

Approved March 16, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:10 a.m./~~p.m.~~ on FEBRUARY 23, 1990 room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Diane Duffy, Leah Robinson
Revisor: Norm Furse, Gordon Self
Committee Staff: Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Jackson Armbrister, Management Analyst for General Counsel, SRS
David Goodell, Administrator of Community Mental Retardation Placements,
SRS
Erma Cunningham, Rainbow Mental Health Center
Bob Clawson, Finance Director, Mental Health and Mental Retardation
Services, SRS
Dr. Roger Lambson, Vice-Chancellor, University of Kansas Medical Center
Gabriel Faimon, Commissioner of Rehabilitation Services, SRS

SB 636 - AN ACT concerning special investigators of the department of social and rehabilitation services; requiring compliance with law enforcements officer training; amending K.S.A. 1989 Supp. 74-5602 and repealing the existing section.

Jackson Armbrister reviewed Attachment 1. In answer to a question, he stated that the designation of law enforcement officer would allow SRS special investigators to carry firearms. Although the cost of implementation would be minor, Mr. Armbrister was uncertain of future costs. He noted that access to information and timeliness of obtaining the information are reasons for this legislation. Concern was expressed that these personnel would eventually request Kansas Police & Fire retirement benefits.

SB 638 - AN ACT relating to special purpose community mental retardation assistance grants.

David Goodell reviewed Attachment 2. There were questions regarding the necessity of this legislation. Mr. Bob Clawson noted that when the mental health state aid bill was amended 2 years ago, the language to create the concept of mental health special purpose grants was added to that bill with the responsibility on how to award those grants. However, when the mental retardation state aid legislation was amended, no similar statutory language was included for the mental retardation special purpose grants.

In answer to a question, Mr. Goodell stated that the primary concern is that out of state proprietaries will attempt to access the fund.

Chairman Bogina stated that adding mental retardation to current mental health statutes would not be proper; however, it would be possible to amend existing statutes. Mr. Goodell noted that the priorities, criteria and considerations that are applicable to mental health might not be the same for mental retardation.

SB 650 - AN ACT authorizing the secretary of social and rehabilitation services to lease certain property located at Rainbow mental health facility

Erma Cunningham introduced the Board of Directors of the Substance Abuse Center of Eastern Kansas, Inc. and reviewed Attachment 3. In answer to a

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 SENATE COMMITTEE ON WAYS AND MEANS,
 123-S 11:10 XX FEBRUARY 23 90
 room _____, Statehouse, at _____ a.m./p.m. on _____, 19__.

question, Ms. Cunningham stated that the University of Kansas Medical Center wants to use the building which the Substance Abuse Center of Eastern Kansas, Inc. (SACEK) leases. She stated that the average client pays nothing for services, although the maximum day fee for intermediate care is \$75.

Bob Clawson appeared before the Committee in support of SB 650 and reviewed Attachment 4. In answer to a recommendation by Mr. Clawson that SACEK expand its program to include a detoxification program, it was noted that SACEK does provide detoxification services because it is necessary, even though it is not part of the program.

Roger Lambson appeared before the Committee in opposition to SB 650 and reviewed Attachment 5. He said that 385 parking spaces are in the parking lot; Senator Bogina noted that staff quoted the number at 288, and noted that there were 121 surplus parking spaces as of December, 1989. Senator Bogina pointed out that the study conducted by Ralph Burke Associates does not indicate this parking lot was a part of the future plans of the Medical Center.

SB 662 - AN ACT authorizing the secretary of social and rehabilitation services to sell or lease certain property currently being used as a workshop for the blind.

Gabriel Faimon appeared before the Committee and reviewed Attachment 6. As a point of clarification, he noted that there had not been a 5 year commitment of money. The agreement was that SRS would request funding over a 5 year period within its budget.

In answer to a question, Mr. Faimon stated that the workshop in Topeka is the only one that the state would own and operate. He told the Committee that the subsidy for the Topeka workshop is \$131,000 for FY 90 and that \$138,000 is the amount requested for FY 91.

He was asked to project losses for the Kansas City School for the Blind, and stated that in FY 89 revenues were in excess of expenditures by \$57,000; in FY 90, the net loss is \$34,000. In answer to a question, he told the Committee that the loss is picked up through the subsidy. He projected a \$12,000 loss for FY 91 and a net gain of \$80,000 with a \$150,000 subsidy for FY 92. He noted, however, that capital expenditures would become an important factor in 1992 and 1993.

It was noted by Senator Parrish that the subsidy is less for the state operated facility than for the Kansas City facility.

Senator Winter moved to conceptually amend the existing reverter to require that it be continuously used a workshop for the blind operated by a charitable not-for profit organization, and add a reverter clause so that, after 10 years is up, if the property is no longer owned by a charitable, not-for-profit group and used as a workshop for the blind, it reverts back to the state. The motion was seconded by Senator Salisbury, and it carried.

The meeting was adjourned at 12:32 P.M.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Testimony Before

The Senate Ways and Means Committee

Regarding Senate Bill 636

in Room 123-S of the Capitol Building

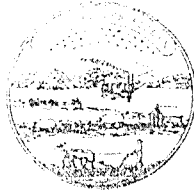
at 11:00 a.m. on February 23, 1990

Jackson Ambrister
SRS Legal Division
Telephone: 296-3967

Presented on behalf of:

Winston Barton
Secretary
Telephone: 296-3274

SWAM
February 23, 1990
Attachment 1



STATE OF KANSAS

MIKE HAYDEN, *Governor*

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Docking State Office Building, Topeka, Kansas 66612-1570

☎ (913) 296-3271

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JAN ALLEN
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ANDREW O'DONOVAN
Commissioner

Income Maintenance/
Medical Services
JOHN AIQUEST
Commissioner

Mental Health/
Retardation Services
AL NEMEC
Commissioner

Rehabilitation
Services
GABE FAIMON
Commissioner

Youth Services
ROBERT BARNUM
Commissioner

February 23, 1990

Senator Gus Bogina
Chairman
Senate Ways and Means Committee
Statehouse, Room 123 S
Topeka, KS 66612

RE: Senate Bill 636

Dear Senator Bogina:

The requested amendment to K.S.A. 1989 Supp. 74-5602 would allow for designated special investigators of SRS to be trained and recognized as law enforcement officers and to comply with the provisions pertaining to that status. There is no projected cost to implement this change to the statute.

The proposed legislation adds special investigators of SRS to the list of positions eligible to be designated as a law enforcement officer under subsection (e) of K.S.A. Supp. 1989 74-5602; definition of "Police officer" or "law enforcement officer".

The amendment is specific, in that it states only those individuals working as special investigators and assigned to the SRS Legal Division are eligible for this status. The Secretary may use his discretion to designate as few or as many individuals as he deems necessary to meet agency needs.

SRS investigative personnel are routinely involved in the investigations of fraud or theft of food stamps, state assistance checks, theft of agency property, theft of employee property, and the misuse of state property. Investigators are also used to assist any segment of the

agency, as needed, for internal investigations as directed by the Secretary. These investigations include misconduct of agency employees, and range from the misuse of agency telecommunication systems, follow ups to vehicle accidents and the use of illegal drugs. The list of duties and assignments

performed by SRS investigators readily meet the typical definition of a law enforcement officer. The only reason they do not currently have law enforcement status is because they are excluded by the statute as it now reads. We are requesting these facts be acknowledged and the statute be changed to reflect the job as it is performed.

Investigators are routinely used to investigate alleged cases of abuse or neglect at agency institutions as a part of the mandated state risk management program for hospitals. These cases range from simple neglect of duties to wrongful death investigations.

In order for SRS personnel to properly perform their investigative and oversight responsibilities for the agency individuals assigned to investigations require access to information which is only available to law enforcement officers under K.S.A. 74-5602. This restriction is due to confidentiality requirements contained in both state and federal statutes pertaining to criminal history information.

A number of the current SRS investigators are retired or prior trained and certified law enforcement officers (14 of 26) but they are in continuous need of update training in all aspects of investigations and information which is only available through law enforcement training programs and agencies. By not being certified law enforcement officers, SRS investigators, are not eligible to attend training sessions or share, use or obtain criminal information provided by law enforcement agencies to assist the investigators in carrying out their assigned duties.

There have been cases where agency investigators have been directly involved in an investigation, such as a patients identification, food stamp thefts or fraud, yet could not access or be briefed on the available information due to non-law enforcement status and the confidentiality of the information. Without this status, information is denied which hinders the ability to perform investigations unless an outside law enforcement agency, who is willing and takes the time, is brought into the case.

Since the inception of the fraud and recovery unit 12 years ago, the types of activities and duties have broadened considerably. Also, the level of sophistication of the individuals who commit illegal acts involving SRS programs has risen dramatically. The investigators need

continuous training to keep abreast of and to deal with the ever changing and costly attempts of individuals to defraud and abuse the programs administered by the Secretary and to provide the needed service to the agency in a timely manner.

Passage of SB 636 will allow the Secretary of SRS to designate personnel, who have the need-to-know, to access law enforcement information data and resources, maintain or gain proficiency in the skills and techniques required to perform effectively and assist the agency to the fullest extent possible.

The legal division has reviewed known cost elements to staff, train and equip a law enforcement officer and at this time there are no known costs to implement this change by SRS.

SRS currently has 26 FTE and 2 PTI positions involved in investigative matters for the Secretary. 14 of the 26 FTE are either retired or prior law enforcement officers. At the current time the legal division intends to have law enforcement status designated for 7 individuals; 2 in the central Topeka office, one each located at Dodge City, Wichita, and Kansas City Area Offices and one each at Larned and Winfield State Hospitals.

Only one of the 7 individuals under consideration for law enforcement status has not completed Basic Law Enforcement Training or been certified as required by K.S.A. 74-5607a. The Director of the Kansas Law Enforcement Training Center (KLETC) was contacted about the prior certified personnel. All these individuals need is to be in a law enforcement position, their certification numbers reactivated and receive 40 hours of annual training directly relating to law enforcement.

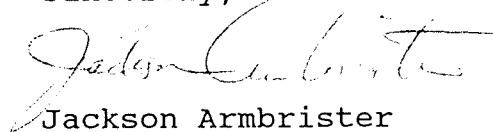
The Topeka Police Department has advised they will provide the basic training; at no cost to the agency, for the one noncertified individual. This individual also lives and works in Topeka. Therefore, the only costs associated with initial or annual training should be administrative time by the agency to attend the required training sessions.

K.S.A. 74-5605 contains the requirements for admission to a certified law enforcement training program. The one current untrained individual will, under subsection (f) of 74-5605, be required to pass an approved psychological test. The agency employs a number of trained psychologists who can test and evaluate the results at no additional cost in operations.

K.S.A 75-4362 requires that anyone who is in a "safety sensitive position" pass a drug screening. This program is funded and directed out of the Division of Personnel Services (DPS) and will not cost SRS. According to DPS personnel, the only cost to the agency would be in staff time to maintain and monitor the program as it applies to SRS personnel.

In Summary, based on known costs, and barring unforeseen circumstances, SB 636 will not increase funding requirements for personnel, operating costs or equipment, but should increase the unit's effectiveness.

Sincerely,



Jackson Armbrister
SRS Legal Division

AJA:jlt

COMPARISON OF LAW ENFORCEMENT INVESTIGATOR ACTIVITIES

1-6

	Fraud	Theft	Assaults	Sexual Assaults & Rapes	Stolen Checks	Embezzlement	Deaths at Institutions	Illegal Drugs	Food Stamps	Employee Misconduct	Money Collection for Agency	Investigations for Agency Litiga.	Illegal Aliens
KBI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Sheriff	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
Local PD	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
* Security Commission 7	Yes	No	No	No	No	Yes	No	No	No	Yes	Yes	Yes	No
* Racing Commission 3	Yes	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	Yes
* Lottery Commission 5	Yes	Yes	Yes	No	Yes	Yes	No	Yes	No	Yes	No	Yes	No
SRS Special Inv. 28	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Revenue Special Inv. 20	No	No	No	No	No	No	No	No	No	No	Yes	No	No
Human Resources Sp. Inv. 5	Yes	No	No	No	Yes	No	No	No	No	No	Yes	No	No
Corp Comm Special Inv. 3	No	No	No	No	No	No	No	No	No	No	No	No	No
DOT 1	Yes*	Yes*	No	No	No	No	No	Yes*	No	Yes	No	Yes	No

* Preliminary Investigation referred to KBI

** Law Enforcement Powers

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Testimony presented to

The Senate Committee on Ways and Means

Regarding

Senate Bill 638

on

February 23, 1990

11:00 a.m.

Room 123 South

Capitol Building

Presented by:

David Goodell, Administrator of Community MR Placement Programs
Mental Health and Retardation Services

On behalf of:

Al Nemec, Commissioner
Mental Health and Retardation Services
Department of Social and Rehabilitation Services
Telephone: 296-3774

SWAM
February 23, 1990
Attachment 2

TESTIMONY FOR SENATE BILL 638

AN ACT relating to special purpose community mental retardation assistance grants.

I appreciate the opportunity to appear before the Committee and present the following remarks.

The Department of Social and Rehabilitation Services (SRS) supports SB 638 which provides clear statutory authority for SRS to establish rules and regulations to award special purpose mental retardation assistance grants.

Presently SRS awards approximately \$7 million in special purpose mental retardation assistance grants to local mental retardation authorities and affiliates each year. These funds are used to support the expansion of community-based residential and day training services for mentally retarded adults. Both individuals on the community agencies' waiting lists and individuals placed from State MR Hospitals and private intermediate care facilities for the mentally retarded (ICF/MR) are served through these grants.

It is the understanding of SRS that the intent of the Legislature and the Governor was for these State funds to be provided only to community mental retardation facilities as defined in K.S.A. 19-4001 et. seq. or non-profit agencies with written affiliation agreements with these facilities. Such a restriction serves to

TESTIMONY FOR SENATE BILL 638
February 23, 1990
Page Two

prevent the proliferation of agencies providing community-based service and thereby avoid wasteful duplication of services and administrative overhead. To date SRS has been successful in restricting the award of the special purpose mental retardation assistance grants to this group of intended recipient agencies. However, there is some question regarding the legal authority SRS has to impose these eligibility restrictions, as there is no specific statute addressing these special purpose grants.

When this special purpose grant program was initially begun, the level of funding available was only in the neighborhood of \$250 thousand. This was not sufficient to attract the attention of other agencies that were not intended to have access to these funds. Conversely, the current level of funding is perceived to be sufficient to attract the attention of agencies not intended to receive these grants. Of greatest concern is that out-of-state proprietary businesses will attempt to gain access to these funds.

The proposed bill will clearly provide the legal authority SRS requires to establish regulations to limit the distribution of the special purpose mental retardation assistance grants to the agencies originally intended to receive these funds. Accordingly, SRS respectfully recommends that SB 638 be enacted.



**SUBSTANCE ABUSE CENTER OF EASTERN KANSAS, INC.
WITH THE STRENGTH OF AN EAGLE**

Erma E. Cunningham, MSW, Executive Director

4125 RAINBOW BLVD., P.O. BOX 3307

(913) 362-0045

KANSAS CITY, KANSAS 66103

Appearing in Support of Senate Bill No. 650
Erma E. Cunningham
Executive Director
February 23, 1990

The Substance Abuse Center of Eastern Kansas, Inc. (SACEK) is a not-for-profit corporation founded in July 1982. The purpose of SACEK is to provide community based treatment for low income and indigent substance abusers who reside in the eastern counties of Kansas.

Currently, SACEK operates two facilities in Kansas City, Kansas. The primary program is an Intermediate (Inpatient) facility at 4125 Rainbow. The other program is a Continuing Care facility at 3421 Rainbow. Both programs serve the adult substance abusing population. Since 1983, SACEK has operated its Intermediate program in a building leased to it by the University of Kansas.

SACEK was organized to utilize state funds that were made available to provide alcohol and drug treatment programs at the local level.

The demand for the services of SACEK is great. The ability of SACEK to meet the needs of the local community it serves is severely limited by the capacity of its facilities. The leased building from KU provides 4200 square feet and can accommodate only 15 beds. There is inadequate space available for administrative and counseling offices necessary under applicable regulations.

*SWAM
February 23, 1990
Attachment 3*

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Patricia I. Frost
Kansas City, Kansas

Dr. Robert J. Frost
Kansas City, Kansas

In the past SACEK has considered purchasing an old building and doing rehab to make it suit our needs. We have rejected that idea because of the rehab cost, and because of the difficulty in locating a drug related program in a residential or commercial area.

Senate Bill No. 650 will make available to SACEK a tract of land just north of the KU Medical Center and southwest of the Rainbow Mental Health facility upon which a proposed new building will be constructed. The new building will double capacity to 30 beds and will enable SACEK to offer additional programs such as Re-integration.

Sources to finance construction of the new building will be through a loan obtained from the Kansas Development Finance Authority, a special grant from Alcohol and Drug Abuse Services of SRS and local funds obtained through efforts by the SACEK Board of Directors.

SACEK has a proven record of success. Tax dollars are well spent. Our clients receive the best treatment possible.

In the area of service delivery, SACEK provides over 5,000 hours of structured client activities in a single year. This represents over 80 hours per week for each client. The ADAS requirement is only 40 hours per week.

In 1989, we proposed a program utilization rate of 95%. We ended the 1989 program year with a utilization rate of 99%.

We ended 1989 having served 171 clients in our Intermediate program and 80 in our Continuing Care program. We had a readmission rate of 10% for the program year, which is considered excellent.

We projected that 76% of the clients who entered treatment would successfully complete the program. We exceeded that goal by 7% and ended the year with a successful completion rate of 83%.

SACEK is a dedicated human service organization that plays an important role in mending broken lives. Senate Bill No. 650 represents a significant demonstration of support to an organization whose single purpose is to address one of society's greatest enemies - the scourge of Drug and Alcohol addiction.

THE SUBSTANCE ABUSE CENTER OF EASTERN KANSAS, INC.

BOARD OF DIRECTORS

1990

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Wyandotte County Courthouse
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Kansas City, KS 66101
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AUGUST BOGINA, JR. (JC)
Senator Tenth District
PO Box 14515
Lenexa, KS 66215
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(913) 334-5225 / 299-4317

MRS. PATRICIA I. FROST (WC)
Business Manager
8310 State Avenue
Kansas City, KS 66112
(913) 334-5225 / 299-4317



STATE OF KANSAS

MIKE HAYDEN, Governor

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Docking State Office Building, Topeka, Kansas 66612-1570

☎ (913) 296-3271

Mental Health &
Retardation Services
Fifth Floor
(913) 296-3471

September 26, 1989

WINSTON BARTON
Secretary

THELMA HUNTER GORDON
Special Assistant

TIM OWENS
General Counsel

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Director

Administrative
Services

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Commissioner

Adult Services
JAN ALLEN
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Alcohol and Drug
Abuse Services
ANDREW O'DONOVAN
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Income Maintenance/
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Mental Health/
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Commissioner

Rehabilitation
Services
GABE FAIMON
Commissioner

Youth Services
ROBERT BARNUM
Commissioner

Ms. Erma Cunningham
Substance Abuse Center
of Eastern Kansas
4125 Rainbow Boulevard
Kansas City, Kansas 66103

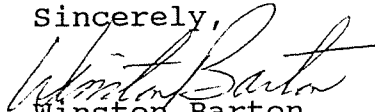
Dear Ms. Cunningham:

I am writing to inform you that the Kansas Department of Social and Rehabilitation Services will support your request for a parcel of land from the campus of the Rainbow Mental Health Facility. SRS supports the good work of the Substance Abuse Center of Eastern Kansas and is willing to work with you to help you move forward to improve and expand your services.

The transfer of property is an issue that must be decided by the Kansas Legislature, and I recommend that you work with that body to gain approval of your request. In addition, I suggest that you work to gain the cooperation of the Kansas University Medical Center (KUMC) because a transfer of property may impact their space needs, as well.

I hope this information is helpful to you and the Substance Abuse Center of Eastern Kansas.

Sincerely,


Winston Barton
Secretary

WB:ALN:GDV:ms

cc: Senator Gus Bogina
Commissioner Al Nemeč
Superintendent Jack Southwick

The University of Kansas Medical Center

Office of the Executive Vice Chancellor

September 20, 1989

Alcohol and Drug Abuse Services
Biddle Building
300 S.W. Oakley Street
Topeka, Kansas 66606

To Whom It May Concern:

The Substance Abuse Center of Eastern Kansas, Inc. (SACEK) is operated in a building leased to them by the University of Kansas Medical Center. The Center provides services to adult clientele who are in serious need of an intermediate facility such as this. SACEK continues to have a remarkable track record in assisting those patients who have been detoxified in re-establishing a life. I am, therefore, a very strong supporter of the program and believe it is something that should be supported in our society and, indeed, expanded.

Most sincerely,



D. Kay Clawson, M.D.
Executive Vice Chancellor

DKC/pgw

cc: Erma E. Cunningham, MSW
Executive Director, SACEK

The University of Kansas Medical Center

Office of the Executive Vice Chancellor

September 29, 1988

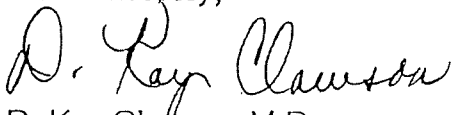
Alcohol and Drug Abuse Services
Biddle Building
300 S.W. Oakley Street
Topeka, Kansas 66606

To Whom It May Concern:

The Substance Abuse Center of Eastern Kansas, Inc. (SACEK) is operated in a building leased to SACEK by the University of Kansas Medical Center. The center provides services to adult clientele who are in serious need of an intermediate facility such as this. SACEK continues to have a remarkable track record in assisting those patients who have been detoxified in re-establishing a life. I am, therefore, a very strong supporter of the program and believe it is something that should be supported in our society and, indeed, expanded.

On the negative side, the facilities we can provide are not ideally suited in either configuration, size or location. It is our continued hope that through federal, state and local efforts, a more suitable site can be found that would allow for expansion of the valuable services of SACEK.

Most sincerely,



D. Kay Clawson, M.D.
Executive Vice Chancellor

DKC:pd

cc: Erma E. Cunningham, MSW



HUMAN RESOURCES DEPARTMENT
Municipal Office Building
One Civic Center Plaza
Kansas City, Kansas 66101
Phone 573-5475



July 6, 1989

TO WHOM IT MAY CONCERN:

RE: Grant Application for funding of
Intermediate Treatment/Re-Entry
Treatment by Substance Abuse
Center of Eastern Kansas, Inc.

Gentlemen:

Please accept this letter as the strongest recommendation and support for the application of funds by the Substance Abuse Center of Eastern Kansas, Inc., for our community.

The City of Kansas City, Kansas has long recognized the invaluable service to our City provided by the Substance Abuse Center of Eastern Kansas, and it serves a population that could not be served without this most important Agency.

We, in Kansas City, Kansas will continue to provide as much consideration as possible to the Substance Abuse Center of Eastern Kansas, Inc. program.

If you have any questions, please feel free to contact me.

Sincerely,

(Mrs.) Edith M. Farmer
Coordinator, Special Alcohol Fund
City of Kansas City, Kansas



UNIVERSITY OF MISSOURI-KANSAS CITY

5100 Rockhill Road
Kansas City, Missouri 64110-2499
Telephone: (816) 276-1576

Feb. 22, 1990

To: Kansas Senate Ways and Means Committee
From: Jan Sokoloff Harness
Vice President, Substance Abuse Center of Eastern Kansas

As an active board member of SACEK for more than six years, I would like to urge you to support Senate Bill 650.

This bill would provide SACEK with much-needed land, allowing us to proceed with plans to construct a new building -- a building we have been planning for and discussing for more than five years.

The building we plan to construct would allow us to reach more Kansans who desperately need the help SACEK can provide. SACEK's success with drug and alcohol abusers has been well documented with SRS. Our program works. We just don't have adequate space to handle the growing demand for our services.

I would also like to remind you of a unique SACEK trait -- it's a program that combines resources (such as board personnel) from both Wyandotte and Johnson counties to benefit all Kansans. As a Johnson County representative, I am very proud to be associated with a cooperative effort that has helped so many Kansans get their lives back on track.

I cannot stress enough the impact your support of this bill can have. It could well make a life-or-death difference for one of your constituents.

Although a physical impairment prevents me from appearing before you, I would be glad to answer any questions you might have. Please feel free to contact me at (816) 276-1591.

Jan Sokoloff Harness

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ALLEN BELL, PRESIDENT



Suite 10
Capitol
400 S.W.
Topeka, KS 66603

(913) 296-6747
KANS-A-N 561-6747
FAX (913) 296-6810

MARTY BLOOMQUIST, ASSISTANT

December 8, 1989

Erma Cunningham
Substance Abuse Center of
Eastern Kansas
4125 Rainbow Boulevard
Kansas City, KS 66103

RE: Loan Application for the K DFA Community
Providers Pooled Loan Program

Dear Ms. Cunningham:

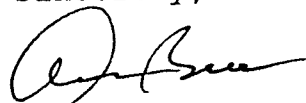
K DFA, SRS, the underwriters and bond counsel have completed their review of your application and have made a preliminary determination, according to the guidelines set forth by the bond insurer, that the Substance Abuse Center of Eastern Kansas qualifies for a loan in an amount between \$800,000 and \$900,000. This amount is subject to revision based on an appraisal and another review by SRS.

Loan proceeds may be used for a variety of purposes, including retirement of interim financing for new construction, refinancing existing mortgages, renovation and/or purchase of existing facilities, and purchase of equipment. In some cases loan proceeds may be used to reimburse borrowers for prior expenditures for the above-mentioned purposes or to refinance existing indebtedness.

K DFA and the underwriters are in the process of completing negotiations with the bond insurance company. Due to a change in bond insurance companies these negotiations have taken far longer than previously anticipated. After a bond insurance commitment has been received, a package of loan documents will be forwarded to you for review by your counsel. Once the loan is closed with each borrower, K DFA will deliver a conditional "take-out" letter to those borrowers needing to obtain interim construction financing, subject only to the final availability of bond proceeds.

If you have any questions about these arrangements, please do not hesitate to call.

Sincerely,



Allen Bell

AB:dc

BOARD OF DIRECTORS
H. EDWARD FLENTJE, CHAIRMAN
HARLAND E. PRIDDLE
CHRISTOPHER MCKENZIE
DENNIS MCKINNEY
HARRY WIGNER

ALLEN BELL, PRESIDENT




KDFFA
KANSAS
DEVELOPMENT FINANCE
AUTHORITY

Suite
Capitol Tower
400 S.W. 8th
Topeka, KS 66603

(913) 296-6747
KANS-A-N 561-6747
FAX (913) 296-6810

MARTY BLOOMQUIST, ASSISTANT

December 14, 1989

TO: Community Providers Who Have Submitted Loan Applications
FROM: Allen Bell, President 
RE: Update on Community Provider Pooled Loan Program

Many of you have contacted our office and have asked for an update as to where we are in the process of implementing the Community Provider Pooled Loan Program. The purpose of this letter is to inform you of where we are in that process.

In our update letter sent to providers last month, we indicated there would be a delay in the process due to the shifting from one bond insurance company, MBIA, to Capital Guaranty of San Francisco. After some delays caused by the recent California earthquake, we began negotiating specific terms and conditions for bond insurance. In the middle of these negotiations, Capital Guaranty was informed by Standard & Poor's Corporation, the credit rating agency on which they depend for their AAA rating, that they can no longer look at the Community Provider Program as a State of Kansas credit but must evaluate the credit-worthiness of each borrower individually.

Given these restrictions, it has been determined by KDFFA and the underwriters that bond insurance is no longer an option for this program. Bond counsel and the underwriters are actively pursuing alternatives to bond insurance. Possibilities include credit enhancement in the form of a letter of credit from a large Kansas bank or possibly doing an unenhanced and uninsured bond issue. A decision will be made as quickly as possible regarding the direction this program will take.

We realize that many of you have construction projects that cannot wait for this decision. If your organization falls into this category, you may find it necessary to secure another method of financing, bearing in mind that both interim and conventional bank loans can be refinanced if or when our tax-exempt bond proceeds become available.

It is our intent to finalize our plan of action in regard to this program by the first of the year and will communicate it to you at that time. In the meantime, if you have any questions, do not hesitate to call me or Marty Bloomquist at 913/296-6747.

AB:MB:dc

BOARD OF DIRECTORS
H. EDWARD FLENTJE, CHAIRMAN
HARLAND E. PRIDDLE
CHRISTOPHER MCKENZIE
DENNIS MCKINNEY
HARRY WIGNER

ALLEN BELL, PRESIDENT

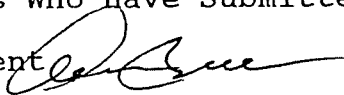


Suite
Capitol
400 S.W. 10th
Topeka, KS 66603

(913) 296-6747
KANS-A-N 561-6747
FAX (913) 296-6810

MARTY BLOOMQUIST, ASSISTANT

February 8, 1990

TO: Community Providers Who Have Submitted Loan Applications
FROM: Allen Bell, President 
RE: Update on Community Providers Pooled Loan Program

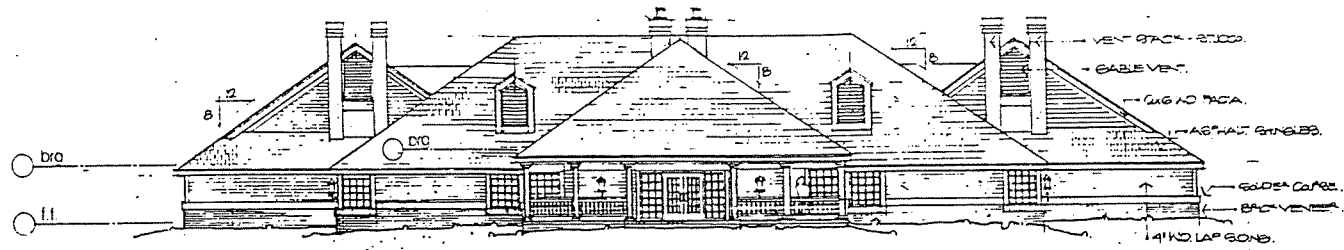
In earlier updates we've outlined the delays in the process due to the inability to obtain bond insurance for the bond issue. We've also indicated exploring the possibility of seeking credit enhancement in the form of a letter of credit from large banks or doing an unenhanced and uninsured bond issue.

At this point efforts to seek a letter of credit have so far been unsuccessful. We are continuing to pursue the possibility of doing an uninsured, unenhanced bond issue.

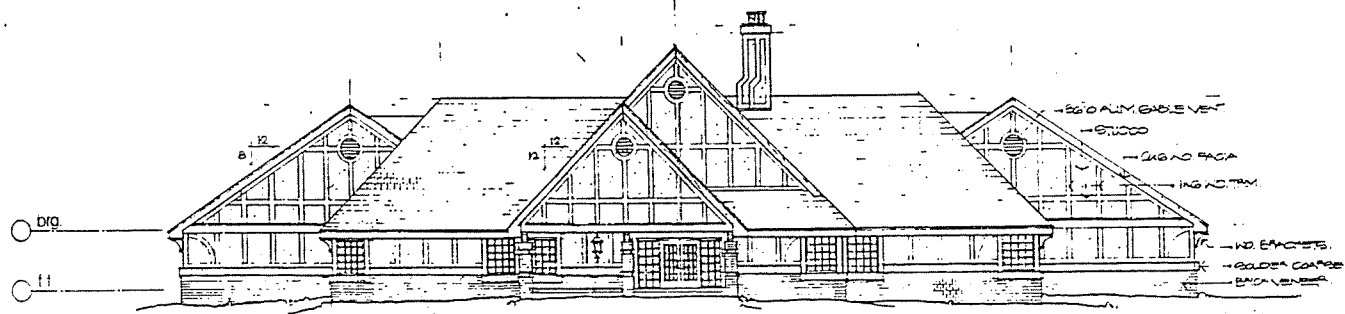
With the absence of the aforementioned credit enhancements, some changes need to be made in the financing structure relating to the role of SRS. SRS is currently in the process of reviewing the proposed changes.

It is our intention to finalize our decision in regard to this program as soon as possible. We will continue to communicate our progress to you at regular intervals. In the meantime, if you have any questions, do not hesitate to call me or Marty Bloomquist at 913/296-6747.

AB:MB:pr

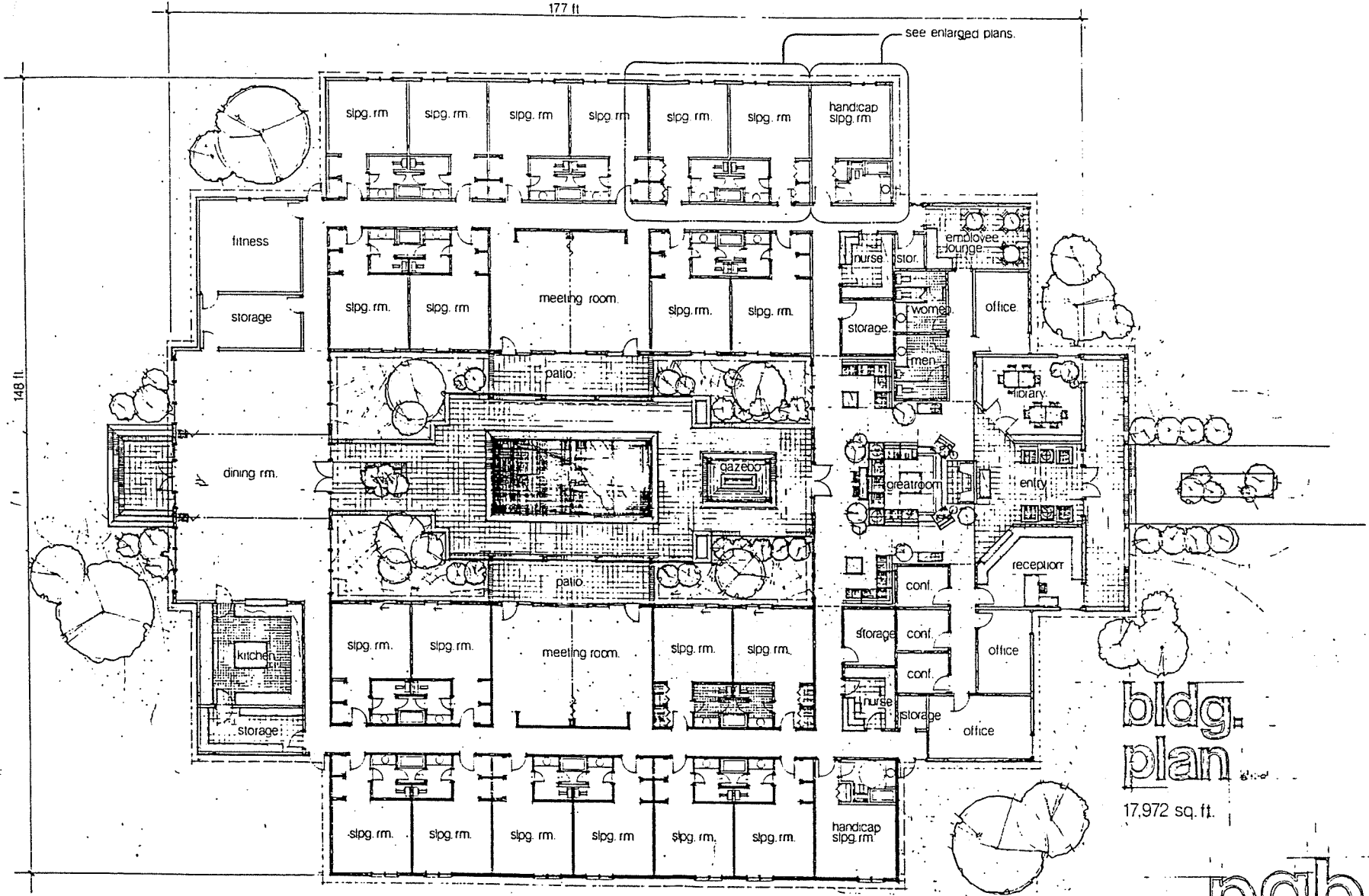


option - a
front elev.



option - b
front elev.

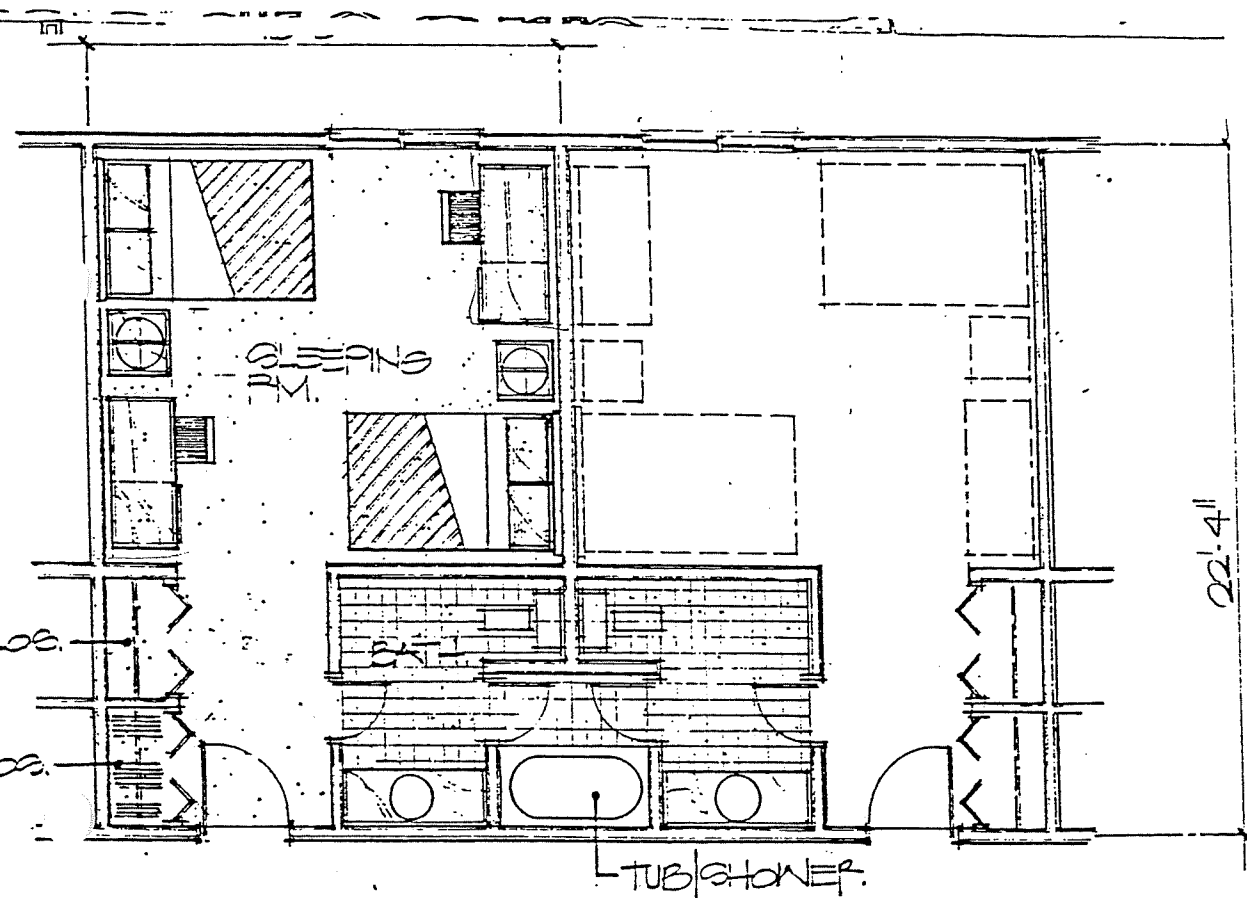
pgb
design



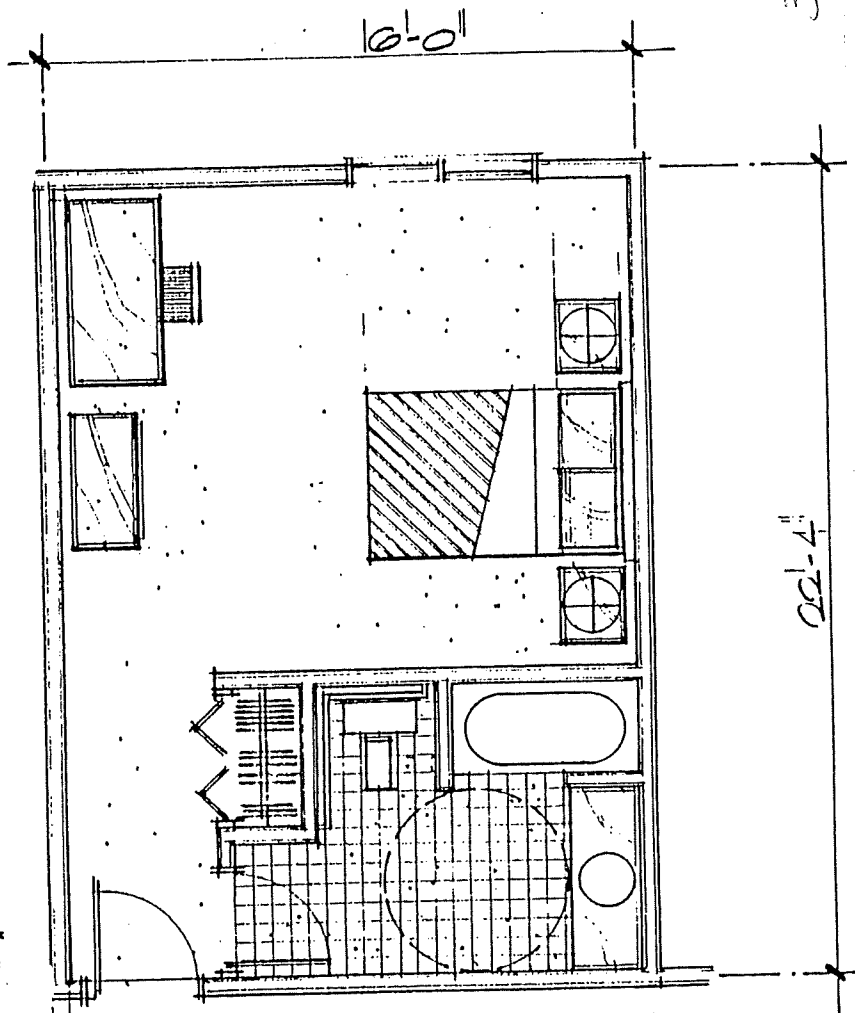
**bdg.
plan**

17,972 sq. ft.

pglb
design



typical
suite (20) UNITS TOTAL
-1-01



handicap
suite (2) UNITS TOTAL



PROGRAM

SACEK is a 24 hour live in, care in, residential treatment facility.

The program is a highly structured one aimed at resocializing persons whose life is out of control due to alcohol and/or drugs. Goals are designed around a 35 day treatment regime. SACEK offers a drug and alcohol free environment with a family-like atmosphere. Rules and Regulations govern the family members. All members are expected to follow them precisely. The client is ready for discharge when all treatment goals are met.

THE PHILOSOPHY

Addiction is a disease - a disease that causes misery and suffering for the victim as well as all those who are personally associated with the victim. It is a progressive disease, unless treated and controlled, it can lead to other serious disorders and/or even death. Effective treatment must incorporate the physical, emotional, vocational, and spiritual self. SACEK provides an atmosphere of love, hope, and understanding for the addicted person and his family.



SACEK

All SACEK staff accept the responsibility of confidentiality. No information given to a staff member is ever passed on to any other person without the client's consent.

THE GOAL

The location, the facility, the staff, and the treatment model harmonize to create an environment conducive to speedy recovery. All treatment is based on the concept of positive change. This includes self awareness, responsible behaviors, and The Twelve Steps of AA. We strive to provide the client with the tools needed to live a lifestyle free of alcohol and other drugs.

THE TREATMENT SERVICES

Individual, group, and family counseling

Job seeking and career building skills

Reality therapy and other therapies designed to improve the clients understanding of self and provide action strategies for the recovery process

Education and information on substance abuse

Various types of structured activities for self-improvement in the areas of social, psychological, physical, vocational, and spiritual health

Other Services Include: medical, psychological, resocialization, and referral to other agencies is available to individual clients on an as needed basis.

Special groups for special populations

THE TREATMENT STAFF

The Treatment Staff includes Psychologists, Social Workers, Counselors, Educators, and Addiction specialists.

THE CLIENT

- Must enter the program voluntarily
- Must verify an active alcohol or drug abuse history within the past 18 months
- Must be detoxified prior to entering the program
- Must not have a history of violent crimes
- Must be at least 18 years of age
- Need not have the ability to pay but must qualify for public assistance and food stamps
- Must not be experiencing flash backs, psychotic manifestations, or severe physical illness that requires immediate medical attention
- Must be a resident of the State of Kansas
- Must have valid identification
- Men and Women accepted

THE ADMISSIONS PROCESS

Contact the Center by letter or phone. A counselor will talk with you concerning your addiction problem. If you qualify and a bed is available you will be admitted immediately. If a bed is not available you will be given a tentative admitting date.

362-0045

THE FEE PLAN

Clients are assessed a fee using a sliding fee scale. No one is denied treatment based on his inability to pay for services. When a fee is assessed, the client must pay one-third the amount when admitted.

REFERRAL AND AFTERCARE

Limited aftercare is available for clients who complete the program and return to jobs and family in the community. This group meets weekly for six months. Special arrangements can be made for clients who feel the need to continue for a longer period of time. Referral is available for those clients who need longer term residential treatment. To be considered successful, a client must accept the staff referral for longer term treatment.

SACEK
362-0045



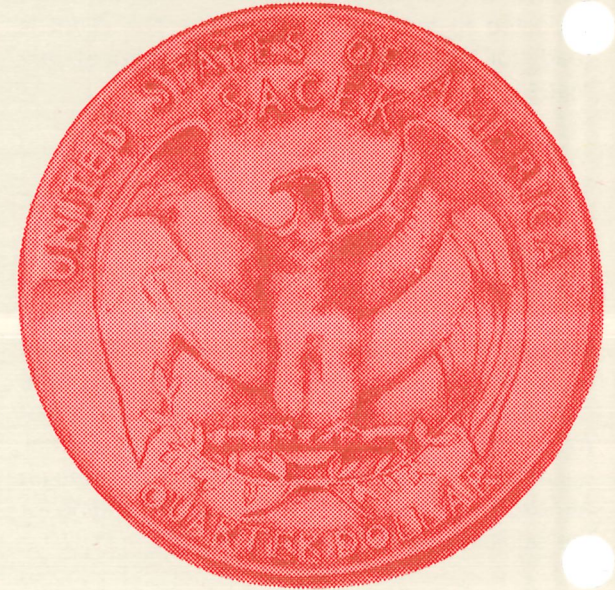
Erma E. Cunningham
Executive Director

A Private Non-Profit Intermediate Treatment Program for the recovering Substance Abuser. Partially funded by the Kansas Department of SRS, Alcohol and Drug Abuse Services and local liquor tax dollars. SACEK does not discriminate on the basis of race, color, national origin, religion, sex, age, handicap or political affiliation.

Substance Abuse Center of Eastern Kansas
4125 Rainbow Boulevard
P.O. Box 3307
Kansas City, Kansas 66103



**THIS
IS
SACEK**



**“WITH THE STRENGTH
OF AN EAGLE”**

**SUBSTANCE ABUSE CENTER
OF EASTERN KANSAS
Kansas City, Kansas
Intermediate Treatment Program F
Alcohol and Other Drug Abuse**



MidAmerican Bank & Trust

A MidAmerican Bank

February 23, 1990

Senator Gus Bogina, Chairperson
The Senate Ways & Means Committee
Kansas State Capitol
Topeka, Kansas

RE: The Substance Abuse Center
of Eastern Kansas

Dear Senator Bogina:

I have served on the Board of Directors of SACEK since 1985.

When I joined, the board was looking for an opportunity to move from our present facility. SACEK is currently in a building that the University of Kansas would like to tear down. In our discussions with the University of Kansas, they have encouraged us to look for a new facility.

With the acquisition of this parcel of land that the Ways & Means Committee is considering today, SACEK will have an opportunity to not only have a quality facility, but we will also be able to expand our capacity.

Senator, I hope that you and the other members of the Senate Ways & Means Committee will give favorable consideration to our proposal today.

Sincerely,

J. Patrick Purcell
Assistant Vice President

JPP:jmm

Department of Social and Rehabilitation Services

Testimony Before
The Senate Ways and Means Committee

Regarding

Senate Bill No. 650

11:00 A.M. on February 23, 1990

In Room 123-S of the Capitol Building

Presented on behalf of:

Al Nemec, Commissioner
Mental Health and Retardation Services
Telephone Number: 296-3773

SWAM
February 23, 1990
Attachment 4

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Mental Health and Retardation Services

TESTIMONY

Senate Bill No. 650

Title: Senate Bill No. 650, an act authorizing the Secretary of Social and Rehabilitation Services (SRS) to lease certain property located at Rainbow Mental Health Facility; providing for the purposes of such lease and authorizing the establishment of restrictions upon the use of such leased property.

Purpose: SB 650 allows the Secretary of Social and Rehabilitation Services to enter into a lease agreement with the Substance Abuse Center of Eastern Kansas, Inc. (SACEK) for a period of up to 40 years.

Background: SACEK approached the Department of SRS approximately one year ago concerning its need to expand and the lack of opportunities for expansion in the area of the University of Kansas Medical Center (KUMC). That particular part of the Kansas City area is particularly crowded with residences, businesses and office buildings, and new and affordable space is unavailable. SACEK is interested in constructing a new community treatment facility on the property of Rainbow Mental Health Facility, on a parcel of property along Rainbow Boulevard. This is on a site currently used by the University of Kansas Medical Center for parking.

SRS supports the effort of SACEK to provide a community program for chemical abusers in the Kansas City/Johnson County area.

If the Kansas Legislature supports SB 650, then SRS requests the following amendments:

1. That SRS and SACEK agree on the precise location of the parcel of property. SRS insists that the location of the property not interfere with the mission of Rainbow, that the building be situated so as to not disrupt direct sight from Rainbow Boulevard and assure good access to the public to Rainbow buildings.
2. Rather than lease, SRS recommends the property be conveyed to SACEK with the proviso that the property return to state ownership if the mission or purpose of the program is altered.

SRS recommends the following amendment:

Section 1. (a) The Secretary of Social and Rehabilitation Services shall convey to the Substance Abuse Center of Eastern Kansas, Inc. the following described state property located in the city of Kansas City, Wyandotte County, Kansas described as follows:

If a decision is made to lease the property, SRS recommends an amendment allowing the lease to be subordinated in order to allow the SACEK to obtain long term financing. Attached is a balloon with the proposed amendment.

3. Approximately 200 of the 650 annual adult admissions at Rainbow are people for whom drugs and/or alcohol played a part in their admission. Coke, crank and crack abusers are the

most rapidly increasing patient group at Rainbow. SRS believes that, in return for the state property, SACEK should expand its program to include a detoxification program.

4. The University of Kansas Medical Center currently leases the property on which the SACEK program will be located. KUMC uses the property for parking, and would be displaced. SRS encourages the Legislature to assist KUMC in providing relief for employee parking problems.

Effect of Passage: Rainbow Mental Health Facility will lose flexibility in using the property along Rainbow Boulevard, the University of Kansas Medical Center will lose current parking space and flexibility for possible future expansion.. Certain patients who now go to Rainbow for detoxification services could be served by SACEK if the new facility provides this service.

Fiscal Impact: None

ALN:GDV:ms

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to the left, having a radius of 1,457.50 feet, an arc distance of 297.65 feet; thence continuing South 0° 04' 51" West along the West line of Eaton Street, tangent to the last described curve, 840.22 feet to a point in the South line of the Southwest Quarter of said Section 26; thence South 89° 52' 04" West along said South line of the Southwest Quarter of Section 26, 624.95 feet to the Southwest corner of said Section 26; thence continuing North 89° 47' 33" West along the South line of the Southeast Quarter of Section 27, 157.04 feet to a point in the East line of Rainbow Boulevard as now established; said point being 2,637.11 feet South and 173.20 feet West by coordinate from the Northeast corner of the Southeast Quarter of said Section 27; thence North 34° 16' 36" West along the East line of said Rainbow Boulevard as now established 107.63 feet; thence Northerly along the East line of said Rainbow Boulevard on a curve to the right, tangent to the last described course, having a radius of 470.0 feet, an arc distance of 284.05 feet; thence continuing North 0° 21' 04" East along the East line of said Rainbow Boulevard tangent to the last described curve, 223.43 feet; thence South 89° 53' 40" East, 99.31 feet; thence Easterly on a curve to the left, tangent to the last described course, having a radius of 340.0 feet, an arc distance of 163.21 feet; thence North 48° 24' 39" East, 60.91 feet to a point in the East line of the Southeast Quarter of said Section 27 and the point of beginning. The leased property shall be subject to all applicable easements, rights of entry and restrictions of record.

(b) The lease shall specify the purposes for which the leased property may be used, including any restrictions upon the use of such property, and in the event such property shall cease to be used for such purposes or the restrictions specified upon the use of such property are violated, the lease shall terminate and the possession of the property shall immediately revert to the state of Kansas. The lease shall be signed by the secretary of social and rehabilitation services and approved by the attorney general as to form and legality.

(c) The lease entered into pursuant to the provisions of this section shall be renewable at the end of the term of the lease or may be deemed canceled at the end of the term of the lease at the instance of either of the parties thereto. Upon the termination of the lease, all buildings and other improvements on the real estate under such lease shall become the property of the state of Kansas.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

)
May include provisions subordinating the lease to a mortgage or other form of financing agreement entered into by the Substance Abuse Center of Eastern Kansas Inc., securing a loan for the purpose of constructing buildings and other improvements on the leased property. In

subject to such mortgage or other financing agreement

subject to such mortgage or other financing agreement

TESTIMONY
to the
Committee on Ways and Means

February 23, 1990

SENATE BILL No. 650

Roger O. Lambson
Vice Chancellor for Administration
University of Kansas Medical Center

SWAM
February 23, 1990
Attachment 5

Mr. Chairman and Members of the Committee, on behalf of the University of Kansas Medical Center, I would like to express our thanks for your willingness to allow us to offer testimony regarding Senate Bill 650. This is an important piece of legislation which could impact the Medical Center, our community and the State. We appreciate the opportunity to express our views.

We have read Senate Bill 650 with considerable interest, however, we remain unclear as to its full implications for the Medical Center. The issue appears to be further complicated by the fact that the University of Kansas Medical Center currently has a formal contractual agreement with the Department of Social and Rehabilitation Services (copy attached) which would appear to duplicate the agreement between SRS and the Substance Abuse Center of Eastern Kansas proposed by the legislation. Please refer to Attachment 2. The heavy line which follows 36th Street and Eaton Streets and then turns west to Rainbow Blvd, outlines the SRS Rainbow Mental Health Facility. Outlined in RED is one of the parking lots we have leased from SRS. The GREEN line marks the approximate area which is proposed in SB 650 to be leased by SRS to the Substance Abuse Center.

With specific Legislative suggestion and encouragement, the University of Kansas Medical Center has supported the work of the Substance Abuse Center and for each of the past ten years has leased about 4200 square feet of space to this program (copy of lease attached). At the same time, we understand and can appreciate the interest of the Substance Abuse Center in relocating. The facilities we have been able to provide are inadequate and joint discussions have been held regarding the identification of a new home for the Substance Abuse Center. However, the solution implied by SB 650 is of great concern to the Medical Center.

From a short-term perspective, we are troubled with the proposal because fully 815 of the total 3637 parking spaces available to the patients, visitors, students, staff and faculty of the Medical Center are located on the SRS Rainbow Mental Health property. Given your clear understanding of the magnitude and complexity of the patient care, teaching and research operations of the Medical Center, I am quite certain you can appreciate that any arrangement which has the potential to reduce or eliminate our access to any of these critical parking spaces is of the utmost concern to us. Such possibility was clearly evident to Ralph Burke and Associates, the national consultants engaged by the Medical Center over two years ago to study our critical parking situation. In several places in their report, the consultants noted the need to secure and or protect access to the large number of parking spaces not under Medical Center control.

LAMBSON TESTIMONY

Page 2

With regard to SB 650, I would like to further clarify our concerns and attempt to develop a long-term perspective on the issue. As shown on the attached photograph, the Medical Center is located on approximately 50 acres of land bounded by the Missouri state line on the east, an historic residential district on the south, US Highway 169 on the west, and the Rainbow Mental Health Facility on the north. As can be seen even on this poor quality illustration, whatever Medical Center property is not covered by structures is covered by parked automobiles; there are few opportunities for expansion on this site.

Because of this genuine constraint, program expansions and new facilities have necessitated very careful planning and the construction of very expensive multi-story parking structures which have both short and long-term implications. Since parking operations at the Medical Center are totally self-supporting and must serve the estimated 12,000 people who come to the institution each day to work, study, or receive health care, it should come as no surprise that parking is extremely limited and most of it is expensive. Garage parking currently costs \$480; surface lot permits range from \$210 to \$60 per year. It is important to note that all of our low-cost parking spaces are located on SRS property.

The 430 SRS spaces you can note on the photograph which are located along Eaton Street are made available to Medical Center personnel for \$60 per year; the remaining 385 SRS parking spaces, which are located below the bluff on the south side of the Rainbow Mental Health Facility, are free to our students and staff. I am confident that you share our opinion that continued availability of this free and low-cost parking is extremely important to the continued vitality of the Medical Center. However, as we read the legislation, SB 650 would permit SRS to lease to the Substance Abuse Center most, if not all, of this free parking area.

In 1988, the Medical Center and SRS entered into a five-year lease which ensured continued Medical Center access to the 815-plus essential parking spaces noted earlier. The assured use of this property for at least five years permitted us to expend funds to improve the parking areas. While we were able to negotiate a modest expansion of the free parking area at that time, the desire of SRS to maintain their ball fields and picnic areas precluded our development of sufficient additional parking to replace the area which was expected to be lost to the Rainbow Blvd Widening Project.

As expected, on February 1, 1990, the construction project to widen and straighten Rainbow Blvd (HWY 169) removed a significant slice of both Medical Center and SRS property and eliminated about 250 parking spaces used by Medical Center staff and students.

LAMBSON TESTIMONY

Page 3

In conclusion, I would repeat that the Medical Center has serious concern about SB 650 from both a short and a long-term perspective. Admittedly, our concerns are self-serving but any arrangement which would reduce or eliminate Medical Center access to the parking spaces it presently uses on Rainbow Mental Health Property would have an immediate and serious impact on University of Kansas Medical Center operations and programs. The proposed legislation suggests that at least a portion of the Rainbow Mental Health Facility property is in excess of SRS needs and will remain so for the next 40 years. The Medical Center does not share this view. From our perspective, every square foot of this property is critical to the state of Kansas and the Medical Center would not like to see any action taken which could foreclose any future options for its use of this key property. For these reasons, we respectfully oppose Senate Bill 650. X

Thank you for your consideration.

AGENCY COPY
 REAL ESTATE LEASE AGREEMENT

5 Year Lease

883671

Agency Contract No. _____

Enc. No. _____

() For obligation of previously approved lease only

Previous Year's Enc. No. _____

ENCUMBRANCE CLASS	Agency	Sub-Agency	Fund	FY	Sub-Acct	Prog	Act	Obj	Amount	Agency Use
<input type="checkbox"/>	682	02	1000	89	01300	0161		232 234	\$1.00	201005
1. Payment must not exceed enc.										
2. Must liquidate w/in \$100 or 10%										
3. No liquidation limit										
FIRM/CONTINGENT										
<input type="checkbox"/>										
1—Firm										
2—Contingent										
TOTAL →									\$1.00	

NOTICE TO LESSOR AND LESSEE: PURSUANT TO THE REQUIREMENTS OF K.S.A. 75-3730, 3738(1), 3739(8), and 3743, as amended, NO LEASE AGREEMENT IS EFFECTIVE TO OBLIGATE THE STATE UNTIL THE AGREEMENT HAS BEEN SIGNED AND THE REQUIRED APPROVALS AFFIXED HERETO.

Clauses printed in this contract are considered mandatory and may only be supplemented, if at all, by a special condition approved by the Department of Administration. Fill in blanks accordingly.

Obligate F.Y. 89 \$ 1.00
 Obligate F.Y. 90 \$ 4.00
 Total Commitment \$ 5.00

This agreement made this 1st day of April 1988 between lessor, first party and lessee, second party hereinafter set out:

CONTRACT PARTIES:	LESSOR (FIRST PARTY)	LESSEE (STATE AGENCY) (SECOND PARTY)
	First Name	<u>Department of Social and Rehab. Ser/Rainbow</u> <u>UNC</u>
	Office Address	<u>3205 N. 36th St., P.O. Box 3208 Mental Health 39th & Rainbow Blvd.</u>
	City	<u>Kansas City</u> State <u>KS</u> Zip <u>66103</u> Facility <u>Kansas City, KS 66103</u>
	Type of Firm () Individual () Partnership () Corporation	
Firm's Taxpayer Identification No. _____		

WITNESSETH, that first party, in consideration of the rents, covenants, and agreements of second party, hereinafter set forth, does let, lease and rent to second party the following described property situated in Kansas City, Wyandotte County, Kansas, to wit:
 (See Attachment 1) (name of city)

- Term:** To have and hold the same for the term of () (a) indefinite, month to month; () (b) one year; () (c) other (specify) 5 years, which term is to begin on April 1, 1988.
- Rental Payments:** Second party agrees to pay equal monthly installments of \$1.00 dollars per year commencing the 1st day of each April, 1988, and on the _____ day of each month thereafter until the term of this lease ends, final payment to be adjusted for any partial month's payment that may be due. The space herein above described contains _____ square feet of space for office use at the rate of _____ dollars per square foot; _____ square feet of floor space for records and property storage use to be rented at the rate of _____ dollars per square foot per annum; 6 acres (square feet of floor space) (acres, more or less); for other use (specify) student and employee surface parking.
- Use of Premises:** Second party shall have the full and unrestricted use of the premises for the term of this lease, or any renewals thereof, for the following purposes: student and employee surface parking.
- Utilities:** Public utilities will be furnished and paid for as follows: (1) water, N/A party; (2) electricity, second party; (3) gas, N/A party; (4) heat, N/A party; (5) air conditioning, N/A party; (6) telephone, N/A party.
- Repair of Premises:** (If building space, otherwise inapplicable.) First party will maintain in good repair the exterior walls and windows, roof, structural floors, elevators, and furnish repairs to heating, air conditioning, plumbing, sewer line, and electrical wiring and related fixtures. Interior repairs and decoration shall be furnished by N/A party. If the interior of the leased premises is damaged as a result of failure of the roof, plumbing, or other utilities or items under the control of the lessor, the lessor agrees to make resulting repairs to the interior.
- Custodial Service:** Custodial service, including cleaning of halls, restrooms, porches, sidewalks and parking areas shall be furnished by second party.
- Subletting:** Second party shall have the right to sublet any of the space herein leased to any other state agency for the same or a comparable use, provided; however, second party may not assign or sublet said premises to any private person without the written consent of first party. If second party sublets to another state agency, second party's obligation to pay the rental herein shall cease; provided, however, any such subtenant shall be bound by all conditions of this lease for the balance of the term.
- Untenantable Premises:** (If building space, otherwise not applicable.) If these premises shall be damaged by fire, casualty, natural disaster, or other cause so as to be untenable, the rental shall abate from the date of such damage and shall not resume until premises are restored to tenantable condition; provided, however, if the damage so caused shall render restoration impossible within sixty days of the time of such damage, second party may elect to void this lease and the obligation to occupy and to pay

9. Termination for Fiscal Necessity: Notwithstanding any other provision of this lease, if funds anticipated for the continued fulfillment of this lease agreement are not forthcoming, either through failure of the legislature to appropriate funds or the discontinuance or material alteration of the program under which funds are provided, the second party shall have the right to terminate this lease by giving first party a reasonable notice specifying the reasons for such necessary termination. The termination of the lease pursuant to this paragraph shall not cause any penalty to be charged to the state agency.
10. Automatic Termination; Holding Over: This lease agreement, if not previously terminated, shall automatically expire at the end of the term specified unless second party shall have renewed the lease pursuant to lease special provision (2); however if second party shall hold over the end of the term without the benefit of renewal, he shall be a tenant from month to month at the same terms and conditions as contained herein.
11. Removal of Personal Property: All personal property, or installed personal property, placed upon the premises by second party during occupancy, which may be removed upon vacation by second party at the end of the term without substantial damage to the real estate, shall be and remain the sole property of second party and may be removed; or if substantial damage would occur, second party may elect to remove the property and restore the premises.
12. Agreement with Kansas Law: All lease agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.
13. Equal Opportunity: First party agrees: (a) to comply with the Kansas Act against discrimination (K.S.A. 1980 Supp. 44-1001 *et seq.*) and to not discriminate against any person who performs work hereunder, because of race, religion, color, sex, national origin or ancestry; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) that he or she will comply with the reporting requirements in K.S.A. 1980 Supp. 44-1031; (d) to include these provisions in every subcontract or purchase order so that they are binding upon such subcontract or vendor; (e) that failure to file any report required in (c) above or if found guilty of any violation of such act by the Kansas Commission on Civil Rights shall constitute a breach of this contract and it may be cancelled, terminated or suspended, in whole or in part by the second party.
14. Binding Effect: The terms and conditions of this lease shall be binding upon the parties, their heirs, agents, administrators, executors or legal successors.
15. Responsibility for Taxes and Liability for Damages: The State of Kansas shall not be responsible for, nor indemnify, a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of the lease. Notwithstanding any language to the contrary, the state shall not be responsible for any damages caused by the public or its employees except as provided in the Kansas Tort Claims Act, K.S.A. 1980 Supp. 75-6101 *et seq.*
16. Special Provisions: The following paragraphs indicated by X and numbered as listed hereafter or on an attachment in numerical sequence are made a part hereof and included by reference, e.g. 1, etc.:

(Check if applicable)

- Spec. Prov. 1. (X) Termination Prior to Expiration of Term: Notwithstanding the length of the term, second party may terminate this lease at any time prior to the expiration of the term upon the giving of a 180 days notice in writing to first party.
- Spec. Prov. 2. (X) Renewal: By the giving of a notice at least 180 days prior to the end of the term specified, second party may renew this lease for an additional term of 5 years under the same rent, conditions, and terms set out herein.
- Spec. Prov. 3. () Parking: First party shall furnish to second party off-street parking for 1/1A motor vehicles upon land adjacent to the leased building.
- Spec. Prov. 4. (X) Storage: Second party shall have the ~~right~~ subject to the approval of first party right to store materials or equipment of any kind whatsoever upon the premises and the right to remove said material at any time during the term of this lease or any renewal thereof.
- Spec. Prov. 5. (X) Improvements: Second party may install or construct upon the land, buildings and improvements of a temporary or permanent nature, and such buildings and improvements shall remain the sole property of second party and may be removed at any time. as are necessary to maintain surface parking operation

Additional Special Provisions, if any, should be set out on a separate sheet to begin with number six. If there are special provisions they all must be listed in numerical order to be considered effective to bind the parties; the parties to this agreement must sign their names immediately following the last listed special provision. This lease agreement should be completed well in advance of the proposed effective date of the lease and submitted for the approval of the Department of Administration so that if approval is not forthcoming, the parties will not have changed their positions. No lease is effective nor may expenditure be made without all required approvals.

Signed First Party	Date <u>Dec 2, 88</u>	Name <u>Jack J Southwick</u>	Title <u>Supt</u>
Signed Approvals Second Party	Agency Approved: <u>[Signature]</u>	Agency Attorney: I certify that I have examined this lease agreement and find it is within the authority of the named agency to enter into including the special provisions, if any. <u>[Signature]</u> Name _____ Title _____	
	Officers Approved: <u>[Signature]</u>	Agency Head: I certify that this lease agreement is entered into within the authority of law, is with my approval, and that the person signing the same for the state is authorized to do so. <u>[Signature]</u> Name _____ Title _____	
	Director of Purchases: <u>NA</u>	Approved as to form and execution: (Attorney General, Asst. Attorney General) (Chief Attorney, Dept. of Admin.) <u>[Signature]</u>	
	Director of Accounts and Reports: <u>[Signature]</u>	By: <u>[Signature]</u> () Not Applicable	
Department of Administration Space Management Officer: <u>[Signature]</u>			

Description

Lot #97 is located in the West 620 feet of the South 1140' of Southwest Quarter of Section 26.11.25, in Kansas City, Kansas. It is bordered on the East side by Eaton Street, on the North by 36th Street, on the South by The University of Kansas Medical Center, and on the West by an existing chain link fence (along the top of the existing bluff). See attached Parking Lot Plan. The approximate area of parking is 3.3 Acres.

Lot #98, including expansion, lies in a parcel immediately west of the Rainbow Mental Health Facility, bordered by 36th Street on the North, Rainbow Boulevard on the West, and by The University of Kansas Medical Center on the South. See attached Parking Lot Plan.

Lot #98 (existing gravel and lawn) is located in the East 300 feet of the South 600 feet of the Southeast Quarter of Section 27.11.25, in Kansas City, Kansas. Proposed expansion of lot 98 encroaches into the West 620 feet of the South 1140' of the Southwest Quarter of Section 26.11.25.

The limits of Lot #98 expansion shall be described as follows: The North boundary of expansion shall be in alignment with the North exterior wall of the existing Rainbow Mental Health maintenance building, located on the South side of the Rainbow Mental Health Facility parking lot. The East boundary shall be fifty feet (50') from the West face of the Rainbow Mental Health maintenance building, parallel to said face of Rainbow Mental Health maintenance building wall. Additional boundaries shall be determined by face of existing bluff on the South and existing gravel parking lot to the West.

The existing baseball backstop shall be relocated to agreed upon location outside of above-described area.

EXIST. PARKING - LOT #99
UNIVERSITY OF KANSAS
MEDICAL CENTER

38th ST.

EXIST. BLUFF

MAINT. YARD

PROPOSED EXPAN-
SION OF LOT #98

KUMC
LOT #97
(EXIST.
CHIP AND
SEAL)

RAINBOW
PARKING

RELOCATED BASE-
BALL BACKSTOP.

KUMC
LOT #98
(EXIST. GRAVEL)

APPROX. LIMIT OF
EXIST. GRAVEL
LOT

EXIST.
FENCE
(ALIGNMENT
VARIES)

EATON ST.

RAINBOW
MENTAL
HEALTH
FACILITY

APPROX. 310' To E
OF RAINBOW BLVD.

RAINBOW BLVD.

37th

EXIST. BLUFF

APPROX. 800' FRONTAGE
36th ST.

PARKING LOT PLAN

NO SCALE

05-10-'88

SK. PAUL

APPROX.
115'
FRONTAGE.



US
POST OFFICE
2200

RAINBOW
SOUTH
SOUTH
MONTELL
REC
CENTER

RAINBOW
MENTAL
HEALTH
BLDG
2205

W 36TH AVE.

AREA PROPOSED TO BE
LEASED BY SRS TO
SUBSTANCE ABUSE CTR.
OF EASTERN KS.

GRAVEL PAVED
LOT

MAINT.
AREA.

EATON

- 37
- 370
- 3709
- 371
- 371
- 372
- 373
- 373
- 37
- 3737
- 3739
- 3743
- 3747
- 3749

EATON

ADAMS

BALDWIN

RAINBOW
GARDEN

M.L.H.

LEASE AGREEMENT

THE UNIVERSITY OF KANSAS (hereinafter called the "University") and the SUBSTANCE ABUSE CENTER OF EASTERN KANSAS (hereinafter called the "Center") enter into this agreement as of the 1st day of July, 1988. The terms of the agreement are as follows:

1. The University will sublease space in the facility known as the Family Practice Building located at 4125 Rainbow Boulevard (on an annual basis) to the Center on the basis of the percentage of square feet occupied by the Center (approximately 4,239 sq. ft.) to the total square feet in the Family Practice Building (37,500 sq. ft.) applied to the cost of maintenance and other considerations as provided in this lease agreement.

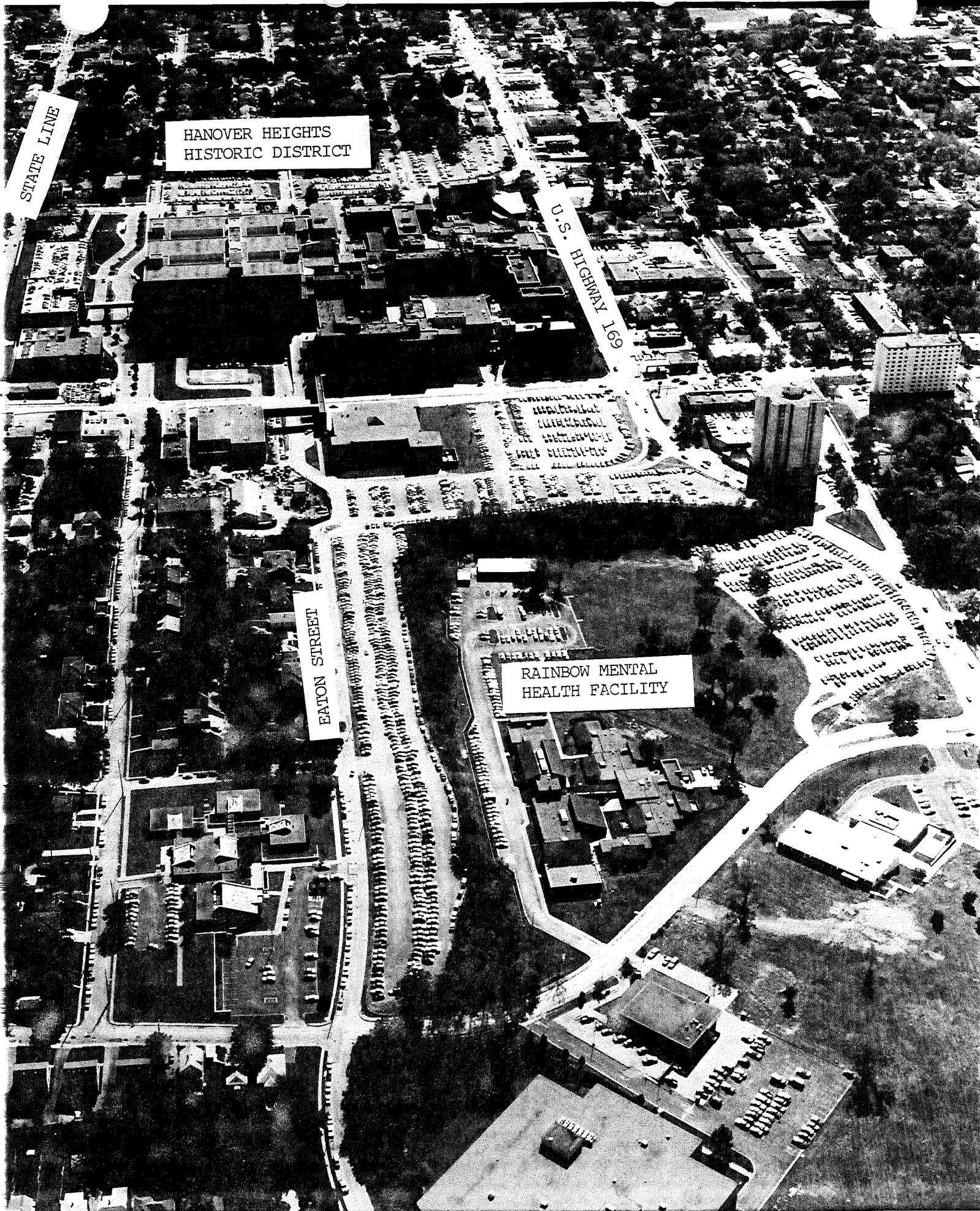
2. The University subleases to the Center that space which is described on Attachment A, which is attached to and is made a part of this agreement for the period commencing July 1, 1988 and ending June 30, 1989, at a quarterly rental of \$7,875.00 payable on the first day of each quarter. Either party shall have at its option, the right to terminate this agreement, upon written notification to the other party sixty days prior to such termination.

3. The Center shall have the full and unrestricted use of the premises for the above term, subject to the termination clause, for the purpose of carrying on the normal functions of a community-based facility to provide drug and alcohol treatment for indigent clients. The premises shall not be used as a detoxification center and clients shall have completed detoxification before entering the program. The University and its medical staff shall not be responsible for providing in-house medical treatment to clients of the Center.

4. Electricity, heat, and air conditioning shall be furnished by the University. Telephone and custodial service shall be furnished by the Center. Custodial service shall be provided by the Center in a way so as to maintain the leased premises in the same manner as the University would maintain its premises. University personnel shall be allowed access to the premises on a reasonable basis to assure that normal maintenance and care is being provided.

5. The University shall provide minor maintenance services to the Center on a service call basis. The Center shall pay for these services at the University's normal service call rate.

6. The University shall maintain in good repair the exterior walls, roof, and furnish major repairs to heating, air conditioning, plumbing and wiring. Interior repairs and decoration shall be furnished by the Center subject to the provisions of this Paragraph 6. The Center shall be responsible to install and maintain any renovations to the premises which it deems necessary to carry on its program. The Center shall obtain the University's approval of such renovation plans before commencing renovation. All such renovations to the premises made by the Center during occupancy shall be removed by the Center at the end of the term of this agreement or upon termination of the agreement and the premises restored. However, the University and the Center may agree that the renovations shall not be removed and such agreement shall provide for reasonable compensation to the Center for the renovations.



STATE LINE

HANOVER HEIGHTS HISTORIC DISTRICT

U.S. HIGHWAY 169

EATON STREET

RAINBOW MENTAL HEALTH FACILITY

Department of Social and Rehabilitation Services

Winston Barton - Secretary

Statement Regarding: Senate Bill No. 662

Title: An act authorizing the Secretary of Social and Rehabilitation Services to sell or lease certain property currently being used as a workshop for the blind.

Purpose: The purpose of the bill is to authorize transfer of the sheltered workshop for the blind in Kansas City intact as an operating manufacturing plant to nonprofit private sector ownership and control.

Background: A sheltered workshop provides employment to persons with disabilities in a noncompetitive, i.e., sheltered setting. Community-based, private nonprofit organizations own and operate more than 30 sheltered workshops throughout Kansas, employing approximately 2,600 Kansans with a wide range of disabling conditions. Two workshops, known as Kansas Industries for the Blind, are owned by the State of Kansas through the Department of Social and Rehabilitation Services. One workshop is located in Kansas City.

Kansas Industries for the Blind experienced operating losses totaling more than \$1.5 million in the three-year period, FY 1986 - 1988, necessitating appropriation of State General Revenue Funds to cover the losses. To arrest this pattern of fiscal liability, as part of its FY 1989 Budget Request the Department of Social and Rehabilitation Services proposed a five-year plan for transferring operation, management and ownership of the Kansas City workshop to the private sector. Through a publicly announced competitive selection process, on July 12, 1988 the Secretary of Social and Rehabilitation Services entered into an agreement with Wichita Industries and Services for the Blind which formalized the plan.

Production and employment at the Kansas City workshop has stabilized under management and operation by Wichita Industries and Services for the Blind.

The agreement provides for gubernatorial and legislative oversight of the privatization effort by recognizing that: (i) funds must be appropriated to effect smooth transition according to a five-year schedule; and (ii) appropriate statutory authority would need to be enacted for the Secretary of Social and Rehabilitation Services to effect transfer of title of real estate and personal property as an intact operating manufacturing plant.

The agreement specifies that Wichita Industries and Services for the Blind may exercise an option to purchase the facility on or before twenty-four months from the closing date of the agreement, provided the Secretary of Social and Rehabilitation Services receives written notice of intent to exercise the option on or before eighteen months from the closing date. A written notice of intent to exercise that option was submitted to Secretary Barton in a letter signed by the Chairman of the Board, Wichita Industries and Services for the Blind.

SUAM
February 23, 1990
Attachment 6

The total value of the manufacturing plant is \$554,705.

A Five Year Plan, 1990 - 1995, filed with Rehabilitation Services, cites four primary goals which Wichita Industries and Services for the Blind seeks to achieve for the Kansas City workshop:

1. Increase the total number of blind persons employed.
2. Increase sales by expanding current product lines and developing new product lines.
3. Achieve financial independence and stability by the end of Fiscal Year 1993.
4. Explore needs, other than vocational, of blind employees.

Key interests of the State are addressed in the plan, including a significant increase in employment of workers who are blind to a total of 29 in 1994. Six new product lines are currently under research for production at the workshop. The projected profit and loss statement reflects a net gain of \$155,000 in 1993 (with no State subsidy) and a net gain of \$145,000 in 1994 (with no State subsidy). Projected capital expenditures for the five years are \$1,552,067.

Effect of Passage: Passage of Senate Bill No. 662 would allow the State to privatize ownership and control of the sheltered workshop for the blind in Kansas City. By privatizing the workshop, the State would not continue to be liable for any future operating loss by the facility, while also being reasonably certain, based on several years of successful operation of more than 30 similar facilities owned and operated by community-based nonprofit organizations across the State, that the workshop would be sustained as a viable manufacturing enterprise. The State has agreed to subsidize management and operation of the workshop at a cost of \$1,100,000 over a period of five years, but transfer of title would preclude the need for the State to further expend funds for plant maintenance or capital improvements. Wichita Industries and Services for the Blind has documented plans, contingent upon receipt of title, to invest \$1,512,067 in plant construction and equipment over a five-year period. An investment of this magnitude would expand and diversify the product line and substantially increase the number of blind or visually impaired persons employed at the plant.

Recommendation: The Department of Social and Rehabilitation Services recommends Senate Bill No. 662 be reported favorably for passage by the Kansas Senate.

For more information contact:
Gabriel R. Faimon, Commissioner
Rehabilitation Services
296-3911

Presented to:
Senate Committee on Ways and Means
February 23, 1990