

Approved: 5/7/99
Date

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 31, 1999 in Room 123S 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 Hutfles, SRS
Marlin Rein, KU Chancellor's Office
Secretary Charles Simmons, Dept. of Corrections
Don Myer, Exec. Dir., KS Commission on Veterans Affairs
Jim Reardon, Dept. of Administration
Meredith Williams, KPERS

Others attending: See attached list.

HB 2548 **Winfield State Hospital and Training Center property transfer
To Kansas Veterans' Home and Department of Corrections**

Rae Anne Davis explained **HB 2548** to the Committee.

Mike Hutfles of the Department of SRS spoke to the Committee in support of **HB 2548**. (Attach. 1).

Marlin Rein of the Office of the Chancellor of KU spoke in favor of **HB 2548**. (Attach. 2 and 3).

Testifying as a proponent to **HB 2548** was Charles Simmons, Secretary of the Department of Corrections. (Attach. 4).

Don Myer, Executive Director of the Kansas Commission on Veterans Affairs spoke in support of **HB 2548**. (Attach. 5).

SB 159 **Topeka State Hospital property; transfer of control to
Department of Administration**

Chairman Kerr told the Committee of the memorandum type offer in hand for two parcels of property on the Topeka State Hospital grounds at the appraised value. He spoke of the lack of success in getting long-term renters for any of the facilities on the grounds due to the property being under SRS because potential renters felt it would be only a one year commitment.

The Chairman said he had met with the Topeka Mayor, the Topeka delegation, Jim Reardon and the Secretary of SRS. He then met with Michael Byington of Envision, who was one of the organizers of those protesting the property transfer and they have tried to incorporate language into an amendment for **SB 159** that they believe is reasonable and provides enough comfort for Mr. Byington and his organization that they will no longer be an opponent of the bill. (Attach. 6).

Jim Reardin of the Department of Administration spoke to the Committee in regard to **SB 159**. He spoke of the offers that had been made for various parcels of land on the Topeka State Hospital grounds and said that the offer includes the cost of \$50 thousand to develop their master plan that is being developed by Land Plan of Lawrence in conjunction with a local commercial realtor.

Michael Byington of Envision spoke to the Committee in support of **SB 159**. He said he had concern when it came to the funding for moving the Rehab Center for the Blind, and since this is not an appropriations bill he hoped there would be a companion piece in the Omnibus bill that would insure there was money to move the facility.

Chairman Kerr responded to the possible appropriations and said that since it is not an appropriations bill it can't be dealt with in this bill but in the Omnibus bill there could be language inserted along the line that they would take a modest amount of money from any possible sale. They would then ask the Department of Administration if they could utilize some portion of that sale money to begin the process of finding and equipping other facilities. He also said that the Mayor has assured them that if the blind facilities are located on the interior of the Topeka State Hospital, they would not have any problems having the bus services extended into that interior area.

Mike Corrigan of the Revisor's Office explained a technical amendment to **SB 159**.

It was moved by Senator Morris and seconded by Senator Petty to amend **SB 159** and the technical amendment into **HB 2548**. The motion to amend carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Morris to pass **HB 2548** favorably as amended. The motion carried on a roll-call vote.

It was moved by Senator Petty and seconded by Senator Gilstrap that the Committee reconsider their action of passing **HB 2548** out. The motion carried on a voice vote.

HB 2489

Mileage and subsistence reimbursement rates

Mike Corrigan explained that **HB 2489** would repeal the existing statutory requirements of the mileage reimbursement rates for state officers and employees to be established by Rules and Regulations as authorized by the Secretary of Administration.

It was moved by Senator Salisbury and seconded by Senator Petty to amend **HB 2489** by moving it back to its original form but to leave in its publication in the Kansas register.

Shirley Moses, Director of Accounts and Reports spoke to the Committee in regard to **HB 2489**. (Attach. ~~7~~).

The motion to amend **HB 2489** was passed by a voice vote.

It was moved by Senator Morris and seconded by Senator Salisbury to recommend passage of **HB 2489** as amended. The motion carried on a roll-call vote.

The Chairman said that Senator Petty's motion regarding **HB 2548** was amended to include the language suggested by Senator Salisbury that nothing in this subsection shall be construed to limit the discretion of the Secretary in the disposition of the property. In other words, this is an advisory committee not an oversight committee. (SEE ATTACHMENT 8)

A motion by Senator Petty and seconded by Senator Ranson to amend **HB 2548** was passed on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Feleciano that **HB 2548** as amended, be recommended favorably for passage. The motion carried on a roll-call vote.

SB 358

An act concerning the Kansas public employees retirement system and systems thereunder.

Julian explained **SB 358** to the Committee.

Meredith Williams of KPERS distributed a copy of a comparison study of immediate versus deferred funding of 1998 COLA for State and School showing it's fiscal impact. (Attach. ~~11~~ 9)

It was moved by Senator Salisbury and seconded by Senator Ranson that SB 358 be passed. The motion passed on a roll-call vote.

The meeting was adjourned at 12:20 p.m. The next meeting is on call of the Chairman.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/31/99

NAME	REPRESENTING
Ken Baker	Ks. Environmental Consulting
LINDA McGILL	MGA
Mike Huttles	SIRS
Charles Simmons	Dept. of Corrections
Date Branton	Dept of Adm.
Shirley Moses	✓
Ron Seebert	Dept of Adm
Michael Byington	Emission
Martin Rein	KU
Tuck Hawn	KIERS
Meredith Williams	U
Lyle Bredt	APERS
Neal Taylor	Johnson County
Don Rye	S.E. A.K
Jerry Sloan	OJA
Chris Heaney	DFM
Sharon Marcum	DFM
Jon Josttrand	KU
Don Myr	KCUA

**State of Kansas
Department of Social
& Rehabilitation Services**

Rochelle Chronister, Secretary
Janet Schalansky, Deputy Secretary



For additional information, contact:

SRS Office of the Secretary

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☎785.296.6218 / Fax 785.296.4685

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**Senate Ways and Means
Wednesday, March 31, 1999**

Testimony: HB 2548

**Office of the Secretary
Mike Hutfles, Special Assistant to the Secretary
785.296.6218**

Senate Ways and Means Committee

Date: 3/31/99

Attachment # 1-1

Contents

Testimony HB 2548

Kansas Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

Senate Ways and Means
on HB 2548

Wednesday, March 31, 1999

Mr. Chairman, members of the committee, thank you for this opportunity to appear before you today in support of HB 2548. I am Mike Hutfles, Special Assistant to Secretary Chronister, Department of Social and Rehabilitation Services.

HB 2548 transfers two separate pieces of land which SRS currently "owns".

Section 1 transfers title of Winfield State Hospital and Training Center to the Kansas Department of Corrections and to the Kansas Commission on Veterans Affairs . This legislation allows for the agencies to enter into an interagency agreement on how the land will be divided. Once surveys are done to the respective properties, the title of the properties will transfer to Corrections and the Veterans Affairs commission.

Section 3 transfers two parking lots at Rainbow Mental Health Facility to the University of Kansas Medical Center . These two parking lots have been used by the medical center for many years . It makes sense for the medical center to be able to make improvements to these lots as they consider future enhancements in the area.

Both transfers are exempted from the provisions of K.S.A. 75-3043(a). K.S.A. 75-3043(a) requires state agencies to have three independent appraisals of any property bought, sold or transferred We do not feel this provision is necessary.

Mr. Chairman, thank you for your consideration of our request . I will attempt to answer your questions.

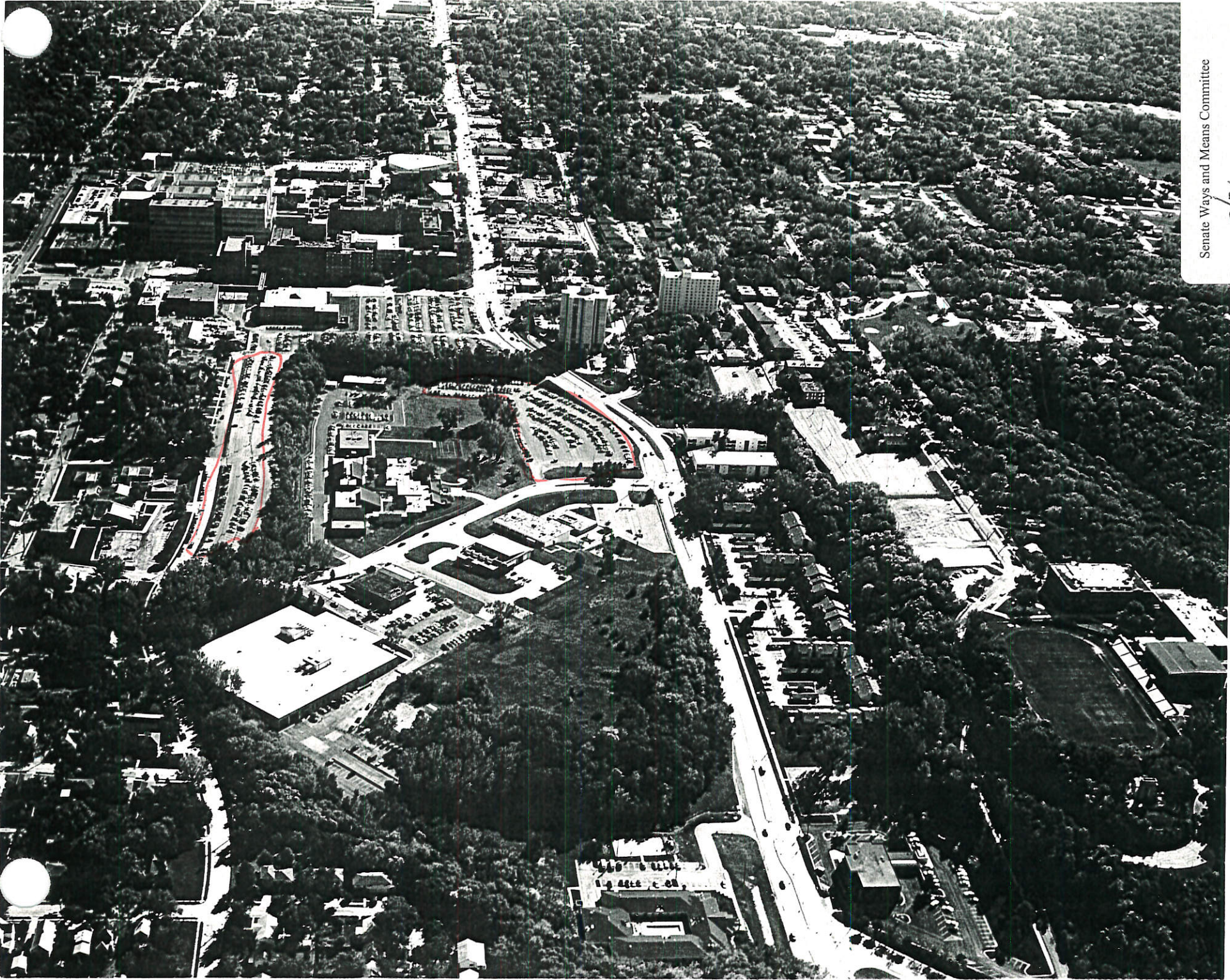
TESTIMONY - HB2548
SENATE WAYS AND MEANS COMMITTEE
MARCH 31, 1999

My name is Marlin Rein and I am appearing on behalf of the University of Kansas Medical Center in support of House Bill 2548.

The House Committee Amendment to House Bill 2548 authorizes the Secretary of Social and Rehabilitation Services to convey two parcels of land at the Rainbow Mental Health Center to the University of Kansas Medical Center. I have distributed a map which depicts the two parcels of ground involved in this transfer. One parcel, referred to as the west lot, contains 3.2 acres and is located on the southeast corner of Rainbow Blvd. and 36th Avenue. The other parcel, known as the east parking lot, is approximately 2.8 acres and located above the bluff east of the Rainbow Mental Health Center buildings and extends along Eaton Street between 38th and 36th avenues. These two properties have been used by the University for more than two decades to provide approximately 850 parking spaces for students and employees of the University of Kansas Medical Center.

The University has surfaced the lots and lighted them. Were the transfer of ownership approved, the University would likely not make any alternative use of these parcels in the near term. What makes this transfer vital to the University however, is that the Rainbow Mental Health Center is an enclave within the University campus. The University is bound on the east by State Line and on the south by a residential area of historical significance. On the west, Rainbow Boulevard is a natural barrier which leaves the area to the north as a location for future growth. As the institution continues to work on long-term development plans, it is vitally important that the control and ownership of these two parcels be secured. Already, the University has a significant facility north of the Rainbow Mental Health Center and will soon begin construction on the corner of Rainbow Blvd and 36th Avenue of a new Center for Health in Aging. In addition, the University's research foundation has acquired property north of the Medical Center's new Aging and Support Services facilities which will be areas for future development.

The Secretary of SRS concurs that these two parcels of ground are not required to support the current or future mission of the Rainbow Mental Health Center and supports this transfer of ownership. I would urge the Committee's support of House Bill 2548. I would be pleased to answer questions.



STATE OF KANSAS




DEPARTMENT OF CORRECTIONS
OFFICE OF THE SECRETARY

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900 S.W. Jackson — Suite 400-N
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Bill Graves
Governor

Charles E. Simmons
Secretary

MEMORANDUM

To: Senate Ways and Means Committee
From: Charles E. Simmons  Secretary
Subject: HB 2548
Date: March 31, 1999

HB 2548 authorizes the Secretary of SRS to enter into an interagency agreement with the Kansas Commission on Veterans Affairs and the Kansas Department of Corrections for the purpose of transferring the "...charge, care, management and control..." of the property of the former Winfield State Hospital and Training Center. The bill also authorizes SRS to convey title to the Veterans Commission and KDOC once specific title descriptions have been obtained. The bill is necessary because SRS no longer has operations on the former state hospital grounds and the two agencies now using the property—the Veterans Commission and KDOC—need to be given clear legal authority to manage the areas involved in their respective operations.

KDOC has operated a correctional facility at Winfield since 1984, when a pre-release center was opened to provide program services to inmates approaching their release dates. Since that time, the size and role of the facility has expanded. Winfield Correctional Facility (WCF) currently has the capacity to house 522 minimum security male inmates on the grounds of the former state hospital. The three dormitories used for housing inmates, plus the other buildings occupied by KDOC, are all buildings that were previously used for state hospital functions. The department and the Veterans Commission have reached consensus as to how the hospital property will be divided between the two agencies. However, the statutory authority contained in HB 2548 is necessary to implement the property transfer from SRS. The bill is important to KDOC because it authorizes the department to formally acquire control of the property we occupy at Winfield.

House amendments, which are unrelated to KDOC, authorize the transfer of parking lots at Rainbow Mental Health Facility to the University of Kansas Medical Center.

HB 2548 passed the House by a vote of 123-1.

Senate Ways and Means Committee

Date 3/31/99
Attachment # 4

**Testimony by Don A. Myer,
Executive Director,
Kansas Commission on Veterans Affairs
on the KCVA budget
before the
Senate Ways and Means Committee
March 31, 1999**

Mr. Chairman and members of the committee, my name is Don Myer and I am the Executive Director of the Kansas Commission on Veterans Affairs. I am here today to speak on HB 2548, a bill concerning the transfer of property at the former Winfield State Hospital to the Kansas Commission on Veterans Affairs and the Department of Corrections. Any time I use the pronouns "he" or "him", or at any time make masculine reference to veterans, I am referring to both the men and women who served our country.

The Kansas Commission on Veterans Affairs supports this legislation. Allowing the agencies involved to determine the distribution of real property seems the most flexible and equitable method. Each agency has desires, and we believe that we have already agreed to a formula that will address our needs in a mutually agreeable fashion. Additionally, utilizing a Memorandum of Agreement rather than statute to delineate property lines will make it less onerous to make any future adjustments, if they were needed.

Thank you for your time, and I would be happy to stand for any questions you may have.

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.

Session of 1999

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
41 amounts that the secretary of administration determines to be beneficial
42 or necessary; and

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

Senate Ways and Means Committee

Date 3/31/99

Attachment # 6-1

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

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 statutes.

(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, Osawatomie 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.

Proposed Amendment to SB 159
Consideration by Senate Committee on Ways and Means
March 16, 1999

On page 2, following line 18, by inserting the following new material to read as follows:

“(f)(1) There is hereby created the Topeka state hospital property advisory committee which shall be composed of the following members:

(A) One member shall be a member of the house of representatives whose representative district includes a portion of Shawnee county and who is appointed by the speaker of the house of representatives and such member shall serve for a term ending on the first day of the regular session of the legislature in next ensuing odd-numbered year;

(B) one member shall be a member of the house of representatives whose representative district includes a portion of Shawnee county and who is appointed by the minority leader of the house of representatives and such member shall serve for a term ending on the first day of the regular session of the legislature in next ensuing odd-numbered year;

(C) one member shall be a member of the senate whose senate district includes a portion of Shawnee county and who is appointed by the president of the senate and such member shall serve for a term ending on the first day of the regular session of the legislature in next ensuing odd-numbered year;

(D) one member shall be a member of the senate whose senate district includes a portion of Shawnee county and who is appointed by the minority leader of the senate and such member shall serve for a term ending on the first day of the regular session of the legislature in the next ensuing odd-numbered year;

(E) one member shall be the mayor of the city of Topeka, or designee; and

(F) at least one member but not more than three members shall be appointed by the secretary of administration from among those persons who are not officers or employees of any state or local governmental agency and each such member shall serve at the pleasure of the secretary of administration.

(2) The Topeka state hospital property advisory committee shall organize at its first meeting which shall be called by the Secretary of Administration by electing a chairperson and vice-chairperson from among the members. The advisory committee shall meet on call of the chairperson and shall meet at least once each calendar quarter.

(3) Members of the Topeka state hospital property advisory committee shall serve without compensation.

(4) The Topeka state hospital property advisory committee shall meet and shall advise and consult with the secretary of administration and other representatives of the department of administration with regard to current and proposed uses and other dispositions of the Topeka state hospital property. The secretary of administration shall present formal and informal proposals for new or different uses or other dispositions of the Topeka state hospital property and shall solicit comments from the advisory committee thereon. The advisory committee shall study and shall provide a forum for the expression and discussion of concerns and recommendations from residents of Shawnee county relating to current and proposed uses and other dispositions of the Topeka state hospital property.

(5) The Topeka state hospital property advisory committee shall terminate when the Topeka state hospital property passes entirely from state ownership or on December 31, 2002, whichever is sooner.

**TESTIMONY BEFORE THE
SENATE COMMITTEE ON WAYS AND MEANS
March 31, 1999, 11:00 a.m., Room 123-S**

Presented by Shirley Moses, Director of Accounts and Reports

Chairman, Members of the Committee:

I am providing testimony today on behalf of the Department of Administration in support of House Bill 2489 proposed to improve efficiencies and reduce bureaucracy in administering reimbursement rates for official travel by state officers and employees.

House Bill 2489 modifies the way in which state reimbursement rates for use of privately owned conveyances and for subsistence (meals and lodging) are established and revised. Currently, the Secretary of Administration is required to establish these rates by adopting rules and regulations. Under the bill proposal, it would not be necessary for the Secretary to adopt a regulation in order to establish or make routine modifications to travel reimbursement rates. However, travel reimbursement policies, as well as the listing of high-cost geographic areas, would remain in the *Kansas Administrative Regulations*.

Each June 1, the Division of Accounts and Reports recommends travel reimbursement rates to the Division of the Budget. The Division of the Budget uses the recommendations to develop budget indices, which are disseminated to state agencies to use in creating the agency budget estimates submitted to the Division of the Budget in the fall. The agency budget estimates then become the starting point for the Governor's budget report to the Legislature in January and subsequently for appropriations acts of the Legislature.

At any point in this process, through the following June 1, changes in the state's economy, changes in the cost of travel, amendments to federal law, and other circumstances may create a need for a deviation from the travel reimbursement rates used in preparing agency budgets. However, the Secretary of Administration must time the adoption of amendments to the travel reimbursement rate regulations so that the amendments take effect at the beginning of the new fiscal year on July 1.

The time requirements associated with adoption of regulations are such that it is difficult to respond to unanticipated circumstances such as changes in the state's economy or costs of travel. To implement rates with an effective date of July 1, the process of adopting regulations must begin in January. A relevant example is the recent announcement of a decrease in the federal standard mileage rate, effective April 1, 1999. With only a couple of months of lead time, implementation of the one-cent rate reduction for state travelers will require a temporary regulation, followed by a permanent regulation, to avoid partial taxability of the reimbursement of travel by private vehicle. Although the state determines its own travel rates on a fiscal year basis, the rates and process must comply with provisions of the federal Internal Revenue Code and IRS allowable rates, which are effective on a calendar year basis.

Senate Ways and Means Committee

Date 3/31/99

Attachment # 7-1

The process for adopting regulations contains safeguards for decisions about many issues of public significance. The process provides for fiscal impact estimates and a forum for public notice and public comments, prior to adoption of regulations. However, the state's travel reimbursement rates do not seem to be of interest to the public, and typically, the fiscal impact has already been funded upon approval of agencies' budgets. During the last three fiscal years, only one public hearing on amendments to travel reimbursement rate regulations was attended by an individual outside of the Department of Administration. The Division of Accounts and Reports provides other forums throughout the year to facilitate communication with state agencies on travel issues. Moreover, the Legislature has already approved the forthcoming travel rate changes and their economic impact upon approval of the agencies' budgets because those rates were used in developing budget estimates. In effect, the Legislature has final approval of the travel rates, regardless of their inclusion in travel regulations.

The current regulatory process involves many staff hours and includes representatives from various offices in the Department of Administration, the Office of the Secretary of State, the Office of the Attorney General, the Kansas Rules and Regulations Board, Legislative Research and members and staff of the Joint Committee on Administrative Rules and Regulations. These staff hours could be spent on more value-added activities if the regulation adoption process could be avoided for implementing standard amendments to the travel rates.

Total statewide expenditures for FY 1998 for private vehicle mileage and subsistence totaled nearly \$19.1 million but represented only .24 of 1 percent of statewide expenditures.

House Bill 2489 was presented in draft form to the Joint Committee on Administrative Rules and Regulations and, after minor amendment, committee members supported and introduced the bill.

House amendments to HB 2489 include: (1) authorization for the Legislative Post Audit Committee to reimburse certain Legislators for mileage expense (from HB 2108); (2) minor technical amendments to the original bill language; and (3) amending the effective date to publication in the *Kansas Register*. The first amendment concerning Legislative mileage reimbursement is very narrow in scope and the Division of the Budget's fiscal note on the original bill indicates only a negligible fiscal impact. The Department of Administration has no position on this amendment. However, the original provisions of HB 2489, and the associated efficiencies, are of merit and represent the overriding impact of the bill. I encourage your support of HB 2489, notwithstanding the House amendment.

Thank you for the opportunity to provide testimony to the Committee and for your consideration of HB 2489. I would be happy to address any questions the Committee may have.

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8-2

PROPOSED COMMITTEE AMENDMENT TO HB NO. 2548
(As Amended by House Committee)

Be amended:

On page 4, after line 24, by inserting the following:

"New Sec. 4. (a) As used in this section, "Topeka state hospital property" means all state-owned land and improvements in the city of Topeka, Kansas, which is in the area bounded by west Sixth street on the south, MacVicar avenue on the east, Interstate 70 on the north, and Oakley avenue on the west, including the adjacent state-owned land west of Oakley avenue, excluding the state printing plant land designated by the secretary of administration.

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

(1) Goods and services relating to the use, sale, lease or other disposition of the Topeka state hospital property;

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

(3) operating and maintaining the Topeka state hospital property, including security, repair and capital improvements.

(c) The secretary of administration may:

(1) Enter into agreements to lease all, or any portion, of

the Topeka state hospital property for a period not to exceed five years;

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

(3) enter into agreements and fix or alter charges for the use of the 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 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) If that portion of the Topeka state hospital campus which includes the division of services for the blind is sold or otherwise becomes unavailable for its current use, ample time shall be allowed for the division of services for the blind to acquire replacement facilities of equal or better usefulness for services to the blind. If the Kansas industries for the blind must be closed as a part of the sale of Topeka state hospital

property, the Kansas industries for the blind shall not be closed until suitable alternatives, including similar wages and benefits, for persons employed by Kansas industries for the blind have been arranged.

(e) 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.

(f) 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. 5. 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 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 statutes.

(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. 6. 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~~, Osawatomie 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.

(c) "Director" or "commissioner" means the commissioner of
mental health and developmental disabilities.";

And by renumbering sections accordingly;

And by amending the repealer and the title accordingly;

Kansas Public Employees Retirement System
Comparison of Immediate vs. Deferred Funding of 1998 COLA
for State and School

YEAR	Immediate Funding		Deferred Funding		Difference
	Balance	Payment	Balance	Payment	
1	\$ 62.60	\$ 5.40	\$ 62.60	\$ -	\$ 5.40
2	\$ 61.80	\$ 5.60	\$ 67.60	\$ -	\$ 5.60
3	\$ 60.70	\$ 5.80	\$ 73.00	\$ 6.30	\$ (0.50)
4	\$ 59.30	\$ 6.00	\$ 72.10	\$ 6.50	\$ (0.50)
5	\$ 57.60	\$ 6.30	\$ 70.80	\$ 6.80	\$ (0.50)
6	\$ 55.40	\$ 6.50	\$ 69.20	\$ 7.00	\$ (0.50)
7	\$ 52.80	\$ 6.80	\$ 67.10	\$ 7.30	\$ (0.50)
8	\$ 49.70	\$ 7.10	\$ 64.60	\$ 7.60	\$ (0.50)
9	\$ 46.00	\$ 7.30	\$ 61.60	\$ 7.90	\$ (0.60)
10	\$ 41.80	\$ 7.60	\$ 57.90	\$ 8.20	\$ (0.60)
11	\$ 36.90	\$ 7.90	\$ 53.70	\$ 8.60	\$ (0.70)
12	\$ 31.20	\$ 8.30	\$ 48.70	\$ 8.90	\$ (0.60)
13	\$ 24.80	\$ 8.60	\$ 43.00	\$ 9.30	\$ (0.70)
14	\$ 17.50	\$ 8.90	\$ 36.40	\$ 9.60	\$ (0.70)
15	\$ 9.30	\$ 9.30	\$ 28.90	\$ 10.00	\$ (0.70)
16	\$ -	\$ -	\$ 20.40	\$ 10.40	\$ (10.40)
17	\$ -	\$ -	\$ 10.80	\$ 10.80	\$ (10.80)
		\$ 107.40		\$ 125.20	\$ (17.80)

KPERC

March 31, 1999

SEN. WAYS + MEANS
 1-31-1999
 ATTACHMENT 9

~~11~~