

Approved: 2/15/99
Date

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 9, 1999 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Debra Hollon, Legislative Research Department
Rae Anne Davis, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Mike Corrigan, Office of the Revisor
Bobbi Mariani, Assistant Director,
Department of Administration
William A. Dean, Civil Service Board
Jim Reardon, Director, Division of
Facilities Management
Michael Byington, Director,
Envision Governmental Affairs Office
Bobby Whyte, Rehabilitation Center for the Blind
Carol Hands-Keedy, Kansas Assoc. for the Blind
And Visually Impaired
David Schwinn
Adabelle Haughawout

Others attending: See attached list.

It was moved by Senator Gilstrap and seconded by Senator Lawrence that rs 0818 be introduced. The motion was adopted by a voice vote.

SB 137 Workers compensation self-insurance fund; KU hospital authority;excluded

Mike Corrigan of the Revisor's Office, spoke to the Committee in regard to the bill.

Bobbi Mariani then spoke to the Committee in support of the bill. (Attachment 1).

It was moved by Senator Salisbury and seconded by Senator Morris that the bill be passed favorably. The motion carried on a roll call vote.

SB 138 State employees; disciplinary actions

Bobbi Mariani spoke to the Committee in support of the bill. (Attachment 2).

Ms. Mariani pointed out that the state civil service board, when reviewing the administrative procedure act, may : (1)Affirm the agency action; (2) reverse the agency action; (3) modify the duration of a suspension; or (4) convert a demotion or dismissal into a suspension for a stated period of time.

She also pointed out a need for a clarification in regard to the timely filing of appeals. The language states that a request must be submitted within 30 days. The word "submitted" isn't specific enough language and the word "filed" be used instead.

Senator Kerr suggested that the words "date of receipt" might be more easily interpreted.

Bill Dean, a member of the State Civil Service Board the State Civil Service Board gave testimony.. (Attachment 3).

Testimony was also offered from Jim Lowther, Vice Chairperson of the Civil Service Board, a proponent, who was not present. (Attachment 4).

It was decided by the Committee to wait for Staff to study **SB 138** before acting on it.

SB 139 **Self Insurance Assessment Rate Based on Past Experience**

Bobbi Mariani spoke in favor of the bill and explained how workers compensation assessment rates are established. (Attachment 5).

She said that for the first year that they would start operating this program they would still give the current year as the standard rate so they would have a year to plan for the rate that varies.

Senator Kerr asked Ms. Mariani what they would do after they are in operation. She said they would still give two rates - a projected rate and an actual for the current year they're in. This was in accordance with a request by the Budget Department to do it this way.

Senator Salisbury expressed concern about the impact on the state workers compensation self-insurance fund if the Secretary is to annually adjust each agency's assessment rate, which had been set in the previous year, to reflect the current year's experience as provided for in item 1 (b).

A motion was made by Senator Ranson and seconded by Senator Morris to recommend **SB 139** favorably for passage. The motion passed on a roll call vote.

SB 159 **Transferring control and operation of the Topeka state hospital property from the secretary of SRS**

Mike Corrigan read from **SB 159** pointing out the balloon to the bill on page 3, line 4. (Attachment 6).

Speaking to the Committee in support of **SB 159** was Jim Reardon, Director of the Division of Facilities Management. (Attachments 7 and 8).

Appearing before the Committee as opponents of **SB 159** were: Michael Byington of "Envision". (Attach. 9); Bobby Whyte, (Attach.10); Carole Hands-Keedy of KS Association for the Blind, (Attach.11); David W. Schwinn, (Attach.12) and Adabelle Haughawout, (Attach. 13).

A memorandum from the Department of Administration was passed out. (Attachment 14).

The meeting was adjourned at 12:25 p.m. The next meeting is scheduled for Wednesday, February 10, 1999.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 2/9/99

NAME	REPRESENTING
Paul Wilson	KAPE
DAN BALEH	O/A DFM
JOE FRITTAU	DEPT OF ADMIN/DFM
Ron Seiber	DEPT of Admin
Karen Watney	Dept of Admin
B Marie	Dept of Adm.
M Pratt	KSCSB
Thomas J. Corcoran	KSCSB
John Collins	Dept. of Admin, DPs
Eden Dwyer	intern for Sen. Hensley
Devis Stanley	USD 340
Betsy Thompson	SRS
Marsha Schrempf	KBHA
Bill Henry	Ks Government Council
Bill Deen	Ks Civil Service BOARD
Bill Speed	UKHA
Julie Thomas	DOB
Michael Byington	Envision
Bobby White	KCB former client

**Testimony by
Bobbi Mariani
Assistant Director, Division of Personnel Services
Department of Administration
before the
Senate Committee on Ways and Means
February 9, 1999**

Senate Bill 137 - University of Kansas Hospital Authority

Mr. Chairperson and members of the committee, thank you for the opportunity to appear today in support of Senate Bill 137. This is a technical amendment to clarify that the University of Kansas Hospital Authority is excluded from the State Workers Compensation Self-Insurance Fund.

1998 Senate Bill 373 separated the University of Kansas Hospital Authority from Kansas Government on October 1, 1998. By passing the bill, the legislature clearly intended the Hospital Authority to be separate and distinct from the state and its agencies. K.S.A. 44-575 establishes the State Self-Insurance Fund and limits participation to state agencies. Consequently, Department of Administration legal staff have interpreted this to mean that the Hospital Authority may not participate in the Self-Insurance Fund because it is not a state agency as defined by Self-Insurance Fund statutes. Furthermore, Senate Bill 373 transferred the responsibility for workers' compensation claims related to Hospital Authority employees to the Hospital Authority.

At the time of the separation, several workers compensation claims were active, or open. To allow for a smooth transition with no break in the management of these claims, the Self-Insurance Fund agreed to continue to administer the active claims through the end of 1999, allowing the Hospital Authority time to establish its own system for administering new claims. The Hospital Authority currently reimburses the Self-Insurance Fund for any medical expenses and administrative costs associated with these pre-transfer claims. The Hospital Authority now has a private contractor to administer new workers compensation claims for hospital employees.

The definition of state agency in the State Self-Insurance Fund statutes specifically excludes the Kansas Turnpike Authority and other political subdivisions of the state whose employees total salary is payable by other entities. The proposed amendment clarifies the Hospital Authority separation by adding it to the list of excluded entities.

We would appreciate your support of this bill. I would be happy to answer questions or provide you with further information.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 1

Testimony by
Bobbi Mariani
Assistant Director, Division of Personnel Services
Department of Administration
before the
Senate Ways & Means Committee
February 9, 1999

Senate Bill 138 - Civil Service Board

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today. Senate Bill 138 clarifies K.S.A. 75-2929d by inserting language which specifies the actions that the Civil Service Board can take in deciding an appeal from an agency decision. This amendment would reflect the Kansas Supreme Court's 1998 decision in Kansas Department of Transportation v. Roberta S. Humphreys, where the Supreme Court reversed a district court's decision that the Civil Service Board did not have the authority to modify an agency decision.

Senate Bill 138 specifically authorizes the board to take one of four actions in deciding an appeal from an agency action. These actions are: 1) to affirm the agency action, 2) to reverse the agency action, 3) to modify the agency action, or 4) to convert a demotion or dismissal into a suspension for a stated period of time.

This amendment would allow the board to avoid difficult situations where it disagrees with the severity of the disciplinary action issued by the agency, but believes that some discipline is appropriate. It would also eliminate the uncertainty that currently exists involving the board's authority to modify an agency decision and would allow the board to make its decisions according to the judgement of its members rather than the absence of language in a statute.

This bill also contains an important clarification of K.S.A. 75-2949 regarding the procedure for the timely filing of an appeal with the Civil Service Board. Current statutory language states that a request for an appeal must be "submitted" within 30 days of the date of the disciplinary action. There has been a substantial amount of confusion as to whether the word "submitted" means the date on the memo, the postmark date, or the date the request is received in the director's office.

The amendment would clarify this to state that a request for an appeal must be "filed" within that same 30 day period. This language clearly require a request to be in the office of the Director of Personnel Services no more than 30 days after the date of the agency's disciplinary action. Changing this language clarifies the procedural requirements for all involved.

Both of these changes will clarify matters of uncertainty regarding the Civil Service Board and will allow the board to perform its duties in a more fair and efficient manner.

Thank you for the opportunity to offer testimony in favor of Senate Bill 138. I would be happy to answer any questions that you have for me.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 2

William A. Dean

8304 Connell Drive
Overland Park, KS 66212-4419
Phone & Fax: 913-648-3205

February 9, 1999
Senate Bill 138

Testimony before Kansas Senate Ways & Means Committee:

I am Bill Dean, a member of the State Civil Service Board, now in my second 4-year term on the Board.

Over this period of time, I have heard scores of appeals from classified state employees with permanent status who have been suspended, demoted or dismissed. The Board's job, under appropriate statutes, is to determine whether the action of the state agency against the employee was reasonable given the facts presented to the Board by both parties. I fully appreciate the Board's responsibility in determining the reasonableness of the disciplinary action.

Senate Bill 138 would add language to the law that the Board has authority to modify a state agency's action against an employee if that is reasonable. I have found, during my tenure as a member, the Board cannot always vote "thumbs up" or "thumbs down" in all of the cases we hear. Several years ago, a District Court decision was handed down that the Board lacked authority to modify an agency's action in disciplinary matters. However, recently the Kansas Supreme Court overturned the lower court's ruling that had limited the Board's authority to modify.

I fully support this bill because I believe that in a very few cases a "thumbs up" or "thumbs down" decision is not appropriate when all of the facts are heard.

Senate Bill 138 will codify the Kansas Supreme Court's ruling that the Board can modify certain disciplinary actions of an appointing authority. Also, the bill clears up the ambiguity under the current law regarding the deadline for filing of an appeal with the Board.

Thank you for the opportunity to appear before you today, and I ask for your support of this proposed legislation.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 3

**Testimony by
James E. Lowther
Vice-Chairperson
Civil Service Board
before the
Senate Ways & Means Committee
February 9, 1999**

Senate Bill 138 - Civil Service Board

I am writing in support of SB 138, introduced at the request of the State Civil Service Board. As a member of the State Civil Service Board, I apologize for being unable to attend the hearing as a proponent.

The bill makes two amendments to current law that governs the State Civil Service Board. The first amendment to K.S.A. 75-2929d (1) (b), clarifies the actions that the board may take in deciding appeals before it.

The change (on page one) codifies a recent ruling of the Kansas Supreme Court that stipulates the Board has authority to affirm, reverse or modify the action of a state agency. For example, if a state agency terminates an employee and the employee appeals the action, the board could affirm or deny the dismissal, and also convert it to a lesser action such as demotion or suspension.

This change confirms the original legislative intent of the law and the procedure used by the board for several years. The procedure, however, was challenged and a district court ruling limited the Board's power to affirm or reverse the action of a state agency. The Supreme Court decision overruled this and SB 138 puts the court's ruling into law.

The second amendment, on pages 3 and 4, amends K.S.A. 2949 (f) to clarify the time period in which a state employee has to file an appeal with the board. The change makes it clear that a request for a hearing shall be in writing and **filed** in the office of the director of personnel services within 30 calendar days after the effective date of the action against the state employee. It also makes it clear that the 30-day limit includes any time for mailing – no additional days can be added.

Passage of SB 138 will assist the Board by increasing the efficiency and fairness in which it can administer the Kansas Civil Service Act. I urge your favorable consideration. Respectfully, Jim Lowther.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 4

**Testimony by
Bobbi Mariani
Assistant Director, Division of Personnel Services
Department of Administration
before the
Senate Ways and Means Committee
February 9, 1999**

Senate Bill 139 - Self Insurance Assessment Rate Based on Past Experience

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today. Senate Bill 139 allows the Department of Administration to change the way workers compensation assessment rates are established for state agencies. This bill would provide the Secretary of Administration with the necessary flexibility to set workers compensation rates for state agencies according to the accidental injury and occupational disease experience of agencies.

The State of Kansas is self-insured for workers compensation purposes and currently, each agency is charged the same assessment rate against the agency's payroll. These assessments pay actual claim costs; program staffing; legal defense; equipment costs; and annual state assessments including those for the Division of Workers Compensation, the State Insurance Department and the State Wide Indirect Cost Allocation Plan (SWICAP).

Though cost saving measures have been implemented in the past few years, we continue to look at ways to control costs to the State Self-Insurance Fund. One way was suggested by a 1997 Legislative Post Audit report on the state's workplace health and safety program that recommended we develop proposals which would give agencies an incentive to participate in safety efforts. This bill does just that.

Currently, state agencies have little motivation to decrease their accident rates because they all pay the same assessment regardless of an agency's accident or claim record. We believe that varying agency rates based on past claims experience will have a positive effect by enhancing workplace safety and accident prevention, and returning injured workers to work.

We envision a plan that has three to five different rates. There may be a standard or base rate, and one or two rates higher than the base rate and one or two rates lower than the base rate. Agencies with a higher claims experience rate would be assessed a rate *above* the base rate, and agencies with a lower claims experience rate would be assessed a rate *below* the base rate. These rates would be developed and reported to agencies in time to coincide with budget requests.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 5-1

The proposal will not initially change the *total* amount paid by agencies into the State Self-Insurance Fund. It will only distribute the cost differently among agencies. During the past several months we have worked to develop a weighted experience based model in order to look at potential agency rates. Based on this model, agencies with the highest potential rate increase include: the Department of Transportation, Correctional Facilities under the Department of Corrections, State Hospitals under the Department of Social and Rehabilitation Services, the Commission on Veterans Affairs, the Kansas Highway Patrol, the Department of Wildlife and Parks, the Adjutant General Department, the Abstracters' Board of Examiners, the Board of Cosmetology and the Conservation Commission. Conversely, agencies that would most likely realize the greatest potential rate reduction include: the University of Kansas and the University of Kansas Medical School, Kansas State University, Emporia State University, the Department of Health and Environment and the Judicial Branch.

Agencies would have time to plan for this rate change. The current uniform rate would be used in FY 2000 and agencies would also be provided with a projection for FY 2001, using experience based rates. The actual rate for FY 2001 could then be adjusted if, during the year, an agency experiences a significant increase or decrease in claims experience.

We believe that experience-based ratings will provide an incentive for agencies to lower costs associated with workers compensation claims. Since 1994, assessment rates have decreased or remained constant due to three major factors: 1) the 1993 changes to the Workers Compensation Act, 2) closure of two state hospitals and privatization of some state services, and 3) process improvement in claims management. This bill will provide opportunities for even more savings by providing agencies with an incentive for accident prevention, earlier returns to work for injured employees, and agency participation in the claims management process. With the passage of time, experience based rating should have a positive effect on claim experience and rates.

We request your support of this proposal. Thank you for your time and attention and I will be happy to address your questions.

SENATE BILL No. 159

By Joint Committee on State Building Construction

1-28

9 AN ACT concerning the Topeka state hospital property; transferring
10 control and operation of the Topeka state hospital property from the
11 secretary of social and rehabilitation services; amending K.S.A. 75-
12 3765 and 76-12a01 and repealing the existing sections; also repealing
13 K.S.A. 76-371.

14
15 *Be it enacted by the Legislature of the State of Kansas:*

16 New Section 1. (a) As used in this section, "Topeka state hospital
17 property" means all state-owned land and improvements in the city of
18 Topeka, Kansas, which is in the area bounded by west Sixth street on the
19 south, MacVicar avenue on the east, Interstate 70 on the north, and Oak-
20 ley avenue on the west, including the adjacent state-owned land west of
21 Oakley avenue, excluding the state printing plant land designated by the
22 secretary of administration.

23 (b) The secretary of administration shall have custody and control of
24 the Topeka state hospital property and may operate and maintain the
25 property. The secretary of administration may make expenditures for the
26 following:

27 (1) Goods and services relating to the use, sale, lease or other dis-
28 position of the Topeka state hospital property;

29 (2) marketing the use, sale, lease or other disposition of the Topeka
30 state hospital property; and

31 (3) operating and maintaining the Topeka state hospital property, in-
32 cluding security, repair and capital improvements.

33 (c) The secretary of administration may:

34 (1) Enter into agreements to lease all, or any portion, of the Topeka
35 state hospital property for a period not to exceed five years;

36 (2) enter into agreements to lease all, or any portion, of the Topeka
37 state hospital property for a period longer than five years after review and
38 consultation with the joint committee on state building construction;

39 (3) enter into agreements and fix or alter charges for the use of the
40 Topeka state hospital property by state agencies and others in any
amounts that the secretary of administration determines to be beneficial
or necessary; and

(4) enter into agreements to sell all or any portion of the Topeka state

For consideration by Senate Committee on Ways and Means

hospital property, subject to approval of the state finance council. The approval of the sale of all, or any portion, of the Topeka state hospital property is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c, and amendments thereto. Approval by the state finance council may be given when the legislature is in session.

(d) The Topeka state hospital property and any portion thereof shall be exempt from ad valorem taxation as long as such property is owned by the state of Kansas and such property is:

- (1) Used by the state of Kansas or any of its agencies;
- (2) vacant;
- (3) leased by an entity exempt from the payment of ad valorem taxation; or
- (4) used for a purpose that is exempt from the payment of ad valorem taxation.

(e) The provisions of K.S.A. 79-201, *et seq.*, and amendments thereto, requiring the requesting and filing of property tax exemptions shall not apply to the exemption provided by this section.

Sec. 2. K.S.A. 75-3765 is hereby amended to read as follows: 75-3765. (a) (1) The secretary of administration shall assign space and facilities in all state-owned or operated property or buildings in Shawnee county, Kansas, except the state capitol, Topeka correctional facility, the Kansas neurological institute, the juvenile correctional facility at Topeka, the employment security administrative office building, 401 Topeka avenue, Kansas state employment service building, 1309 Topeka avenue, the Topeka state hospital, state highway shops and laboratory and property of the Kansas national guard; for the use of the various state agencies and *The secretary* may determine, fix and establish a system of rental charges by the square foot and collect the same monthly for space and facilities occupied by each state agency whenever any appropriation for rental for space and facilities is made therefor, in an amount not to exceed the amount appropriated.

(2) The secretary of administration ~~also~~ may assign space and facilities, establish a system of rental charges and collect rents for property and buildings owned or controlled by the department of administration in other parts of the state.

(3) The amounts collected *under paragraphs (1) and (2)* shall be remitted by the secretary of administration to the state treasurer ~~and~~. The state treasurer shall deposit such amounts in the state treasury to the credit of the ~~building and ground fund, except that amounts collected for space and facilities in the state office building located between Ninth, Tenth, Harrison and Topeka streets shall be deposited in the state treasury to the credit of the fund provided in K.S.A. 75-3615, and amendments~~

6-3

~~thereto. Notwithstanding the other provisions of this section, charge for and deposit of rentals for the buildings and properties to which K.S.A. 75-3629 to 75-3647, inclusive, and amendments thereto, apply shall be in compliance with such statute.~~

state buildings operating fund or other funds of the department of administration as prescribed by the secretary of administration.

(4) On or before December 31, 1994, and on or before each December 31, thereafter of each year, the secretary of administration shall present a report to the joint committee on state building construction concerning any actions taken by the secretary pursuant to authority granted to the secretary under this subsection. The report shall describe the action taken and the statutory authority authorizing such action.

(b) The secretary of administration shall require five-year building space utilization plans from all state agencies and develop a database of all state-owned or leased building and storage space. This database shall serve as the central repository of state-owned or leased building and storage space information. All changes made in the ownership or leasing status of all building space utilized by state agencies shall be reported to the secretary of administration and entered into this database. The database shall include the actual and budgeted amount of money paid by state agencies for building and storage space. The database may include any other information related to the building space needs of the state as determined to be necessary by the secretary of administration.

All state agencies shall cooperate with requests for information concerning building space and storage space made by the secretary of administration or the secretary of administration's designee. As used in this section, state agencies shall include those agencies considered to be quasi-state agencies.

On or before December 31, 1994, and on or before each December 31 thereafter of each year, the secretary of administration shall present a report of state-owned or leased building and storage space information to the joint committee on state building construction and shall provide notice at the same time to the secretary of the senate and to the chief clerk of the house of representatives that such report is available to members of the legislature.

(c) As used in this section, "state agencies" also shall include any quasi-state agency.

Sec. 3. K.S.A. 76-12a01 is hereby amended to read as follows: 76-12a01. As used in this act, unless the context otherwise requires:

(a) "Secretary" means the secretary of social and rehabilitation services.

(b) "Institution" means the following institutions: Topeka state hospital, Osawatomic state hospital, Rainbow mental health facility, Larned state hospital, Parsons state hospital and training center, Winfield state hospital and training center, and Kansas neurological institute.

- 1 (c) "Director" or "commissioner" means the commissioner of mental
- 2 health and developmental disabilities.
- 3 Sec. 4. K.S.A. 75-3765, 76-371 and 76-12a01 are hereby repealed.
- 4 Sec. 5. This act shall take effect and be in force from and after its
- 5 publication in the statute book.

6-4

Senate Ways and Means Committee
February 9, 1999

Jim Reardon, Director

Division of Facilities Management

Testimony: **SB 159 Topeka State Hospital Authority**

Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today. **SB 159** would provide more definition to the powers of the Secretary of Administration and more flexibility in operating, developing, and liquidating the THS property.

An Update

Much of the activity on the West Campus over the past year has centered around relocating several agencies into Downtown Topeka; exploring mutual interests with the City of Topeka; and readying the property for disposition.

The Department of Administration has been talking with prospective developers for the THS property. If the property is to be sold for redevelopment a potential buyer must be assured that the City-County planning agencies and the governing bodies will approve the anticipated use of the property.

The Department of Administration is preparing a Master Plan for the reuse and disposition of the THS campus. It is anticipated that this Master Plan will be presented to the respective governing bodies in approximately 120 days. We now have a letter of commitment for a significant portion of THS campus that will be presented to the Joint Building and Construction Committee during this session.

Continuing Operations

Continued operations of the campus are necessary in order to stabilize and protect the asset values of the campus during the transition. Four State-related operations remain on the campus as tenants. Their rents subsidize much of the on-going maintenance costs of the campus. Other agencies and tenants seek to lease facilities for 2 to 5 years during the transition. These leases are vital to the transition of the campus.

Authority Limitations

Under the current one-year authority, the Secretary of Administration can not enter into a contract that will assure a potential tenant the availability of space beyond the end of the fiscal year. We are not able to find tenants who will commit to a year-to-year lease. **SB 159** would give the Secretary of Administration the authority to enter into a lease agreement up to five years in length; and longer if the Joint Committee on State Building and Construction finds sufficient merit in the proposal.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 7 -1

Ad Valorem taxes

There have been inquiries from private sector interests about renting buildings on the property. These opportunities have not developed due to the effect of ad valorem tax rules. If a building were leased to a commercial interest, the property would be placed on the tax rolls. If the commercial interest were then to vacate the building, it would remain on the tax rolls. **SB 159** exempts the property from ad valorem taxation if the property reverts to the State of Kansas.

Incompatible Operations

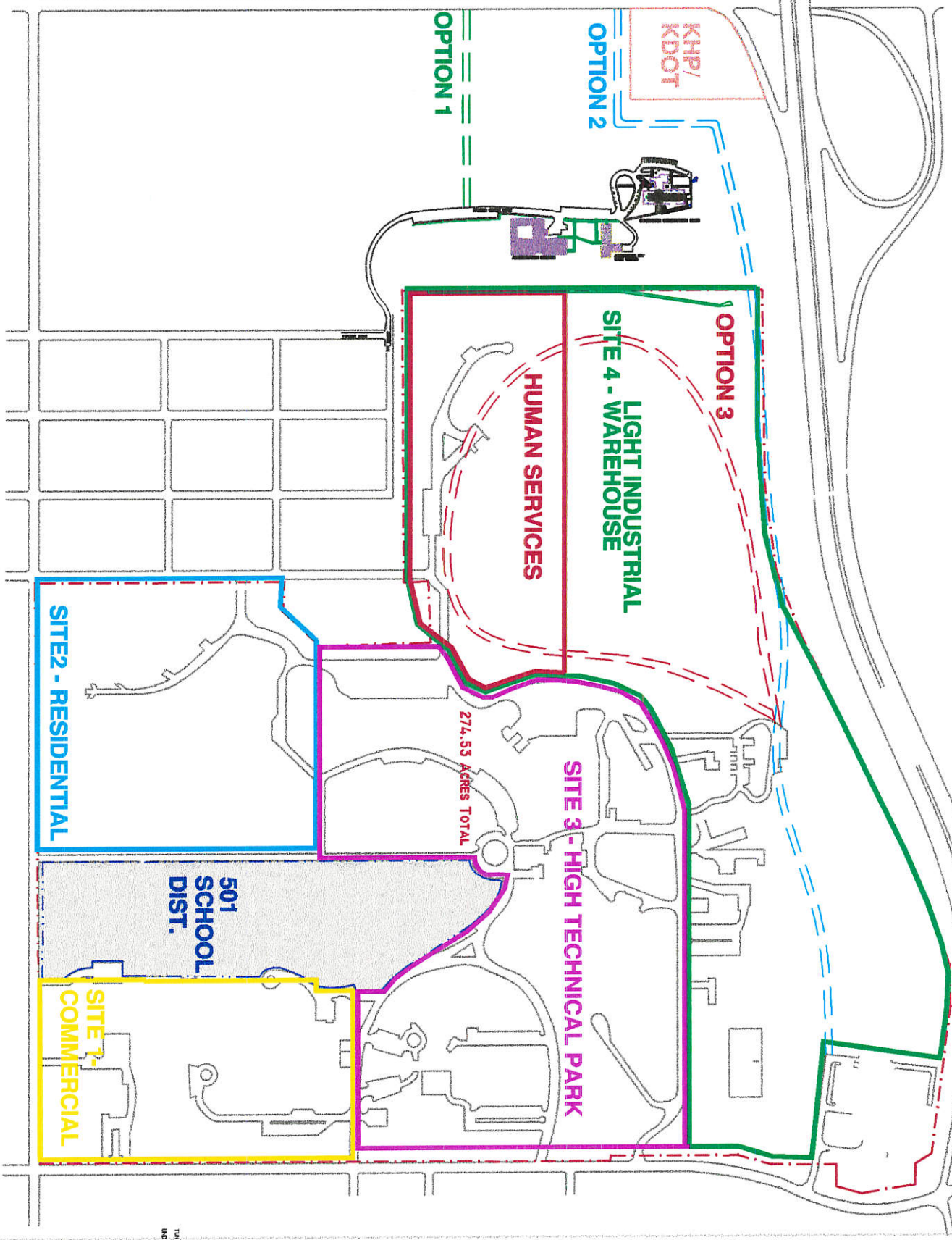
Certain State operations are not compatible with downtown consolidation. It has been suggested that a suitable portion of the THS complex be retained for rehabilitation or reuse by these agencies. Four State agencies have expressed interest in obtaining buildings or building lots. The Department needs clear authority to negotiate with these agencies.

Speedy Transfer

A provision to expedite the transfer of property to a purchaser is included in the bill. Currently, there is no speedy process for disposing of the property. A typical purchaser of commercial property would expect to close (or take an option to close) on a site in 60 to 90 days. The lack of clearly defined authority in the current law inhibits speedy closure. **SB 159** gives the Secretary of Administration authority to enter into agreements to sell property (subject to approval of the state finance council) at any time during the fiscal year.

Summary

SB 159 provides the Secretary of Administration with flexibility to operate, develop, and dispose of the Topeka State Hospital property. *We would appreciate your support.*



STATE COMPLEX WEST SITE ASSESSMENT PLAN



STATI	Senate Ways and Means Committee	ATTION	NT
DIV	Date 2/9/99		
	Attachment # 8-3		
<small>900 SW UNIVERSITY AVENUE, SUITE 500, PORTLAND, OREGON 97201 (503) 236-1310 FAX (503) 236-3456</small>			



Choices & resources for people who are blind or low vision

Envision®

**PLEASE REPLY TO: Michael Byington, Director
Envision Governmental Affairs Office
924 S. Kansas Ave
Topeka, Kansas 66612
(785) 354-4747 (Topeka Office)
(785) 575-7477 (pager)
(785) 354-4646 (FAX)
mbyingto@ink.org or
michael.byington@envisionus.com**

February 9, 1999

TO: Senate Ways and Means

SUBJECT: Senate Bill 159 - OPPOSITION

We stand in opposition to this bill as introduced. The issue is largely our disagreement with the definition of what constitutes "Topeka State Hospital."

Many elected officials have been given the impression that the entire Topeka State Hospital campus, as defined in Senate Bill 159, has been vacated and is ready for dispensation. This is not true.

On the 6th and Mac Vicar corner of what the Kansas legislature has chosen to define as "Topeka State Hospital," there are three partially connected buildings which house major functions of the Kansas Division of Services for the Blind. These buildings continue to operate as the brain and most major body part for State sponsored blindness services in Kansas. These buildings were built for purposes of serving people who are blind, and blind Kansans have been served from a base of operation located at 6th and Mac Vicar in Topeka for over 50 years.

8t Senate Ways and Means Committee 211
Te Date 2/9/99 312
W Attachment # 8-1) om

The buildings in question are as follows:

THE REHABILITATION CENTER FOR THE BLIND (RCB): 2516 S. W. 6th: This building houses training opportunities for newly blinded Kansans who range in age from teen years to senior citizens. Subsequent to the closure of the Biddle Building, which is located on the western portion of the Topeka State Hospital campus, this building has also housed most administrative and supervisory functions for the Kansas Division of Services for the Blind.

THE RESIDENTIAL DORMITORY FOR THE REHABILITATION CENTER FOR THE BLIND: Newly blinded Kansans study at the Rehabilitation Center for the Blind for anywhere from a week to several months subsequent to experiencing a significant visual loss. Although there are limited community housing options available to citizens who are studying at this facility, the dormitory provides the larger portion of the housing for these citizens. It can house up to 22 students at any one time.

KANSAS INDUSTRIES FOR THE BLIND (KIB): This is the last industrial employment program for people who are blind run by the State of Kansas. The State used to run other such programs but these have all been discontinued over the objection of many members of the blindness community or have been privatized. KIB provides long term employment in industrial manufacturing for 16 blind or multiply disabled blind Kansans. It also augments aspects of the RCB programming for newly blinded individuals by providing a trial work laboratory for newly blinded Kansans who are building confidence to return to, or initially enter, the workforce. KIB at one time provided employment for a much greater number of blind Kansans, but State officials have been purposefully downsizing the program rather than attempting to grow it in anticipation of closure or privatization. State of Kansas officials, however, withdrew from negotiations with Envision to privatize KIB in 1996, partially because the future of the land on which KIB sits was uncertain. At this point no qualified provider of employment services for people who are blind is expressing active interest in privatizing KIB. Envision strongly desires to see KIB continue in operation, but is uncertain about any future interests in privatization. Subsequent to the closure of the Biddle Building elsewhere on the Topeka State Hospital campus, a number of administrative functions for Kansas Blind Services now occupy what used to be KIB manufacturing space.

State SRS officials are stating currently that the RCB and administrative portions of the Kansas Division of Services for the Blind are to be moved to some degree, but will be "re-invented" as a product of the move. They attribute the impending move to the fact that "the Legislature has said that the buildings are part of Topeka State Hospital and therefore have to be vacated, closed and sold."

A team of leaders within the blindness community of Kansas have been selected to give input on how Kansas Blind Services should be "re-invented." This author is proud to sit on that team. While I am pleased to offer advice as a team member as to how blind services can be improved, one piece of advice which has not proven welcome is the advice that the services should remain in their current location. The response to such comments is usually, "but we must assume that the land will be sold and that blind services will have to vacate."

The current status of the RCB building is that it was built for the purpose of serving newly blind Kansans and it still functions well for this purpose. It is woefully overcrowded, however, subsequent to the large amount of State-wide blind services administration which has been moved into it. If these services continue to be housed there, a space addition would be in order.

Many blind Kansans have expressed mistrust of the "re-invention" process. They do not believe that equally comprehensive services will be offered if the facilities are moved. Recommendations can be made by the team which has been put in place, but may not all be implemented.

SRS officials have expressed the intent to close KIB unless a provider can be identified who will assume responsibility for the program and move it somewhere else in accordance with a time schedule prescribed by the State. KIB at one time was a drain of noteworthy tax dollars, but in recent years has operated at or near break-even. Moving the program, however, would be costly. The reason that SRS officials express no interest in moving it and continuing to operate it are given, though, as being mainly philosophical rather than financial. They simply do not want to do it. They do not think that SRS should any longer be in the business of providing industrial jobs for blind Kansans.

Envision does strongly support continuation of KIB. If no qualified provider

of employment services for people who are blind can be identified to privatize the facility, then it should continue to operate as a state facility until such a provider can emerge. If State SRS officials have a philosophical problem with this concept, we believe their philosophy may be in need of adjustment. The philosophy should definitely be, however, to grow KIB and to employ as many persons who are blind and who desire such employment, as is financially feasible.

According to 1990 United States Census data, 74% of all working age blind individuals are unemployed. We can not afford to lose any employment programs for the blind.

THE BEST SOLUTION TO ALL OF THE PREVIOUSLY MENTIONED CONCERNS: DO NOT FORCE THE BLIND SERVICES TO MOVE FROM THEIR FIFTY YEAR PLUS RESIDENCY AT 6TH AND MAC VICAR.

Senate Bill 159 already exempts the State Printer from moving. The same exemption can be provided for the blind services corner. In fact, a stand alone bill to bring about this exemption is already being introduced at the request of the Shawnee County Delegation. It would be ever much more elegant, however, if such exemption language could simply be added to 159. A copy of the stand alone bill language is attached.

Accepting the recommendations contained in this testimony would be in the best interests of Kansas tax payers. The recommendations are cost effective.

The current blind services are paid off. Upkeep cost \$1.41 per square foot over the last fiscal year according to SRS's own figures. No new space which can meet the program needs of blind Kansans can be built or renovated for this amount. Costs will rise greatly, very likely more exponentially than the value obtained for the 6th and Mac Vicar lands.

Thus, if the State of Kansas is being on the level and sincere with blind Kansans, if it is indeed the desire to improve, and not to denigrate, blind services programming, then a move will be extremely costly. The only way a move of the services will break even or save money is if services are gutted, and if blind KIB workers are thrown unceremoniously onto the unemployment market.

HOUSE BILL NO. _____

By

AN ACT concerning state property; conveyance of land and buildings for services for the blind and visually impaired.

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

Section 1. (a) The secretary of social and rehabilitation services is hereby directed to convey, without consideration to the Kansas division of services for the blind or its successor state entity which is designated as the Kansas state agency in charge of serving blind and visually impaired citizens the following described state property located in the city of Topeka, Shawnee county, Kansas, described as follows:

The tract of land and buildings located at the northwest corner of 6th street and MacVicar spanning 50 feet north of the north edge of the second driveway north of 6th street off of MacVicar and spanning to 10 feet west of the west edge of the first driveway west of MacVicar off of 6th street with the northwest corner of the tract of land defined by the intersection of straight lines from the previously designated boundaries.

(b) The governor shall direct that the tract in subsection (a) be surveyed and platted with the legal description provided for the deed of conveyance.

(c) The deed conveying the land described in subsection (a) shall be approved by the attorney general and shall be executed by the secretary of social and rehabilitation services.

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

Hi, my name is Bobby Whyte.

I would like to talk to you about the Rehabilitation center for the Blind. I understand that you would like to close down the center, and turn it in to an out reach program.

I am a former client of RCB, and at times I still go up there or they come to my home to help me with my computer. It is nice to know that they are only a phone call away to help you with any problem that I might have. At this time, I am planning on going back up there to get some additional training on a computer program that I have.

As you know, a person that has a visual impairment needs different training than someone with a physical or hearing impairment. For instance, a person who is visual impaired must learn how to cook, clean, wash cloths, mark their food and learn to run a computer differently than someone with physical or hearing impairments. For example, a visually impaired individual would need various types of adaptive equipment to use a computer. Some of this equipment would consist of a Braille printer, Braille display and a Scanner. As you can see, a person with a visual impairment needs more specialized training that requires more time than what would be allotted in the out reach program..

There are a few other reasons why closing down the center would not be a good idea: Person that are now having visual problems and need to go up to the center not only need to learn from the staff there, but they also can and do learn from the other clients that are there.

If it is turned into an out reach program, clients would be limited to how much time a staff member would be able to teach them in their home. As it is now, the client would continue to go to the center until the staff members feel that the person no longer needs to be going up there. A person learns a lot when they are around other people that have the same type of disability that they do as well as the same type of learning environment. Like I said, clients learning from other clients is one of the best ways for the people to learn how to get a long in the world with a visual impairment.

Keeping Services for the blind separate from other VR services is the best thing to do for the same reasons as stated previously..

Keeping the center open as it is now will better serve the clients that are currently attending the blind center as well as future clients. Categorizing each disability separately will help to better serve the client's individual needs.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 9



**Kansas Association for the Blind
and Visually Impaired, Inc.**

AN AFFILIATE
OF THE
AMERICAN COUNCIL
OF THE BLIND

TO: Senate Ways and Means

**FROM: Carole Hands-Keedy. Volunteer
Lobbyist**

SUBJECT: Senate Bill 159.

Senate Bill 159 would give broad powers to the Secretary of Administration to sell, lease, or otherwise dispose of, the Topeka State Hospital Grounds. The definition of Topeka State Hospital used in the bill, however, includes the Blind Services buildings located on the northwest corner of 6th and Mac Vicar in Topeka, and which have existed and been used for the purpose of serving blind Kansans for the past 50 years. Furthermore, Legislation signed into law as a part of the 1996 Omnibus Bill also contains a definition of Topeka State Hospital which includes the blind services properties at 6th and Mac Vicar. These Blind Services properties have their own power, water, and sewer connections to City utilities and are in no way

Senate Ways and Means Committee

Post Office Box 292

/

Topeka, Kansas

Date 2/9/99

Attachment # 10 - 1

bound to the underground power plant or plumbing associated with Topeka State Hospital.

They are FUNCTIONING blind services facilities which continue to be in use. Their only relationship to Topeka State Hospital is that they happen to be located next door to it.

We do not want to see the Blind Services facilities included as a part of Topeka State Hospital. It is not cost effective to do so.

The buildings being used for the blind services programming were built for that purpose, and they are paid for in full. The only current building cost to the State in continuing to use them for their intended functions is for upkeep and maintenance. Last year, this cost came to \$1.41. per square foot of space according to figures provided by the Kansas Department of Social and Rehabilitation Services. The cost of moving the programming elsewhere, if done in a way allowing for continuation of the State Blind Services at

their current levels, would obviously be much higher. It is highly questionable that proceeds from the sale of the 6th and Mac Vicar corner alone would compensate for the cost of a moving the blind services functions if the move is planned and conducted in a manner which protects and/or improves services.

The State printer, which is located on the Topeka State Hospital grounds has been exempted in Senate Bill 159 from moving. The Blind Services corner at 6th and Mac Vicar deserves the same exemption.

As the Blind Services buildings have been located on the northwest corner of 6th and Mac Vicar for 50 years, the public is accustomed to interacting with these service providers in this location. Services will be effected if this landmark is removed and the services are shifted elsewhere. As a legally blind Kansan, I know exactly what bus to take to get there.

It is unwise to contemplate closing a facility unless there is a new, fully operational,

permanent replacement for it. This seems, however, to be the manner in which planning is being done.

I personally received computer training at the Rehabilitation Center for the Blind. I have finished my college degree and am in the job hunting process. Some interviews have gone well, and I expect to be working very soon. I may, however, in order to obtain or maintain employment in the future, go back to the Rehabilitation Center for the Blind to have my training updated. This includes training not just about basic computer operations, but also about the large print and speech related equipment I need, or may need, to accommodate my visual impairment. I want to know that I can get such training at a facility based program in the Topeka area, and that that program be understanding of both the computer functions and the specialized equipment I use to access the computer. Where will this training be available if removed from current facilities?

The State officials have also said that, if the

Blind services functions move off of the 6th and Mac Vicar land, the industrial employment program for the blind located there, Kansas Industries for the Blind (KIB), will close or privatize. We certainly do not feel that closure of this program, with resulting losses in jobs for people who are blind, should occur. We feel privatization should occur only if done in the best interest of greater employment for the blind of Kansas. Such privatization should not be driven by the expediency of vacating land.



Kansas Association for the Blind and Visually Impaired, Inc.

AN AFFILIATE
OF THE
AMERICAN COUNCIL
OF THE BLIND

The Topeka Association of the Visually Impaired for Service

(a service organization made up of blind and visually impaired Topekans)

I rise in opposition to Senate Bill 159. It surprises me that a bill such as this would even be introduced before the Kansas Legislature. Let us face the fact that the questions being resolved about the future of what is being called Topeka State Hospital come down to the issue of money. There is a chunk of real estate which the State owns, does not need all of, and which is worth a lot of money, millions and millions of dollars. I am startled that you of the Legislature would be asked to forfeit your authority over this much of the tax payers money, and give such authority to one non-elected State official.

The Legislature has had to approve spending, over the years of probably billions of dollars to create what is located on the alleged Topeka State Campus. The Legislature of each era of our State's history has made the decisions as to what they felt should and should not be located on the Topeka State grounds. It makes no sense to suddenly turn all of that over to administrators.

Traditionally, through the years prior to actions of the 1996 Kansas Legislature which linked Topeka State Hospital with the blind services related buildings located at 6th and Mac Vicar, there was no consideration that the blind services lands and Topeka State Hospital were related. In 1958, new buildings were built at the southeastern edge of Topeka State Hospital bringing the two human service functions back to back. Prior to that time, there were acres and acres of essentially rural land between the two properties. The area dividing the two appeared to be un-used pasture-like land. To plat Topeka State Hospital and the Blind Services facilities now as though they are one property, and treat them as though they all have the same use, is ridiculous. It certainly goes against the boundaries established by history, and past Legislative precedent.

The State Printer was also placed near Topeka State Hospital, not because mentally ill people and printing should go together, but because the un-used lands were already owned by the State and were available. This is the same reason the blind services operations were placed at 6th and Mac Vicar. Both placements saved money in that land did not have to be bought somewhere else. Senate Bill 159 allows the State Printer to remain in its current location. The same allowance should be made for the blind services functions including the administrative section of the Kansas Division of Services for the Blind, the Rehabilitation Center for the Blind, and the Kansas Industries for the Blind.

The Blind Services have a long tradition in their current location. The first building was built 51 years ago. Blind Kansans have been served through this building, and in the surrounding ones, ever sense. Money has been spent ever sense to build additions, to improve the properties, make them meet the Americans With Disabilities Act, and to keep them current with best rehabilitation practices for blind citizens of each era. They are in excellent repair and still function well for their originally intended uses.

The buildings are paid for as of this writing, but each improvement increased the tax payers' investment in the concept of serving blind Kansans through these locations. The cost of leaving the services operating where they are now is quite clearly less than moving them anywhere else. If the Blind services functions are to be moved, and if the same degree of services are to continue to be offered, and the same or greater degrees of employment for the blind are to be offered, then the cost of creating new facilities appropriate to the task somewhere else, either through new construction or renovation, would be much greater by comparison, and would be re-spending tax dollars already spent

Senate Ways and Means Committee

Post Office Box 292

/

Topeka, Kansas

Date 2/9/99

Attachment # 11-1

If services for blind Kansans are diminished, or even interrupted, because the physical plant is being stolen from blind Kansans, then tax dollars will further be misappropriated because people who are blind will not get the services they need to engage in employment or to continue living independently in the community. More blind people will become tax drains instead of tax payers.

The Kansas Association for the Blind was organized in the 1920s with the goal that "every blind Kansan should become a self-supporting citizen." It was the advocacy of this organization which eventually lead to the creation of the Kansas Division of Service for the Blind, which blind Kansans new was essential to improve employment of blind Kansans. The service structure was designed as blind Kansans told the Legislature it should be designed. The facilities at 6th and Mac Vicar were designed with the input of blind Kansans. The Kansas Legislature, through the years, has done well in listening to blind citizens and supporting programming as described, not as sighted bureaucrats suspected might work. We are asking the Legislature now to keep with this tradition. Senate Bill 159 turns entirely too much control over the future of blind people to one appointed, sighted, bureaucrat, the Secretary of Administration.

We are still far from achieving the ideal that all blind citizens should be employed, but we are a lot closer now than we were when we started. We will continue the journey, but removal of blind services from the corner of 6th and Mac Vicar would create a major stumbling block.

SENATE BILL 159

Testimony in Opposition:

February 9, 1999

I am in opposition to this bill because it gives the Secretary of Administration too much power to make decisions that can affect the lives of many blind Kansans. It is my opinion that this administration cannot be trusted to do the right thing when it comes to Services for the Blind. We have already been told by the Vocational Rehabilitation Commissioner that this administration has made an arbitrary decision to either close or privatize Kansas Industries for the Blind (KIB).

This artificial need to vacate property at 6th and MacVicar is a good excuse for the administration to seriously slash services provided to the newly blind adults in the State of Kansas.

The Rehabilitation Center for the Blind (RCB), which is in the same complex with KIB, provides a great service to those Kansans who need to learn a new way of life and the skills needed to cope with the challenges of everyday life.

The State of Kansas should not be in the business of providing attractive property for private development at the expense of blind Kansans.



David W. Schwinn
614 SW Wayne Ave.
Topeka, KS 66606-1751
(785) 235-0870

Senate Ways and Means Committee

Date 2/9/99

Attachment # 12~

I am Adabelle Haughawout of Topeka. We moved here in 1949, and I spent the intervening years teaching for 501. My eyes began to fail in the seventies, and so I needed to retire from teaching for I could no longer see textbook print.

A social worker from the state helped me to gain admision to the center for the blind here in Topeka. I spent four mont as a day student learning to travel on the bus to and from school each day.

I found the teaching excellent and the facilities more than satisfactory. I liked the idea of the two buildings, for it gave the clients a chance to negotiate different doors, latches, locks, knobs, and b lls.

The dorm building was very adequate. The two floors gave a chance to travel dtsp and find different rooms.

The kitchen provided wonderful meals with teaching of kitchen, dining room, and housekeepng tasks.

There was an oppportunity to walk form building to building, and that was excellent training. Because of the nature pf the teaching, the classrooms in the second building were small, but very good for individual work.

There is an assembly room which can be divided or open for bigger meetings. The large cãass area has the new machine such as the CCTV and computer models. This is invaluable, for the students today, can train to go into the work forc

The corner for West 6th and Macvicar is excellent for mobility training, for the traffic ia not as heavy as the downtown area, but, yet, there is practice boarding the bus and disembarking. A The training of the sound of traffic can also be taught there. All in all, I can see no reason to change the location of the center. It is ideal as it is.

My experience there was exceptionally fine, and I will always be grateful for it.



DEPARTMENT OF ADMINISTRATION
Division of Facilities Management

BILL GRAVES
Governor

DAN STANLEY
Secretary of Administration

JIM REARDON
Director of Facilities Management
900 S.W. Jackson, Room 653
Landon State Office Building
Topeka, KS 66612-2210
(785) 296-1318
FAX (785) 296-3456
www.ink.org/public/da/fm

MEMORANDUM

TO: Senate Ways & Means Committee
FROM: Christopher J Heavey, State Real Estate Officer
DATE: February 9, 1999
SUBJECT: Overview on Leasing Activities State Complex West

These are the details of the leasing efforts at State Complex West. Until a Master Plan is adopted, they are subject to change.

A contract proposal for a State Complex West Master Plan should be completed by mid July 1999. With the exception of some leased property, all sales of the property are subject to the approval of the legislative bodies providing oversight, the proponent, and the City of Topeka. Recommendations made by the State as to the properties highest and best use will occur after the Master Plan is completed.

- A local housing developer has signed a letter of intent to develop approximately 30 acres of land for multifamily use over a five (5) year period. The land is near the SW corner of the property at 6th and Oakley.
- A local company has expressed written interest in 110,000 square feet corner of 6th and Oakley.
- The corner of 6th and MacVicar has 25 acres of land that is being evaluated for development. This would require two tenants now located on the parcel, to relocate. Details have not been satisfactorily resolved at this point. There has been an expression of interest by brokers to market the parcel once the Master Plan is completed.
- State Properties. In the middle of site #3 bordering MacVicar a discussion regarding the creation of "new" construction for 3 State agencies deemed incompatible with downtown consolidation is ongoing.

Present Leases

1. Social Rehabilitation Services Training center 17,916 s.f.
2. 4 houses SW portion of the site
3. Adams Building (Childrens Service League) 5,166 s.f.
4. Blind Administration /dormitory/factory
5. The Department of Corrections 38,000 s.f.

Senate Ways and Means Committee

Date 2/9/99

Attachment # 14