended. She then answered questions from committee.

Aileen Whitfill, Department of SRS gave hand-out to committee on SB 656. (See Attachment No. 5.), for details. She stressed the most significant problem in regard to receivership has been cost to the state. SB 656, if enacted will authorize the Secy. of SRS to collect the payments made during the receivership for operating expenses, from the owner/licensee when the receivership is terminated. She stated SRS supports SB 656.

Dick Hummel, Ks. Health Care Association stated that his Association is neither for or against SB 656. The present law is good in that it provides restoration of quality care during transfer of nursing home residents during a receivership situation, but it puts too much of a financial burden on the state, therefore we feel, he said, the law needs to be strengthened and improved. SB 656 speaks to these concerns. He asked for favorable consideration on SB 656.

Hearings closed on SB 656.

Hearings began on SB 754:--

Debra Brummer, Randolph Sheppard Vendors of Kansas spoke to SB 754, in that K.S.A. 75-3337 contains inadequate enforcement statutes. SRS and

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,
 room 423-S, Statehouse, at 1:30 a.m./p.m. on March 19, 1984

SB 754 continues:--

Division of Services for the Blind must determine that a particular property is not appropriate to support a vending facility before K.S.A. 75-3337 et. seq. fails to apply. There are facilities in the state where this law has been disregarded and private for profit vendors, not licensed by the Division of Services for the Blind have been given contracts. Binding Arbitration can serve to answer these problems and SB 754 will allow this procedure, making the process of getting arbitration a little easier, in that the arbitrator representing the Division of Services for the Blind would be appointed by the Vending facilities. With the passage of this law the Division of Services for the Blind would still be approving the move on the part of the vendor, but the red tape would be reduced significantly. (See Attachment No. 6.), for further details.

Mike Rusk, President of Board of Directors for Randolph-Sheppard Vendors spoke to SB 754, asking for favorable support of this bill. (See Attachment No. 7.), for details of printed testimony and statistics on "Effect of Vending Facilities Program on other Economic Variables". This report will show that the vending facilities program is definitely not a liability for the state, but rather an asset.

Michael Byington, Ks. Association for the Blind and Visually Impaired, spoke in support of SB 754. He cited information about other Vending facilities in the state operated by the Blind, i.e., in that the individuals might otherwise be at a great disadvantage in the competitive employment market if they were not working at the state operated facilities. They are only asking for a law to be more enforcable so that it will allow the Blind vendors jobs to continue in state owned buildings, and that binding arbitration process can be easier facilitated. Further, he said, this allows them to be working responsible tax paying citizens. They are not getting rich, but are getting an honest day's pay for an honest day's work. Their Association, he said, feel that SB 754 will serve to solve problems and they asked committee to support favorable passage of SB 754.

Hearings closed on SB 754.

Chairman directed committee's attention to bills that had previously been heard. There was some discussion on Sub. SB 366. Rep. Wagnon offered an amendment to return Sub. SB 366 to its original form, specifically to delete the words "physical handicapped", and have it refer to "handicapped". Motion seconded by Rep. Branson. Discussion followed.

Rep. Friedeman made a substitute motion to table Sub. SB 366 to time certain, March 21, 1984, motion seconded by Rep. Roenbaugh. Discussion. Rep. Friedeman moved for changing the date to table time certain for Sub. SB 366 to March 22, 1984, seconded by Rep. Roenbaugh. Discussion ensued, i.e., perhaps it would be better to hear merits of the bill this date, not necessarily taking action this date. Rep. Friedeman then withdrew his substitute motion, Rep. Roenbaugh withdrew her second. Rep. Wagnon and Rep. Branson withdrew their original motions as well.

Sub. SB 366 is open for debate by committee. Rep. Wagnon spoke to SUB. SB 366, in that it is not her wish to get the bill hung up. She spoke to her concerns with this bill. Discussion followed, i.e., if in fact this bill is amended back to its original form, then sent to conference committee is there still a chance for the bill to pass; will there be a request for interim study; 14 sections in the original bill and only 6 sections appear in the substitute version was of concern; and the attempt in the original bill to re-define the term "handicapped", rather broadly; feelings of members on discrimination against the handicapped in relationship to the property owner, bankers, etc., who also have rights; specifics in this area to protect all involved, and etc.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PUBLIC HEALTH AND WELFARE,
room 423-S, Statehouse, at 1:30 ~~A.M.~~/p.m. on March 19, 1984

Discussion on Sub. SB 366 continues:--

Rep. Wagnon moved to table Sub. SB 366 and make a recommendation to Legislative Coordinating Council that this bill be recommended for Interim Study. Motion seconded by Rep. Friedeman. Question called by Rep. Walker, vote taken, motion carried.

SB 754:--

Motion by Rep. Williams moved to pass SB 754 out of committee favorable for passage, seconded by Rep. Blumenthal. Question called, vote taken, motion carried.

Norm Furse, revisor, in response to a request from Rep. Niles agreed to get information for her in regard to some questions on arbitration.

SB 530:--

Rep. Friedeman moved to pass SB 530 favorably out of committee, seconded by Rep. Walker, motion carried.

SB 623:--

Discussion initiated on this bill, and it was the consensus of members there was need for some amendments on SB 623, so Chair deferred it to a later meeting.

Meeting adjourned until 1:30 p.m. tomorrow.

Date: 3-19-84

GUEST REGISTER

HOUSE

PUBLIC HEALTH AND WELFARE

Please Print

NAME	ORGANIZATION	ADDRESS
Willem Kitzfeld	SRS	Topeka
R. Schutz	SRS	Topeka
Dick Hummel	KS HEALTH CARE ASSN	TOPEKA
P. J. SABOL	KDHE	TOPEKA
Lynelle King	KS NA	"
Kathryn Sughraue	State Rep.	Lodge City
Gary potz	KDHA	Topeka
Joe Holloway	KDHE	"
Dick MORRISSEY	KDHE	TOPEKA
Mike Rust	Randolph Sheppard Vendor of Kansas, President	Topeka
Debra Brummer	" " " " " " " " " " " "	Topeka
Michael Byington	KS. assem. for 3 day and usually impaired ch	Topeka

Attn # 1
3-19-1984

KATHRYN SUGHRUE
 REPRESENTATIVE, 116TH DISTRICT
 FORD COUNTY
 1809 LA MESA DRIVE
 DODGE CITY, KANSAS 67801



TOPEKA

HOUSE OF
 REPRESENTATIVES

March 19, 1984

#2
 3/19/84
 COMMITTEE ASSIGNMENTS
 MEMBER FEDERAL AND STATE AFFAIRS
 ENERGY AND NATURAL RESOURCES
 GOVERNMENTAL ORGANIZATION

Mr. Chairman and Members of the Health and Welfare Committee:

House Resolution 6126 request the Secretary of Health and Environment to develop a state-wide policy in regard to the presence of pets in Adult Care Homes. Also encourages operators of Adult Care Homes to have pets.

It has been found that bringing in animals to an Adult Care can be beneficial in meeting many of the needs of patients - health, purpose in life, someone to communicate with, enjoyment, entertainment and can be good therapy. With todays increase in life expectancy, we have an ever growing number of lonely old people, particularly women. Old age is different from other periods of life. This should be a period of fulfillment, a time when men and women have arrived at their goals. They have at this point made their mark on the work big or small. Old age should not be treated as a transitional period to death but as a period worthwhile in itself with its own share of satisfaction as well as sorrows.

Reasearchers of human social problems are discovering what animal lovers have know all along. That pets are good for people. Pets can contribute to better health for individuals. When people speak to people blood pressure almost always rises. In contrast when people speak to their pets blood pressure remains the same and can even fall below the level recorded when the subject is resting quietly. When people speak to animals they touch them as well. Touching is a means of communication that can be highly effective in reducing stress. Animals may be the only intimate companion especially during late life when they are isolated by death of relatives and friends.

Attn. # 2
 3-19-1984

Like any other human being the older person wants to be needed, admired and approved of. A pet such as a dog, which acts like a juvenile may be just what they need. A pet can provide boundless measures of love, adoration and unqualified approval.

Animals often serve as a non-threatening bridge to the present world for the person who has lost touch with reality and is unresponsive to staff intervention. Animals provide an accepting relationship since they seek attention from everyone. The benefits of a pet therapy program for the elderly include encouraging social interaction and communication, invoking memories and bringing a spark of joy to their day.

What is being done in Kansas

The administrators at the Blue Valley Nursing Home in Blue Rapids are pleased with their program. Residents at the home look forward each week to Friday when Connie Sutton from Marysville pulls in with her big Ford station wagon loaded with warm, affectionate dogs. Mrs. Sutton started to take dogs to the home when the home advertised a need for volunteers. She brought the dogs along and originally intended to come only once a month, but after the first visit it has increased to a weekly visit. The dogs have broken barriers that no human was able to. The dogs bring back special memories something to love and touch, just like a baby.

Alot of people don't have families and are shut off from the outside world. The dogs bring some of the outside world to the home and demand little in return.

Another instance is what has happened at Fort Dodge, with the World War I Veterans. Sam is a cocky little canine that has become a real therapist and a buddy to many of the men in the 116 year old barracks.

Other States

States that have pioneered in presence of a pet in Adult Care Homes are New York, Massachusetts, Georgia, Minnesota, Illinois, and I'm sure there are others.

The state of Minnesota, as usual, has been a forerunner in work with pets including fish, birds, cats and dogs.

Illinois has done quite a little research on the benefits of pet ownership in decreasing social isolation and providing a sense of pur-

pose in life.

Massachusetts has been working on the regulations for a new law and they found that 33% of the Nursing Homes had been using pets on a residential basis.

Federal and State Laws

In looking at the federal regulations there is nothing in the HUD lease agreement that even mentions pets. This is for housing areas, but federal government is silent on this matter.

In reviewing the Kansas statutes, I found that on Page 609 in the rules governing members of the Ft. Dodgers Soldier home, this is the only instance I can find that addresses the rules and regulations on domestic pets.

Summary

As people grow older and the relationships and activities that once formed the center of their lives seem to diminish, it becomes crucial to maintain as much normalcy and stability in their lives as possible. For many elderly a pet is a member of the family perhaps the only one left. They provide a reason for living and caring and contribute hours of entertainment, affection and companionship. It should not be beyond our interest or our ability to find ways to facilitate and support this rich relationship. I urge your support of HCR 6126.

KSNA

the voice of Nursing in Kansas

Attn. # 3
3-19-84

Statement of the Kansas State Nurses' Association
by Lynelle King, Executive Director
before the House Committee on Public Health and Welfare
March 19, 1984

In support of HR 6126 Requesting the Secty of DHE to Develop a Policy Re: Pets in Adult Care Homes

Mr. Chairman and members of the Committee, my name is Lynelle King and I represent the Kansas State Nurses' Association, the professional organization for nurses in Kansas. Our planned witness, a faculty member from Washburn University School of Nursing, lives in Meriden and was unable to come to Topeka today. She, Carolyn Kiel, R.N., M.S., will furnish written testimony as soon as possible. She has made a special study of the benefits of pets on the institutionalized elderly.

The U.S. Surgeon General's Report on "Healthy People" in 1979 established two national priorities for people 65 years old and older:

1. promotion of health
2. improvement in quality of life

From a review of the literature on pets and the elderly it becomes clear that they contribute positively toward both of the above goals.

- a. increased reality orientation for the confused
- b. emotional support for the terminally ill
- c. increased social interaction
- d. have been shown to be a factor in the survival of patients with heart disease
- e. increased self respect and self esteem
- f. increased laughter, sensory stimulation, touching, exercise and much more

An important study showed that among those who had owned pets that was the thing they mentioned most often that they missed when placed in a nursing home (adult care facility). This was from a study of 500 institutionalized people, some in adult care homes. As you may also know, some patients actually refuse to enter a nursing home because they would have to leave their pet behind. To many elderly their pet is their only "significant other".

Ms Keil points out some observations from her experience with elderly in nursing homes:

- those who cannot hear or see (there are quite a few such patients) find everything difficult (can't get acquainted with the staff, can't "watch" TV, can't read their Bible or hear the Bible readings held in the home. SHE FEELS THESE PATIENTS ESPECIALLY COULD BENEFIT FROM PETS - SENSORY "COMMUNICATION")
- pets would also make a positive difference to those patients who seldom get touched (e.g., those with bed rails, who use walkers, who spend most time in wheelchairs).

Coping with the Difficulty of having pets in an adult care facility

- possibly collectively-owned pets might be easier (but would not be as beneficial to all)
- could get practical help on this from other states where pets are allowed (Minnesota was first state to pass such regulations - now about 1/2 of their homes have pets)
- Humane Society is said to be happy to give practical suggestions in this regard
- possibly need contract between the home and those individuals bringing in their own pets - may have to charge a little more for maintenance, etc.

Kansas State Nurses Association • 820 Quincy • Topeka, Kansas 66612 • (913) 233-8638
Michael H. Goodwin, R.N., M.Ed., M.N. — President • Lynelle King, R.N., M.S. — Executive Director

Attn. # 3
3-19-1984

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

4.
Attn # 4-a
3-19-84

TESTIMONY ON SENATE BILL NO. 656

PRESENTED MARCH 19, 1984

HOUSE PUBLIC HEALTH AND WELFARE COMMITTEE

This is the official position taken by the Kansas Department of Health and Environment on Senate Bill No. 656.

NEED FOR:

The Department of Health and Environment may petition a district court for receivership of an adult care home when life-threatening conditions are found in a home, when a home becomes insolvent, or when a home is operating without a license. In a receivership, the Secretary or the Secretary's designee actually assumes operational control of the home. Since the Kansas statutes authorizing receiverships in adult care homes were enacted in 1978, the Department of Health and Environment has operated three homes in receivership. The receivership authority has generally proved to be a useful tool to protect the residents of homes who are placed in jeopardy by the actions or inactions of a licensee.

Perhaps the most significant practical problem which has surfaced in the use of receivership has been the problem of cost. Often by the time receivership is invoked, both the physical plant and the staff of the facility are in an advanced state of deterioration and both capital and cash flow are insufficient to meet the facility's needs. Substantial funds may be necessary to keep the facility open even long enough to transfer residents in an orderly fashion. The Kansas statutes provide for this contingency by authorizing the Secretary of the Department of Social and Rehabilitation Services to approve expenditures for the purpose of operating a home in receivership. The last two receiverships by the department resulted in a net cost to the state of \$67,000 and \$126,000, respectively, over and above the amount paid by the state to purchase care for Medicaid clients. Both of these receiverships lasted approximately six months; however, the second was in a larger facility licensed to provide intermediate care for mentally retarded persons. However, the statutes do not provide a means for the state to recover the costs of a receivership that exceed the revenue generated by the home.

STRENGTHS:

Senate Bill No. 656 clearly establishes the responsibility of the licensee for the cost of a receivership for the licensee's facility. This proposal is consistent with actions in the 1982 and 1983 legislative sessions to focus on the accountability of licensees for the quality of care provided. Clearly, the taxpayers of Kansas should not be required to bear the cost of rehabilitating a delinquent nursing home.

WEAKNESSES:

None identified.

Attn # 4
3-19-1984

DEPARTMENT'S POSITION:

The Department of Health and Environment recommends that the committee report Senate Bill No. 656 favorably for passage. *as amended.*

PRESENTED BY: Barbara J. Sabol
Secretary of Health and Environment

Attm # 4 B
3-19-84

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
SENATE BILL 656

Adult Care Home Receivership
KSA 39-954 - KSA 39-963

FACT SHEET

Statutes

The adult care home receivership statutes were enacted in 1978 and have not been amended since that time.

KSA 39-954 authorizes the Secretary of Health and Environment or the owner or licensee to petition to the district court for a receivership whenever:

- (a) conditions exist in the adult care home that are life threatening or endangering to the residents of the adult care home;
- (b) the adult care home is insolvent; or
- (c) the secretary of health and environment has issued an order revoking the license of the adult care home.

History

The department has applied to a district court to have a receiver appointed on four occasions; three of the applications were approved and the Secretary was appointed a receiver in each case. The fourth application was not approved because the licensee corrected the life-threatening conditions after the application but before a hearing was held by the district court.

No applications for receiverships have been filed by owners or licensees.

<u>Year</u>	<u>Home</u>	<u>Ownership</u>	<u>Reason</u>
1979	Brookwood Nursing Home, Topeka	Proprietary	Insolvency (b)
1980	Reno County Adult Care Home, Hutchinson	County-leased proprietary corporation	License revoked (c)
1982	Special Care Development Center of Winfield, Winfield	Proprietary	Life threatening conditions (a)

Fiscal Control

The department has developed a special receivership chart of accounts for fiscal control. We have contracted with a certified public accountant firm to act as fiscal agent for receiverships - that firm has automated the accounting system.

Attm # 4
3-19-1984

The Brookwood receivership occurred soon after the legislation was enacted and before the present fiscal system was developed. We have not calculated the net cost to the state for that receivership.

The net cost of the Reno County receivership was \$67,000 plus the cost of the Department of Health and Environment's direct staff time and travel expenses.

The net cost of the Winfield receivership was \$126,000 plus the Department of Health and Environment's direct staff time and travel expenses (approximately \$46,000).

We are confident that the existing fiscal controls assure accurate statements of the costs to be recovered under Senate Bill 656.

Attn. #5
3/19/84

Senate Bill 656
Recovery of Costs of Receivership of Adult Care Homes

I. Background

The Department of Health and Environment may petition a district court for receivership of an adult care home when life-threatening conditions are found in a home, when a home becomes insolvent, or when a home is operating without a license. In a receivership, the Secretary or the Secretary's designee actually assumes operational control of the home. The most significant practical problem which has surfaced in the use of receivership has been the problem of cost. Substantial funds are often necessary to keep the facility open even long enough to transfer the residents in an orderly manner. Current Kansas statutes provide for this funding problem by authorizing the Department of Social and Rehabilitation Services to approve expenditures for the purpose of operating an adult care home in receivership.

Senate Bill 656 authorizes the Secretary of SRS to collect the payments made during the receivership for operating expenses from the owner/licensee when the receivership is terminated. Specifically, any payments made by the Secretary of SRS pursuant to KSA 39-960 shall be owed by the owner or licensee and repaid to the Secretary when the receivership is terminated pursuant to KSA 39-963. Moreover until such costs are paid the repayment shall constitute a lien against all personal and real property of the owner/licensee.

The last two receiverships by the state, an intermediate care facility for the mentally retarded (ICF-MR) in Winfield and an intermediate care facility (ICF) in Reno County, resulted in a total net cost to Social and Rehabilitation Services of over \$200,000 for operating expenses which this proposed legislation provides the authority for SRS to recover. During the 1983 fiscal year, SRS paid out \$135,000 for receivership expenses.

II. SRS Position

The Department of Social and Rehabilitation Services supports passage of this proposed legislation.

Office of the Secretary
Robert C. Harder, Secretary
296-3271
March 19, 1984

Attn. #5
3-19-1984

March 19, 1984

*Attn #6
3/19/84*

page 1

TO: House Public Health and Welfare

FROM: Debra Brummer, Lobbyist, Randolph-Sheppard Vendors of Kansas Inc.

SUBJECT: Senate Bill 754

BACKGROUND

K.S.A. 75-3337 et seq. is the Kansas law governing the operation of vending facilities managed by blind individuals licensed through the Division of Services for the Blind. Usually these facilities are located in state, city, or county buildings, and most of K.S.A. 75-3337 et seq. relates to state, city, and county participation in the program. The law assures such licensed blind individuals the right to operate such facilities in all state, city, and county buildings excluding those under the State Park and Resource Authority or the Kansas Turnpike Authority. This law further requires that when state, city, or county buildings are built, renovated, or remodeled, the State Division of Services for the Blind must be consulted as to where the vending facility shall be located, and as to where electrical and plumbing outlets shall be located to accommodate the type of facility deemed appropriate by the Division of Services for the Blind, -ie- full service cafeteria, vending machine facility, or dry and packaged goods stand.

A major problem is that K.S.A. 75-3337 et seq. contains inadequate enforcement statutes. The law specifically provides that the secretary of social and rehabilitation services and the division of services for the blind must determine that a particular property is not appropriate to support a vending facility before K.S.A. 75-3337 et seq. fails to apply. There are, however, facilities in Kansas where the law has been disregarded, and private, for profit vendors, not licensed by the Division of Services for the Blind, have been allowed facility contracts. By the time such situations are discovered, the damage has usually already been done. K.S.A. 75-3337 et seq. calls for binding arbitration to resolve such situations, but this statute is weak in that it imposes no time limit under which arbitration must be brought to resolution. Furthermore, the current law makes the vendor's advocate in requesting binding arbitration the secretary of social and rehabilitation services. This individual, however competent, is rather far removed from the vending programming.

SENATE BILL 754

This bill will help solve the above outlined problems in two ways. In reference to the first way, if an individual vendor is, under the present law, having a disagreement with the administering agency of the building where his/her vending

*Attn #6
3-19-1984*

facility is located, he/she currently must go to the Business Enterprises Program Supervisor who must go to the director of the Division of services for the Blind who must go to the Commissioner of Rehabilitation Services who must go to the secretary of social and rehabilitation services in order to request arbitration. This is a lot of going, and by the time the going gets gone, a great deal of time has usually passed. When the disagreement involves the rights of the Division of Services for the Blind to open a vending facility in a particular building, the time taken up with this administrative red tape is unacceptable. By the time arbitrators are appointed and arbitration comes to pass, a private, for profit vendor might well already be in the building. This makes the problem much more difficult to solve. Senate Bill 754 would make the process of getting arbitration a little easier. Instead of the secretary of the social and rehabilitation services appointing the arbitrator representing the Division of Services for the Blind, this chairing arbitrator would be appointed by the Vending Facilities Advisory Committee of the Randolph-Sheppard Vendors of Kansas Inc., which is currently legislatively recognized under K.S.A. 75-3343. With the passage of this law, the Division of Services for the Blind would still be approving the move on the part of the vendors to request arbitration, but the time consuming administrative red tape would be reduced significantly. The second way in which this bill will help is in reference to the time taken in the arbitration process. Currently, an arbitration board can take an unlimited amount of time to resolve a problem. Again, when the dispute relates to the right of the Division of Services for the Blind to open a vending facility in a particular building, a private, for profit vendor could already be in operation by the time the arbitration board has finished its work. A time limit is thus needed, and Senate Bill 754 establishes that limit at 30 days.

I believe these statements explain the merits of Senate Bill 754. The President of the Board of Directors of the Randolph Vendors of Kansas Inc., Mr. Mike Rusk, shall present within the context of his testimony, some information about the economic advantages enjoyed by the state of Kansas through its participation in the Business enterprises program of the Division of Services for the Blind

March 19, 1984

*Attn. # 7
3/19/84*

page 1

TO: House Public Health and Welfare

FROM: Mike Rusk, President of the Board of Directors,
Randolph-Sheppard Vendors of Kansas

SUBJECT: Senate Bill 754

First of all, obviously I support the written and verbal testimony of my Registered Lobbyist, Mrs. Debra Brummer. I do indeed ask you to favorably report Senate Bill 754.

I am testifying in favor of this bill because it could increase opportunities for blind vendors in the state of Kansas. Such an increase in opportunities would be mutually advantageous for both the economic health of the state of Kansas and blind constituents living in the state.

The vending facilities under the Kansas Division of Services for the Blind have a positive economic effect on the state of Kansas. The Institute for Economic and Business Research of the University of Kansas has recently concluded a study titled, "An Economic Impact Analysis of the Blind Vending Facilities Program in Kansas." This was Directed by Robert Glass. A few noteworthy statistics from this report are here included. Attached, please find a document headed, "Table 4." This shows overall taxes, broken down by tax types, generated by the vending facilities program. Also, please find attached from the study, a document headed, "Table 5." This shows the net gain to the state above and beyond its expenditures from 1978 through 1982. It is clear from this information that the vending facilities program is definitely not a liability for the state, but rather an asset.

It is clear that Senate Bill 754 would bring disputes, when necessary, to binding arbitration more quickly, and with less red tape. In doing so in reference to possible disputes over the right of the Division of Services for the Blind to open a food service in a particular building, it would resolve the issue in a timely manner, often before a private, for profit vendor has had an opportunity to open. This will be advantageous for agencies involved, blind vendors and private corporations alike. Please report this bill favorably.

*Attn. # 7
3-19-1984*

Table 4

The Effect of the Vending Facilities Program on Other Economic Variables

	1978 AND BEFORE	1979	1980	1981	1982	1983	1984	1985	1986
EMPLOYMENT GENERATED (Number of Jobs)	102	104	109	114	118	124	127	127	128
RETAIL SALES GENERATED (Thousands of Dollars)	759.6	775.4	820.4	866.7	915.6	964.4	997.5	1,001.4	1,003.9
TAXES GENERATED IN THOUSANDS OF DOLLARS									
RETAIL SALES TAX	28.8	27.2	27.9	28.0	28.8	30.3	31.4	31.5	31.6
STATE INCOME TAX	25.9	25.1	29.0	29.1	37.1	39.1	40.4	40.6	40.7
STATE TOTAL	54.7	52.3	56.9	57.1	65.9	69.4	71.8	72.1	72.3
FEDERAL INCOME TAX	137.8	140.7	157.2	166.1	175.4	184.8	191.1	191.9	192.3

Table 5

Net Effect on State and Federal Government Budgets

	1978	1979	1980	1981	1982
EXPENDITURES					
STATE	41,224	11,923	0	0	4,143
FEDERAL	119,472	257,788	253,018	206,431	183,607
REVENUE GENERATED					
STATE	54,700	52,300	56,900	57,100	65,900
FEDERAL	137,800	140,700	157,200	166,100	175,400
FEDERAL EXPENDITURES SAVED	152,600	175,400	194,900	191,500	180,000
NET EFFECT ON STATE AND FEDERAL GOVT. BUDGETS					
STATE	13,476	40,377	56,900	57,100	61,757
FEDERAL	170,928	58,312	99,082	151,169	171,793

Net gain over 4 Years $\frac{227,610 \text{ state}}{651,284 \text{ Federal}}$