

Approved: 3/13/96 ka  
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR

The meeting was called to order by Chairman Al Lane at 9:08 a.m. on February 21, 1996 in Room 526-S of the Capitol.

All members were present except: Rep. Broderick Henderson - excused  
Rep. Gary Merritt - excused  
Rep. Terry Presta - excused  
Rep. Candy Ruff - excused

Committee staff present: Jerry Donaldson, Legislative Research Department  
Bob Nugent, Revisor of Statutes  
Bev Adams, Committee Secretary

Conferees appearing before the committee: Paul Bicknell, KDHR  
Rep. Nancy Kirk  
Michael Byington, Wichita Industries for the Blind  
Rep. Greta Goodwin  
Kelly Jennings, KAPE  
Dr. Michael Strouse, Community Living Opportunities

Others attending: See attached list

Continued Hearing on:

**HB 2988 - Correcting federal conformity issues.**

Paul Bicknell, Chief of Contributions, Division of Employment Security, Kansas Department of Human Resources (KDHR), continued his testimony on the bill. The bill was by request from the agency and makes four amendments to the Employment Security Law. The four changes were brought before the Employment Security Advisory Council and received unanimous support. He read his testimony and finished by answering questions. (see Attachment 10, February 20, 1996)

No others were present to testify on the bill and the hearing was closed by Chairman Lane.

Hearing on:

**HB 2905 - training and retraining programs, laid off employees of closed institutions**

Rep. Nancy Kirk, appeared as a sponsor of the bill. This is one of six bills that the Shawnee County Legislative Delegation has put together to try to ease the transition for employees that will be affected by the closing of Winfield and Topeka State Hospital. Many of the things they are doing is to remove the barriers to making the transition for these employees. There is a proposed amendment to the bill to benefit other employees of agencies that have services that are being privatized. She concluded her appearance before the committee by answering questions.

Michael Byington, Wichita Industries and Services for the Blind (WISB), appeared in support of the concept of the bill. In addition to the closure of Winfield and Topeka State Hospital, many other human services are being privatized and are being funded at a lower level. The WISB feel that during the transition period some assistance and help may be necessary to insure that both services and jobs remain in place. He proposes an amendment that would include workers of these agencies in the training and retraining programs. (see Attachment 1)

Rep. Greta Goodwin, appeared as a sponsor of the bill. Her district is directly involved with the closing of Winfield State Hospital and Training Center (WSHTC). The parents and guardians who have family members or wards at Winfield are very concerned about the development of good community programs that are specifically developed to meet the needs of these persons. They have great trust in the training and expertise of the many professional and other employees of WSHTC and want these skills to be transferred for use by the community alternatives to the degree that this is possible. (see Attachment 2) Rep. Goodwin ended her appearance before the committee by answering questions from the committee.

Kelly Jennings, Kansas Association of Public Employees, appeared before the committee in support of the bill. With the hundred of workers being displaced by the proposed hospital closure, they feel the state should provide assistance in job placement programs for these workers. They also support the amendment to include employees of other services being privatized. (see Attachment 3)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR, Room 526-S  
Statehouse, at 9:08 a.m. on February 21, 1996.

Dr. Michael Strouse, Community Living Opportunities, appeared as a proponent of the bill. He served as a consultant to develop plans for the closure of Winfield State Hospital. The people who remain to be placed in community programs from Winfield suffer the most severe developmental disabilities and behavioral challenges and it will be a challenge to place them in alternative community programs. (see Attachment 4)

Written testimony from Ernie Mosher, City of Topeka, supporting the bill was handed out to the committee. (see Attachment 5)

There were no others who wanted to testify on the bill and the hearing on **HB 2905** was closed by Vice-Chairman Packer.

Committee action on:

**HB 2905 - Training and retraining programs, laid off employees of closed institutions.**

Rep. Flora made a motion to approve the amendments contained in Michael Byington's testimony with the added change to the enactment clause to change it to publication in the Kansas Register. It was seconded by Rep Ballard. After discussion, the motion was withdrawn. Rep. Pauls asked for a change in the wording of the amendment to read first priority for institutions being closed, second priority for those out of work because of services previously provided by SRS being privatized, and the enactment clause on publication in the Kansas Register, and made a motion that the bill be amended with these changes. It was seconded by Rep. Flora. The motion carried. Rep. Standifer made a motion to recommend **HB 2905** be passed out favorably as amended. It was seconded by Rep. Flora. The motion carried.

**HB 2988 - Correcting federal conformity issues**

Rep. Standifer made a motion to recommend **HB 2988** favorably for passage and to place it on the Consent Calendar. It was seconded by Rep. Geringer. The motion carried.

**HB 2745 - Establishing a set fine for a corporation to pay for failure to file an annual report on time.**

Rep. Becker made a motion to recommend **HB 2745** favorably for passage and to place it on the Consent Calendar. It was seconded by Rep. Geringer. The motion carried.

The committee was adjourned by Vice-Chairman Packer at approximately 10:00 a.m.

The next meeting is scheduled for February 22, 1996.

HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE  
GUEST LIST

DATE February 21, 1996

NAME	REPRESENTING
RONALD E. PARTEE	TRIAL LAWYERS
Cindy Bittel	SRS CR/ EEO Section
Mrs. Paul Roy Roroni	SRS CR/ EEO Section
Trudy Aaron	Am Inst of Architects
Ernie Mosher	C. Y. of Popuka
CANDY BYRNE	KMH C
Jim Amelle	Intern

didn't get passed

WICHITA INDUSTRIES & SERVICES FOR THE BLIND, INC.

February 19, 1996

TO: House Committee on Business, Commerce and Labor

REPLY TO: Michael Byington  
WISB Governmental Affairs Office  
P. O. Box 1063  
Topeka, Kansas 66601  
(913) 575-7477 (office and voice mail)  
(913) 233-2539 (FAX)

SUBJECT: House Bill 2905 to be heard February 21, 1996

We support this bill in concept and feel it is needed. The Governor's budget frankly does not provide anywhere near the monies for human services which are being privatized as compared with the monies which were spent on the same services when they existed as a function of State government itself. This is perhaps part of the logic of privatization, and we will not disagree with the concept, but during the transition period some assistance and subsidization may be necessary to insure that both services and jobs remain in place. This bill directly addresses this issue.

This bill needs to be amended, however, to do some of the things its proposers intend for it to do. Amendatory language is proposed on the next page.

In its current form, this bill would assist with programming being turned over to privatization due to closure of Winfield State Hospital and Topeka State Hospital. Several of the bill's sponsors, however, have suggested that they intend for the bill to also have relevance to the privatization of such entities as Kansas Industries for the Blind, and service programs which may be turned over to privatization such as foster care. The definition of a State institution, contained in K.S.A. 76-12a01, and used in this bill, however, is very specific to Topeka State Hospital and Winfield State Hospital. Kansas Industries for the Blind or other services or employment programs being considered for privatization are not within this definition. For this bill to have its intended, and most desirable, impact, the amendments outlined on the next page will be essential.

1

*House Business,  
Commerce & Labor  
Committee  
2/21/96  
Attachment 1*

A not-for-profit  
agency providing  
employment &  
services to people  
who are blind.

801 East Lincoln  
Wichita, Kansas 67211  
(316) 267.2244  
Fax (316) 267.4312

925 Sunshine Road  
Kansas City, Kansas 66115  
(913) 281.0710  
Fax (913) 281.2450

1600 North Walnut  
Pittsburg, Kansas 66762  
(316) 231.8600  
Fax (316) 231.8620

**CURRENT VERSION OF HOUSE BILL No. 2905**

**By Representatives Kirk, Bradley, Flora, Goodwin, Grant, Mays, R.Nichols, Spangler and Toelkes**

2-5

10 AN ACT concerning training and retraining programs; relating to em-  
11 ployees of closed institutions.

12

13 Be it enacted by the Legislature of the State of Kansas:

14 Section 1. (a) "Institution" has the meaning ascribed thereto by  
15 K.S.A. 76-12a01, and amendments thereto.

16 (b) Any entity which provides services which were previously pro-  
17 vided by an institution, but which the institution no longer provides due  
18 to the institution's closure, scheduled closure or cessation or reduction of  
19 operation due to budget reductions, shall receive top priority considera-  
20 tion for any business assistance program administered by the department  
21 of commerce and housing. Such priority shall be greater than the priority  
22 established in K.S.A. 74-50,133, and amendments thereto.

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

**HOUSE BILL No. 2905 WITH PROPOSED AMENDMENTS  
(Amendatory language is underlined.)**

10 AN ACT concerning training and retraining programs; relating to em-  
11 ployees of closed institutions.

12

13 Be it enacted by the Legislature of the State of Kansas:

14 Section 1. (a) "Institution" has the meaning ascribed thereto by  
15 K.S.A. 76-12a01, and amendments thereto.

16 (b) Any entity which provides services which were previously pro-  
17 vided by an institution or state of Kansas administered and operated employment training  
or human services program, but which the institution or program no longer provides due  
18 to the institution's or program's closure, scheduled closure or cessation or reduction of  
19 operation due to budget reductions, shall receive top priority considera-  
20 tion for any business assistance program administered by the department  
21 of commerce and housing. Such priority shall be greater than the priority  
22 established in K.S.A. 74-50,133, and amendments thereto.

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

**GRETA H. GOODWIN**  
 REPRESENTATIVE SEVENTY-EIGHTH DISTRICT  
 COWLEY & BUTLER COUNTIES

STATE CAPITOL—RM. 281-W  
 TOPEKA, KANSAS 66612-1504  
 DURING SESSION  
 (913) 296-7669  
 LEGISLATIVE HOTLINE  
 1-800-432-3924



TOPEKA

HOUSE OF  
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER:  
 JUDICIARY  
 HEALTH & HUMAN SERVICES  
 TAXATION

JOINT COMMITTEE ON HEALTH CARE OVERSIGHT  
 KANSAS PUBLIC EMPLOYEES RETIREMENT  
 STUDY COMMISSION

## Testimony Supporting H.B. 2905

*Rep. Greta Goodwin*

The parent group of Winfield State Hospital and Training Center (WSHTC) has been meeting regularly for the past ten years. During and after the decision to close WSHTC I have been working closely with this group to listen and offer support during the transition to community life for their family members. The persons currently served at WSHTC have very significant needs. While some community programs serve persons with significant needs, the scope of the adaptive, medical, and behavioral needs of persons served at WSHTC will be highly challenging for all community programs. During the closure planning process and through my many meetings with parents I have learned that the parents are very concerned about the development of good community programs that are specifically developed to meet these challenging needs.

Community programs are being asked to expand rapidly and serve persons with very difficult needs with whom they have little experience. While many families would prefer that WSHTC would remain open, most have accepted the fact that it will close. Their focus now has shifted to make sure that the community alternatives that are being developed across the state are appropriate and of high quality. Parents and guardians are now providing input about where they would like services for their family member or ward to be located and what services are needed to live successfully within the community.

Most all parents and family members have significant fears about the transition to community life for their family member. Many have repeatedly voiced a desire for a well managed closure plan that assures good care and employment stability during the closure process and for a smooth transition to high quality community programs which, as much as possible, utilizes the human and technical resources of displaced WSHTC employees. Parents have great trust in the training and expertise of many professional and direct service employees of WSHTC and want these specialized skills to be transferred and retooled for use by the community alternatives to the degree that this is possible.

Community program alternatives to institutions are clearly the best focus of our economic development efforts for commerce and industry when institutions close. Focusing on the development of sound community programs that serve persons with multiple severe developmental disabilities and that harness human resources of closing institutions will best reduce the personal and financial impact associated with institutional closures. I and my colleagues sponsoring this bill feel that the priorities established by this legislation would further facilitate the development of community programs that emerge to replace institutions that are tabbed for closure.

*B. Col  
 2/21/96  
 att. 2*





1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-3920

**TESTIMONY OF KELLY JENNINGS  
KANSAS ASSOCIATION OF PUBLIC EMPLOYEES**

**Before the House Business, Commerce and Labor Committee  
in support of House Bill 2905  
February 21, 1996**

Members of the committee, good morning. My name is Kelly Jennings, I represent the Kansas Association of Public Employees. Thank you for the opportunity to appear before you in support of House Bill 2905.

HB 2905 is one of a series of bill addressing the needs of probable displaced institutional workers from the proposed closure of Topeka State Hospital and Winfield State Hospital. It is a relatively simple bill which will require no additional fiscal note.

The bill will provide top priority for those workers affected by closure of state institutions for any business assistance programs administered by the Department of Commerce and Housing. With hundreds of workers being displaced by the proposed hospital closure, it is imperative the state provide assistance in job placement programs for these displaced workers. The Department of Commerce and Housing already provides similar programs that these employees need and has the capabilities to provide programs specifically designed for these displaced workers.

KAPE urges this committee to report favorably on HB 2905. Thank you for your time and consideration on this matter. I would be happy to stand for any questions you may have.

*House Business,  
Commerce & Labor  
2/21/96  
Attachment 3*



# Testimony for H.B. 2905

*BY: Michael C. Strouse, Ph.D.  
Community Living Opportunities, Inc.  
913-341-9316*

Community Living Opportunities, Inc. (CLO) was founded in 1977 to provide an array of community support services necessary to meet the needs of persons with severe and multiple disabilities within the community. In 1971 about 200,000 persons resided within state-run institutions for persons with mental retardation. Presently, about 64,000 are served within institutions nationally. One consequence of this trend is that many institutions are closing across the nation. Another consequence of this trend is that the people who remain to be placed in the final efforts of institutional down-sizing and closure are those individuals with the most severe developmental disabilities and behavioral challenges. Thus, existing community programs are not only being asked nationally to rapidly serve more people, but to serve more people who are significantly more challenging to serve.

This trend is especially true in Kansas. Efforts are currently underway to down-size and close Winfield State Hospital and Training Center. While other MR institutions are not yet tabbed for closure, they are and have been down-sizing aggressively for the past five years and will ultimately close. The persons remaining within Kansas institutions are becoming progressively more challenging to serve and institutions are becoming far more expensive to operate because of increased needs of persons who remain and because of increased inefficiencies associated with reduced capacities and closure efforts. Additionally, providing good care within institutions that are down-sizing or closing is difficult due to staffing instabilities and continuous transitions.

To reduce the impact of down-sizing and closure on persons served and families, institutional employees, affected communities and the Kansas taxpayer, our closure and down-sizing initiatives must be well-managed. Most importantly, however, high quality community programs capable of meeting the needs of persons with the most severe medical, adaptive, and behavioral challenges must be encouraged to develop quickly. Further, as much as possible, institutional staff should be encouraged to seek-out employment within community programs and community programs should be encouraged to consider hiring these employees. This would help facilitate the transition of persons to the community, encourage institutional employees to remain at the institution providing care until they are no longer needed, and reduce impacts on employees of closing institutions.

The development of high quality community programs that maximize, when possible, the technical and human resources of staff who were providing care prior to closure significantly reduces the impact of closures on persons served, family members, institutional employees, and on the Kansas taxpayer. We strongly support any legislation that supports the growth of community programs serving developmentally disabled persons with severe adaptive, medical, or behavioral challenges.

*House Business, Commerce  
& Labor Committee  
2/2/96  
Attachment 4*





# CITY OF TOPEKA

City Council  
215 E. 7th Street Room 255  
Topeka, Kansas 66603  
Phone 913-295-3710

## LEGISLATIVE TESTIMONY CITY OF TOPEKA HOUSE BILL 2905

**TO:** Chairman Lane and Members, House Committee on Business, Commerce and Labor

**FROM:** Ernie Mosher, City of Topeka

**DATE:** February 21, 1996

**RE:** **Support for HB 2905; State Business Assistance Programs**

The City of Topeka appears in support of HB 2905. We understand the purpose to be the State of Kansas giving priority in its business assistance programs to those organizations which step in to provide mental health services, now provided by Topeka State Hospital, which is scheduled for closure on or before December 31, 1997.

HB 2905 is consistent with recommendations made by the Mayor's Task Force on the Future of Topeka State Hospital. Relevant portions of that report, which was presented to Governor Graves on February 9, are attached to this testimony.

It was the recommendation of the Mayor's Task Force that the State do all it could, should closure occur, to encourage the establishment of new and expanded community mental health services. More specifically, the Mayor's Task Force recommended that employee training and retraining assistance programs be utilized in order to keep displaced Topeka State Hospital employees not only within the Topeka community, but to enable them to continue their mental health-related careers as community service providers.

The City respectfully requests the Committee's favorable consideration of HB 2905.

*House Business, Commerce  
& Labor Committee  
2/21/96  
Attachment 5*

**RECOMMENDATIONS OF THE MAYOR'S  
TASK FORCE ON THE FUTURE OF TOPEKA STATE HOSPITAL  
-- EMPLOYEE ISSUES --**

The Mayor's Task Force on the Future of Topeka State Hospital respectfully submits to the Governor its recommendations relating to Employee Issues. The recommendations are listed in order of priority. These recommendations were developed by the Employee Issues Study Group chaired by Sen. Marge Petty in part from a survey of TSH employees, proposals developed by employees at Winfield State Hospital, and from an issue paper prepared by a state legislator. The members of the Task Force Study Groups approved its recommendations at its meeting of February 6, 1996. The Mayor's Task Force adopted those recommendations, with amendments, at its meeting of February 8, 1996.

- A. **Employment** - Continued state employment, or other re-employment, appears to be the primary goal of most Topeka State Hospital employees. Therefore, the Task Force recommends that the following package of incentives be developed which will enhance the likelihood of continued employment for TSH employees with the State, or re-employment in either the public or private sectors:
1. Establish a preference for hiring displaced TSH workers by other state agencies. (See SB 615 and HB 2907.)
  2. Establishment of training programs designed to assist TSH employees in gaining re-employment. Such programs should be funded both through existing and new state programs. Retraining should be offered at no cost to TSH employees. (HB 2905 and SB 613 provide for "priority consideration" regarding KDOC/H and KDHR business assistance programs for entities providing services previously provided by TSH.)
  3. Provide potential non-state employers with training resources, including moneys from the state, as incentives to hire displaced TSH employees. Specifically, provide state funding of short-term subsidies to not-for-profit community mental health providers to hire TSH employees. (See HB 2905 and SB 613, and SB 549 as amended by the Senate.)
  4. Enact legislation to permit IRS Code 501(c)(3) community mental health providers to be "eligible employers" for KPERS purposes. (See HB 2904 and SB 616.)
  5. Eliminate any statutory restrictions against TSH employees accepting employment by private or public mental health care providers. (See HB 2784 and HB 2928.)
  6. Provide state funding of tuition and fees for TSH employees who enroll at Washburn University of Topeka, state universities or community colleges to receive training relating to re-employment.

7. State provision of outplacement and job search services to displaced TSH employees.
8. State payment of TSH employee moving expenses when other state employment is secured.

B. **Incentives for Employees to Remain at Topeka State Hospital** - The second priority of Topeka State Hospital employees is the development of incentives to retain needed employees at TSH until its closure. Retaining such employees is critical for the continued provision of quality services to clients, maintaining hospital certification, avoiding "premature" closing of TSH, and assuring a safe environment for employees and clients. "Premature" closing or loss of TSH accreditation can cost the state its Medicaid reimbursement.

1. Legislation to allow payment to such TSH employees for a portion of their accumulated, unused sick leave. (See SB 614 and HB 2906.)
2. Continued salary and benefits for 6 months after closure. (See SB 614, providing for 52 weeks severance.)
3. Legislation to extend the time period such TSH employees may continue to participate in the state's group health care insurance plan, to 24 months after termination of their positions at TSH, or until re-employment. (See SB 614.)
4. Legislation to extend re-employment rights with the state from present 3 years to 5 years. (See SB 615 and HB 2907.)

Additional employee issues include severance, retirement and benefit packages.

5. Legislation to establish an early retirement package for TSH employees by adjusting the age plus service formula (e.g. lower points required for retirement). (See HB 2944.)
6. Legislation to permit unused sick and vacation leave earned while a TSH employee to count as service time for purposes of qualifying for early retirement under KPERS. (HB 2904 and SB 616 provide that accumulated sick leave time for TSH employees counts as participating service credit.)
7. Allow for a continuation of eligibility for health insurance benefits for TSH employees who take early retirement. (See SB 614.)
8. Extend eligibility for retirement to 24 months after termination of a TSH employee's position (i.e. continued earning of retirement points during that period). (SB 614 provides that the 52-week severance period counts as participating service for KPERS purposes.)
9. Legislation to shorten the present 10-year vesting period for KPERS to no greater than a 5-year vesting time for TSH employees. (See HB 2904 and SB 616, which grants vesting in KPERS for any TSH employee laid off due to closure, regardless of years of service.)