

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator August "Gus" Bogina at  
Chairperson

11:00 a.m./p.m./ on April 26, 1986 in room 123-S of the Capitol.

All members were present except:  
Senator Doyen

Committee staff present:  
Research Department: Robin Hunn, Scott Rothe  
Revisor's Office: Norman Furse  
Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:  
Harland Priddle, Secretary, Department of Agriculture

HB 3048 - Acquisition of Meat Processing Plant by Department of Corrections

Senator Harder explained the history of the request to purchase a meat processing plant at Oskaloosa. See Attachments A and B. He said the Department of Corrections wants to buy the facility and use inmate labor. They will use some of the produce for Kansas State Penitentiary. The plant is about 30 miles from the penitentiary and 24 prisoners will be transported there each day to work in the plant. He said the Department of Corrections feels there will be a potential savings to the state if the plant is purchased. The funding will come from a loan from the Pooled Money Investment Board to purchase the property. He added that many people from Oskaloosa are in favor of this purchase.

There were questions concerning inspection of the plant, with Senator Gannon asking if the Department of Agriculture can accomplish the inspections without adding additional staff. Secretary Priddle said he thinks that can be done.

Senator Werts expressed misgivings about voting for the measure without seeing an operating statement from the department. He indicated he feels the committee does not know the facts. Senator Winter suggested that, from information provided to the Building Committee, it seemed to be a relatively sound fiscal policy. He stressed that it would also provide employment for inmates.

Motion was made by Senator Talkington and seconded by Senator Feleciano to delete Section 4 of the bill and re-number Section 5. The motion carried by voice vote.

Motion was made by Senator Winter and seconded by Senator Johnston to report HB 3048 as amended favorably for passage. The motion carried by roll call vote.

HB 2989 - Correctional Facility at Ellsworth

Senator Bogina reminded the committee that the Senate Committee had voted to provide certain funding for a facility at Ellsworth. He said he realized this bill authorizes the lease-purchase of a facility, but that whatever version is finalized, the bill is a necessary vehicle.

Motion was made by Senator Johnston and seconded by Senator Talkington to report HB 2989 favorably for passage. The motion lost by roll call vote.

INTRODUCTION OF BILL

Motion was made by Senator Talkington and seconded by Senator Harder to introduce a bill to transfer certain employees from the Department of Corrections to SRS. The motion carried by voice vote.

The meeting was adjourned.

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.

PROJECTED TOTAL OPERATING COSTS & DEPRECIATION

Operating

Utilities (gas & electric)	\$13,200	
Sewer & water	1,000	
Total Utilities		\$14,200
Salaries		
Supervisors (Instructor)	\$50,000	
Correctional Officers	40,000	
Truck Driver	18,000	
Total Salaries		\$108,000
Inmate pay		\$ 6,000
Repair & maintenance		5,000
Dry goods and miscellaneous		2,000
Vehicle operation		<u>12,000</u>
Total Operation		\$147,200

Depreciation

Building & fence depreciation (22,450 ÷ 20 years)	\$ 11,000
Equipment depreciation (80,000 ÷ 10 years)	8,000
Refrigeration Truck (30,000 ÷ 10 years)	3,000
Cattle truck depreciation	<u>1,000</u>
Total Depreciation	\$ 23,100

Total Operating & Depreciation \$170,300

SMOKE ROOM

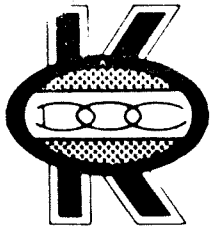
*S. W. M.*  
This room is equipped with two smoke producers and smokehouses, it is closely associated with the processing room. Smoked meat products are prepared here.

CURE COOLER

Near both the processing room and the smoke room it serves both processes.

*S. W. M.*

*A 4-26-86*



KANSAS DEPARTMENT OF CORRECTIONS

INTERDEPARTMENTAL MEMORANDUM

TO: House Ways & Means Committee      DATE: March 3, 1986

FROM: Richard A. Mills, Secretary of Corrections

SUBJECT: HB 3048 - KDOC Purchase of Meat Processing Plant in  
Oskaloosa, Kansas

One of the many problems associated with managing a prison population which has doubled since 1979 is increasing food costs. With a population exceeding 4,600 inmates, the Department of Corrections is required to constantly review its operation with an eye to cutting costs wherever it is feasible to do so.

We believe that a meat processing operation manned by inmate labor will provide processed beef and pork for institution use at a savings to the state, provide a much-needed inmate work program and complement the existing cattle and hog operation at the Kansas State Penitentiary (KSP) prison farm.

PROPOSED OPERATION

Kansas Correctional Industries (KCI) is currently raising beef cattle and hogs on the farm at the KSP. This livestock is currently being killed and processed by a commercial meat processing plant. The finished meat products are then delivered to the correctional institutions for consumption by the inmate population. Fiscal Year 1986 annual production rates are approximately 1,500 head of hogs and 80 head of cattle.

This proposal is to purchase an existing meat processing facility located about one mile southwest of Oskaloosa, Kansas. This plant was built in 1978 and operated until 1982, at which time it was closed and ownership transferred to the Bank of Oskaloosa. This facility is large enough to process meat for all state agencies, and would provide jobs for a minimum of 24 inmates. The existing plant includes a 7,500 sq. ft. building, major equipment such as rails, coolers, freezers, and 58 acres of land.

Cattle and hogs would be purchased at market to supplement the livestock being raised at the Penitentiary, in order to supply enough finished products for state use. The meat would be delivered to state agencies with a Correctional Industry truck.

S. W. J. M.

B 4-26-86

It is proposed that a security fence be built around the facility, and that minimum security inmates would be transported by bus from the Kansas State Penitentiary, daily, to work in the plant.

This proposal would be far less expensive than building a new meat processing plant and would provide for a complete meat production operation from breeding stock to packaged and frozen meat products.

Based upon the Department's projection of average daily population for Fiscal Year 1987 and 1988, the following is an estimate for total animals processed by this facility:

Fiscal Year 1987	1,320 cattle (per year)
	1,517 hogs (per year)
Fiscal Year 1988	1,386 cattle (per year)
	1,594 hogs (per year)

Meat Usage Projections

Department of Corrections

<u>FY 1987</u>	<u>FY 1988</u>
Pork - 167,000 lbs. or 1,517 hogs	176,000 or 1,594 hogs
Beef - <u>554,000</u> lbs or 1,320 cattle	<u>582,000</u> or 1,386 cattle.
721,000 lbs. meat	758,000 lbs. meat

All State Institutions (Including KDOC)

<u>FY 1987</u>	<u>FY 1988</u>
Pork - 417,000 lbs. or 3,790 hogs	438,000 lbs. or 3,980 hogs
Beef - <u>978,000</u> lbs. or 2,330 cattle	<u>1,027,000</u> lbs. or 2,450 cattle
1,395,000 lbs. meat	1,465,000 lbs. meat

Costs of Processing

Average (pork and beef) processing costs to the state is currently \$.27 per pound of processed meat (\$.36 per pound pork products and \$.22 per pound beef products).

If the Oskaloosa Plant were purchased the processing costs are estimated as follows:

Department of Corrections volume only \$.24 per\* pound of processed meat.

All state institutions (including KDOC) \$.12 per\* pound of processed meat.

Projected Savings to State by Owning Plant

Department of Corrections Volume Only

FY 1987 - 721,000 lbs. @ \$.03/lb.	=	\$21,630
plus hide sales (1,320 @ \$25)		<u>33,000</u>
		\$54,630

FY 1988 - 758,000 lbs. @ \$.03/lb.	=	\$22,740
plus hide sales (1,386 @ \$25)	=	<u>34,650</u>
		\$57,390

All State Institutions (Including KDOC)

FY 1987 - 1,395,000 lbs. @ \$.15/lb.	=	\$209,250
plus hide sales (2,300 @ \$25)	=	58,250
FY 1988 - 1,465,000 16 lbs. @ \$.1516	=	\$219,750
plus hide sales (2,450 @ \$25)	=	<u>61,250</u>
		\$281,000

\*The estimates of processing costs for the proposed Oskaloosa plant are based on operating costs of the plant including a 20-year depreciation schedule on the building, and a 10-year depreciation schedule on the equipment, and other operating expenses as per work sheet on page 6. The reduction in costs per pound for processing only KDOC meat to processing all state institutions' meat is due to most of the costs being fixed, and as the volume increases, the cost per pound decreases.

COST ESTIMATE

Building fixed equipment, and fifty-eight (58) acre plot	\$175,000
Security fence, chain link, 12' high with razor ribbon (1,300 ft. @ \$36.50/ft.)	47,450
Loose equipment	59,128
Contingency for possible repair or replacement of coolers and compressors	20,000
	<hr/>
TOTAL PURCHASE, FENCE & EQUIPMENT	\$301,578

The purchase of the property would be financed through a loan to the Secretary of Corrections from the State Pooled Money Investment Board in the amount of \$175,000. The loan would bear interest at the statutory rate established in K.S.A. 75-4210, and would be for a term of 10 years. The loan will be repaid from the Correctional Industries Fund and may be repaid sooner than 10 years without penalty. The bill also provides for a payment in lieu of taxes to Jefferson County not to exceed \$2,000 annually.

KILL FLOOR

The processing begins with the animal being brought into the stunning pen. The stunned animal then is moved to the dry landing area, which is provided with a hoist and lander. An overhead rail services this area and the next stage of the operation, at the bleeding area, the animal is stuck. This area is equipped with stickers platform and a lavatory with sterilizer. The gambreling table is immediately adjacent to the dehairer and the carcass is hung on gambrels and hoisted onto the overhead track. There is a high shave platform and one splitter platform, serviced by a hoist, lander and saw. Other functions of the kill floor are the portable skinning cradles, head workup area, pluck and gullet trimming, serviced by a lavatory with sterilizer. A scale and wash platform complete the kill floor processing.

INEDIBLE ROOM

This room is immediately adjacent to the kill floor and receives hides and other usable by-products not edible. An overhead door leads to the outside to facilitate shipping of by-products and waste.

### CHILL COOLER

The hung split beefs and hogs, as the case may be, are moved by over-head rail to the chill cooler where they are chilled out before further processing. It has a capacity of 15 halves of beef.

### HOLDING COOLER

This cooler is adjacent to and opens into the chill cooler on the intake side and the meat cutting and boning room on the outlet end. It has a capacity of 30 halves of beef.

### PROCESSING ROOM

This is the main room for processing, which includes the stuffing and linking machine, boning and cutting tables, band saws, and grinder.

### COOLER

The cut and boned meat is then placed in the cooler which is adjacent to the meat cutting and boning room and also opens into the processing room.

### SAUSAGE ROOM

This room is equipped with a floor scale, grinder, mixer, silent cutter, hydraulic stuffer, patty machine, and an assortment of lavatories with sterilizers and service sinks. Hamburger, sausage and other processed meats are made here. The processing room is serviced by the spice storage room, curing cooler, and equipment wash room.

PROJECTED TOTAL OPERATING COSTS & DEPRECIATION

Operating

Utilities (gas & electric)	\$13,200	
Sewer & water	1,000	
Total Utilities		\$14,200
Salaries		
Supervisors (Instructor)	\$50,000	
Correctional Officers	40,000	
Truck Driver	18,000	
Total Salaries		\$108,000
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Total Depreciation		\$ 23,100
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SMOKE ROOM

This room is equipped with two smoke producers and smokehouses, it is closely associated with the processing room. Smoked meat products are prepared here.

CURE COOLER

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FINISHED PRODUCT FREEZER

Adjacent to both packaging and the shipping area, the finished products are stored here until being shipped.

DRY STORAGE

The dry storage room is the store room for boxes and cartons and other dry products involved in the meat processing operations.

TOOL CONTROL ROOM

All knives, hooks and other tools will be checked out of this room in the morning and back into this room in the evening. This is a security control function.

LOCKER ROOM

A locker room will be provided with lockers so the inmate uniforms may be secured while the inmate is wearing the sanitary clothing required of meat processing.

MEAT INSPECTION

Since the meat processed by this operation will also be consumed in Kansas, the State Meat Inspection Division of the State Board of Agriculture will inspect the operation. An initial review of the existing building shows that it meets basic physical requirements (see Attachment A).

TIME SCHEDULE

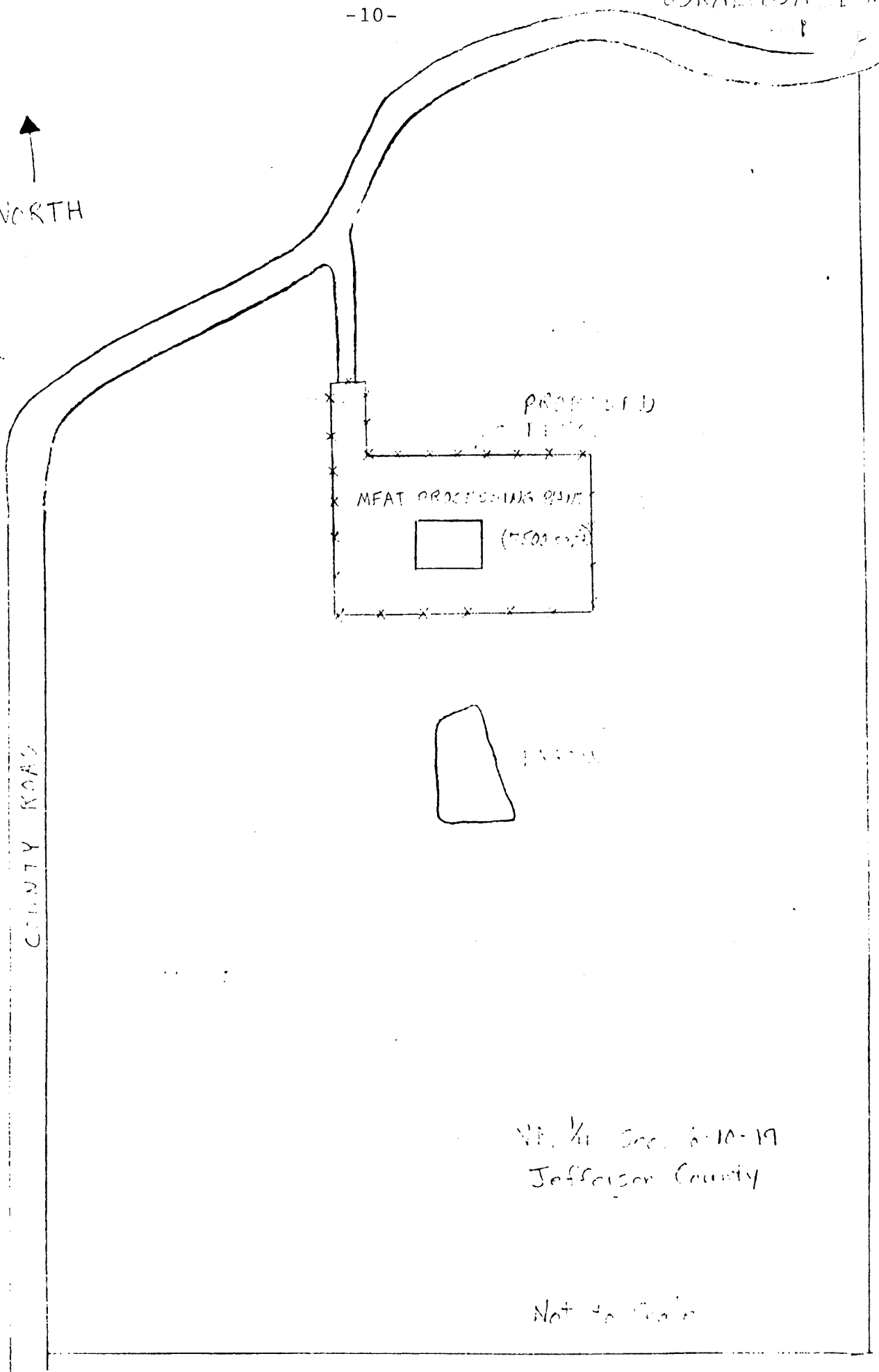
Once approval has been obtained from all of the different controlling agents of this project and the Secretary of Corrections orders the administration of KCI to begin operation of the meat processing facility, it should take about nine months to have the plant in full operation.

SE BUILDING EQUIPMENT LIST

<u>Quantity</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1	2000 lb. Load Capacity Hoist		\$ 1809.00
1	Chain Container For Above Hoist		45.00
1	Galvanized Skinning Cradle		383.00
1	B&D Model "100" Beef Splitting Saw		1165.00
1	Overhead Reel Balancer for above Saw		648.00
1	I-Beam Trolley For Above Saw		85.00
1	Galvanized Sterilizer for Above Saw		385.00
1	Magnetic Contactor for Above Sterilizer		171.00
1	Thermostat For Above Sterilizer		110.00
1	Heating Element for Above Sterilizer		235.00
1	Portable Blood Trap		477.00
1	Galv. Washing and Inspection Platform		1180.00
1	Head Working Table		544.00
1	Pluck & Gullet Trimming Table		595.00
1	6' Long Hose for Above Table		50.00
1	Wash Nozzle For Above Hose		54.00
3	Stainless Knife Boxes, For elec, Heat	\$ 61.00	183.00
3	Heating Elements for above Knife Box.	59.00	177.00
2	8'x 30" Trimming & Wrapping Tables	229.00	458.00
8	Cutting Board Tops for Above Tables	35.00	280.00
2	8' x 36" Boning Tables	610.00	1220.00
16	3/4" Thick Boards For Above Tables	8.00	128.00
1	Band Saw		3855.00
1	Patty Machine		2456.00
1	Grinder		2696.00
6	Forged Knives For Above Grinder	8.50	51.00
1	1/8" Hole Size Plate for Above Grinder		90.00
1	1/4" Hole Size Plate for Above Grinder		72.00
1	1/2" Hole Size Plate for Above Grinder		72.00
1	"150" Meat Mixer		2797.00
1	30 Liter Piston Stuffer		15550.00
2	50' Packinghouse Hose	95.00	190.00
4	25' Long Packinghouse Hose	50.00	201.00
2	Smoke Producers & Auto. Sawdust Feeders	1080.00	2160.00
1	Gas Smokehouse		2775.00
28	Wire Shelves 18"x40" for Smokehouse	25.00	700.00
50	42" Long Alum. Smokesticks	3.15	157.50
1	6" Rotary Turbine Ventilator		30.80
25	Hickory Sawdust 38lb.	4.90	122.50
1	Saw		260.00
6	Spray Nozzles	59.50	357.00
6	Fly Control Units	239.00	1434.00
1	Offal Pan Truck & Racks w/6 pans		697.00
1	Scale 5lb. x 1/2oz. Capacity		180.00
1	30" Gray Paper Cutter		20.00
2	24" Gray Paper Cutters	19.00	38.00
3	Bone Dust Removers	1.75	5.25
1	Gallon Approved Deep Purple Ink		9.95
1	Hot Carcass Tags		10.50
2	Tag Fasteners	4.50	9.00
2	Ham Bags, 4-5 lb. Capacity	4.30	8.60
2	Ham Bags, 12-14 lb. Capacity	9.10	18.20
2	Ham Bags, 16-18 lb. Capacity	18.50	37.00
1	5" Stainless Stockinette Hooks		85.00
20	Stainless Steel Bacon Hangers	3.65	73.00

<u>Quantity</u>	<u>Description</u>	<u>Unit Cost</u>	<u>Total</u>
1	Stunning Pistol		\$ 300.00
1	.25 Calib. Power Loads for above pistol		70.00
1	Cattle Stunner		545.00
2	.25 Calib. Power Loads for above Cattle Stunner	\$ 82.00	164.00
100	Trolleys For Beef 6#	8.80	880.00
100	5/8"x6 1/4" Hooks for Above Trolleys	6.00	600.00
100	Black Swivels For Above Trolleys	.50	50.00
50	4# Galv. Trolleys for Hogs	13.90	695.00
50	1/2"x5/8" Galv. Hooks For Above Trolleys	4.20	210.00
50	Galv. Swivels For Above Trolleys	1.40	70.00
50	Galv. Gambrels, 22" Long	10.40	520.00
1	Bench Dial Scale, 100 lb. x 4 oz. Cap.		625.00
1	Stainless Pan for Above Scale		179.00
6	Stainless Meat Trees,	46.00	276.00
2	500 lb. Capacity Molded Meat Trucks	529.00	1058.00
2	Stainless 55 Gal. Capacity Meat Drums	349.00	698.00
2	Poly Dollies For Above Drums	55.00	110.00
2	Double Lug Dollies	99.00	198.00
18	75-lb. Capacity lugs for above Dollies	24.65	443.70
2	8" Blade Cleavers	38.90	77.80
12	Thermometer "Baby Dial Executive"	8.90	106.80
6	9" Slaughterhouse Steels	5.97	35.82
12	5" Skinning Knives	4.86	58.32
6	7 1/2" Heading Knives	5.94	35.64
12	6" Boning Knives	5.61	67.32
4	Aluminum Scabbards	9.95	39.80
6	Alluminum Scabbards	12.95	77.70
1	Knife Sharpener		449.00
1	Butcher Saw 25" Blade		24.90
1	Dozen Extra Hard Edge Blades for Above Saw		21.95
6	3" Stainless Bone Hooks	6.45	38.70
2	Tape Dispensers	210.00	420.00
1	Electric Offal Brander		115.00
4	Stainless Steel Metal Sponges	12.90	51.60
1	Pork Meat Package Stamp 3/8" letters		95.00
1	Beef Meat Package Stamp 3/8" letters		95.00
3	Hide-Carcass I.D. Tags Three Parts	15.50	46.50
12	Scalp Caps	2.80	33.60
6	Leather Boning Aprons with Belt	24.90	149.40
3	Dozen White Duck Bib Aprons	24.90	74.70
12	Yellow Neoprene Waterproof Aprons	9.80	117.60
1 bx	Utility Caps (50 per box)		11.90
3	4' Long Dunnage Rack	55.00	165.00
2	5' Long Dunnage Rack	59.00	118.00
4	High/Low Thermometers	24.95	99.80
1	High Pressure Gun Jet		55.00
1	Low Pressure Gun for Washing Beef & Hogs		5.00
1	20' long of High pressure Hose for above gun jet		29.00
1	29" Long Livestock Prod		19.95
1	8' Long Roller Pole		65.90
1	Ham Pumping Table		495.00
1	Stainless Steel Twin-Jet Pump		539.00

TOTAL LOOSE EQUIPMENT \$59,127.70



N. 1/4 Sec. 6-10-19  
Jefferson County

Not to Scale

ARCHITECTURAL PROGRAM

Holding Pens (Inside)	520	S.F.
Kill Floor	627	S.F.
Inedible Room	204	S.F.
Smoke Room	391	S.F.
Sausage Room	425	S.F.
Cure Cooler	210	S.F.
Dry Storage	195	S.F.
Processing Room	1,118	S.F.
Assembly & Dining Room	773	S.F.
Inspector's Office	63	S.F.
Kitchen	136	S.F.
Office	136	S.F.
Freezer	552	S.F.
Holding Cooler	552	S.F.
Chill Cooler	276	S.F.
Locker Room & Toilets	304	S.F.
Scale and Loadout Area	108	S.F.
Mechanical Room	136	S.F.

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TOTAL NET AREA                    6,726   S.F.

TOTAL GROSS AREA\*                7,207   S.F.

\* Gross area includes walls, partitions, chases, corridors and other unassignable spaces.

RAM:dja  
Enclosure