

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:35 a.m. on February 2, 2001, in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Julie Weber, Administrative Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Glenn Deck, Executive Secretary, Kansas Public Employees Retirement System (KPERS)
Albert Murray, Commissioner, Juvenile Justice Authority

Others attending: See attached guest list

Bill Introduction

Senator Feleciano moved, with a second by Senator Schodorf, to introduce a bill (1rs0554) concerning tobacco; relating to requirements for sale of cigarettes. Motion carried by a voice vote.

Chairman Morris opened the public hearing on:

HB 2022 - Eliminating statutory prohibition on investments by KPERS in financial institutions

Staff briefed the Committee on the bill.

Proponents

Chairman Morris welcomed Glenn Deck, Executive Secretary, Kansas Public Employees Retirement System (KPERS) spoke in favor of **HB 2022**. Mr. Deck mentioned that the purpose of **HB 2022** is to repeal restrictive 1992 language in K.S.A. 74-4921(5)(d) as explained in his testimony (Attachment 1). Chairman Morris thanked Mr. Deck for his appearance before the Committee.

There being no further conferees to appear before the Committee, Chairman Morris closed the public hearing on **HB 2022**.

Senator Feleciano moved, with a second by Senator Adkins, to pass **HB 2022** favorably and be placed on the consent calendar. Motion carried by a roll call vote.

Chairman Morris turned the Committee's attention to discussion of:

SB 31 - SRS oversight committee; creation of

SB 31 was given a public hearing on January 19, 2001. Committee questions and discussion followed.

Senator Feleciano moved, with a second by Senator Salmans, to pass **SB 31** as favorable. Motion carried on a roll call vote.

CONTINUATION SHEET

Chairman Morris turned the Committee's attention to discussion of:

SB 57 - Claims against the state

SB 57 was given a public hearing on January 24, 2001. Committee discussion followed on the bill.

Senator Kerr moved, with a second by Senator Huelskamp, to pass SB 57 favorably as amended. Motion carried on a roll call vote.

Update by the Juvenile Justice Authority Regarding Construction Projects

Chairman Morris welcomed Albert Murray, Commissioner, Juvenile Justice Authority, who gave an update on the facility construction projects (Attachment 2). Committee discussion and questions followed. The Chairman thanked Commissioner Murray for his presentation before the Committee.

Information was distributed regarding a request for information on Social Services Committees - 2000 Interim by Kansas Legislative Research Department (Attachment 3).

The meeting was adjourned at 11:05 a.m. The next meeting is scheduled for February 5, 2001.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 2, 2001

NAME	REPRESENTING
Bill Henry	Ks. Gov. Consulting
Rob Woodward	KPERS
Glenn Deck	KPERS
Rachel Richard	SOS
J. Chubb	SOS
Juli Thomas	DOR
Melinda Gaul	DOR
JAMES FRAZIER	JJA
St James McKinley	NA
George Wengert	Ruffin Company
Ray Dalton	SRS
McDavis	KBOC
Jennifer Crow	Federico Consulting
Albert Murray	JJA
Christina Barker	w/Sen. Jackson
Rohini Thukral	w/Sen. Jackson
Judy Bronbeck	Sen. Pres. Office

**Senate Ways and Means Committee
Testimony on HB 2022
February 2, 2001
Glenn Deck, Executive Secretary
Kansas Public Employees Retirement System**

Historically, constitutional and statutory restrictions have prevented the Kansas Public Employees Retirement System (KPERS) from investing in the securities of any banking institution, savings and loan or credit union. Prior to the November 2000 election, the Kansas Constitution, Article 13, Section 2, provided "The State shall not be a stockholder in any banking institution." This constitutional restriction was originally adopted by the Wyandotte Constitution on July 5, 1859, and was ratified by electors on October 4 of the same year. In researching this issue, it appears that the restriction was "in keeping with the trends of the time" and probably reflected a mistrust of the yet to be standardized national banking system.

Language was added to the KPERS Statute in 1992 stating that "the board shall not invest or reinvest moneys of the fund in any banking institution, savings and loan association or credit union which positions the system as a shareholder or owner of such banking institution, savings and loan association or credit union." [K.S.A. 74-4921(5)(d)]

As a consequence of these laws, the System was precluded from making a common stock investment in any bank, savings and loan or credit union of domestic or international origin. Because KPERS' accounts are required to be "bank-free," KPERS' investment managers must maintain separate accounts for the System's investments. They can't be commingled with other institutional accounts, since no other accounts suffer similar restriction. Special handling means the System pays higher management fees.

Over time the banking restriction has artificially reduced the investable universe for the System, imposed opportunity costs which resulted in reduced returns, and added costs for customized indexes and segregated portfolio management. These restrictions serve no useful purpose to the State or participants of the System.

At the recommendation of the KPERS Board of Trustees, in 1999 the Legislature passed HCR 5037 which proposed amending the Constitution to remove this banking investment restriction. The voters overwhelmingly approved this change in the November 2000 general election.

The purpose of House Bill 2022 is to repeal the similar restrictive 1992 language in K.S.A. 74-4921(5)(d).

The KPERS Board of Trustees strongly supports the passage of House Bill 2022.

KPERS
February 2, 2001

*Senate Ways and Means
2-2-01
Attachment 1*

Juvenile Justice Authority



Presentation to the Senate Ways & Means Committee: Facility Construction Projects

February 2, 2001

Albert Murray, Commissioner
J. Kenneth Hales, Deputy Commissioner
James Frazier, Assistant Commissioner
Scott Alisoglu, Director of Fiscal Services
James McKinley, Architect

*Senate ways and means
2-2-01
Attachment 2*

LARNED JUVENILE CORRECTIONAL FACILITY PROJECT

- The agency is constructing a 152-bed facility at Larned. It will be comprised of four (4) general areas:
 1. the alcohol and substance abuse treatment center
 2. the mental health special treatment center
 3. the central program areas and
 4. the administrative/support areas.
- The facility will be constructed on a forty- (40) acre site located on the grounds of the Larned State Hospital.
- It will incorporate approximately 132,000 square feet.
- It is anticipated to staff approximately 153 employees.
- The facility will be constructed as a self-contained complex.
- The 120-bed alcohol and substance abuse treatment center (ASATC/RSAT) will be divided into eight (8) 15-bed living units, and the 32-bed mental health special treatment center (MHSTC) will be divided into four 8-bed living units.
- The complex will be configured along two axis, with the ASATC/RSAT located along the horizontal axis and the MHSTC located along the vertical axis. This design will physically separate the two programs and will allow for future expansion along each axis if needed. Central control is located near the front entrance of the facility providing visibility to the high circulation areas including the front visitors' entrance.
- The overall design concept blends two approaches to correctional facility design: the consolidated complex and the campus-style plan. The tightly controlled architectural format of the consolidated approach is applied to the MHSTC that will be managed as an intensive treatment and supervision program. The ASATC will be more open; though tightly secured quasi-campus partee to support appropriate extended periods of program activities. The façade of the housing units, combined with program and support buildings, will be designed at a height and of a construction type necessary to create the primary security perimeter for the housing units.
- Professional staff offices are located adjacent to the MHSTC living units. The educational components of administration, academic classrooms, and the vocational classrooms/shops are grouped together into a single complex. A single vehicle sallyport and associated secure loading area will service the entire site including food service, general services and the vocational/industries shop area.
- The entire facility will be encompassed by a service road, which will generally parallel the security perimeter fence. All facility components will be located within

the secure perimeter with the exception of parking, administration and general services. Separate parking will be provided for staff and visitors.

- The scheduled bid date for the project is February 27, 2001.
- Construction is expected to begin in March of this year and be completed in December 2003.
- The estimated construction cost is \$18.7 million. The total project cost including furniture and equipment is \$20.4 million all of which is included in the bond funding plan.

THE TOPEKA COMPLEX PROJECT

- The 225-bed complex will be composed of five (5) general areas:
 1. the diagnostic and classification center (60-beds)
 2. a maximum-security facility (150-beds)
 3. a residential infirmary (15-beds)
 4. central program areas
 5. administrative/support areas.
- The complex will be constructed on a twenty (20)-acre site.
- It will incorporate approximately 200,000 square feet.
- It is anticipated that approximately 260 employees will be required to operate the complex.
- All facility components will be located within a secure perimeter fence with the exception of administration and some general service areas.
- Each building is a single-story structure with the exception of the living unit pods, which will include ground and mezzanine levels.
- Separate parking areas will be provided for the public, employees, and secured state vehicles.
- The complex's 225 beds will be divided among three housing components:
 1. the diagnostic and classification center
 2. the maximum-security facility
 3. the infirmary.
- Up to five (5) beds in the infirmary will be utilized to house pregnant offenders on an as-needed basis.
- All housing areas will be of the modern podular design.
- The overall design concept blends two approaches to correctional facility design:
 1. consolidated complex
 2. campus-style plan.
 - The tightly controlled architectural format of the **consolidated approach** is applied to the diagnostic and classification component which will be managed as a short-term, strict close custody unit.
 - The long-term maximum-security component will have a more open, though tightly secured, quasi-campus partee to support appropriate extended periods of

program activities. The maximum-security housing pods and some centralized program areas will surround a central outdoor recreation area and activity yard. The façade of the housing pods, combined with program and support buildings, will be designed at a height and of a construction type necessary to create the primary security perimeter for the housing units, recreation and activity yard and, in large part, the entire complex.

- The diagnostic and classification component functions will be grouped together, with their respective living units being located at a distance from the maximum-security housing pods to maintain the necessary separation between potentially divergent population types. However, the related functions of the admissions and professional staff offices will be located directly adjacent to the units.
- The educational area will be comprised of four (4) primary components:
 1. the educational (academic) classrooms
 2. a vocational classroom/shop area
 3. education administration
 4. recreational (physical education) program
- The facility will be encompassed by a service road, which will generally parallel the security perimeter fence. All facility components will be located within the secure perimeter fence with the exception of parking, administration and general services. Separate parking will be provided for staff and visitors.
- The complex will provide some services to the existing Topeka Juvenile Correctional facility (TJCF) located adjacent to the new facility.
- These services will include
 1. food service
 2. offender visiting program
 3. medical/infirmiry services and
 4. other general services.
- The project includes construction of new living units and renovation of existing facilities on the grounds of TJCF. The new living units will comprise two components: four 15-bed living units and a 12-bed crisis unit. The construction of these components will mirror those in the 225-bed complex.
- The existing kitchen and dining area at TJCF will be renovated as program space. The space will house a religious service/activity area, group counseling/treatment rooms, a staff support area and professional offices.
- The scheduled bid date for the project is April 10, 2001.
- Construction is expected to begin April 2001 and be completed in March 2004.

- The estimated construction cost is \$36 million.
- The total project cost including furniture and equipment is \$39.1 million.

Funding for the project will include State Institutional Building (SIBF) funds, VOI/TIS

BELOIT JUVENILE CORRECTIONAL FACILITY RENOVATION PROJECT

- The renovation at Beloit includes upgrading the 24-room Morningview living unit to maximum-security level.
- Twelve to eighteen rooms will be upgraded to provide program space for female offenders who are classified as violent or an escape risk.
- The staff station and corridors will be upgraded to increase the security level of the unit.
- The project bids were opened December 19, 2000.
- The contract was awarded January 30, 2001.
- Renovation will begin within the next few weeks and is scheduled to be completed by December of 2001.
- The construction cost is \$450,444.
- The total project cost including furniture and equipment is \$.5 million

Social Services Committees - 2000 Interim

Committee	Statutory Charge	Actual Topics Studied	Meeting Days	Total Cost
<p>Health Care Reform Legislative Oversight Committee</p> <p>Membership: 12 legislative members</p>	<p><i>KSA 46-2507</i></p> <p>Examine changes in federal laws affecting Kansas and propose changes in Kansas laws and regulations necessary to meet the federal requirements</p> <p>Consider health care financing and delivery options now in effect taking into account the actions of other states and the federal government</p> <p>Work with state and federal agencies, health care providers, payors and consumer groups in the development of an integrated health plan</p> <p>Receive and analyze information and make recommendations related to the state health care data base developed by the Health Care Data Governing Board</p> <p>Develop plans for health care cost containment</p> <p>Study and make recommendations to integrate health care financing and coverage with other states</p> <p>Recommend actions necessary to assure accessibility of services to underserved areas</p> <p>Provide recommendations if federal or state laws require inclusion of the medical care component of workers compensation and automobile insurance into all inclusive health care coverage</p> <p>Make recommendations on tort reform for medical liability and for state antitrust reform and federal antitrust modifications</p> <p>Appoint the following subcommittees which must report to the Committee quarterly: Administrative, Insurance, Employer, Provider, Consumer</p> <p>Sunset - July 1, 2001 (HB 2058 eliminates provision)</p>	<p>Post Audit Report - Board of Nursing</p> <p>Proposed federal regulations on medical records privacy</p> <p>Complementary and alternative health care</p> <p>Medicaid drug program</p> <p>Public health and water quality</p> <p>National Kidney Foundation</p> <p>Dental workforce and access</p> <p>Kansas Business Health Partnership Act</p> <p>Greater Kansas City Life Sciences Project</p> <p>Social work issues</p> <p>End-of-life issues</p> <p>Health care provider licensing structure in other states</p> <p>Health care provider background checks and employment restrictions</p> <p>TelePsychiatry network for Kansas; services for children and youth</p> <p>Pharmaceutical costs</p>	<p align="center">9</p>	<p align="center">\$25,573</p>

Senate Ways and Means
2-2-01
Attachment 3

Committee	Statutory Charge	Actual Topics Studied	Meeting Days	Total Cost
<p>Joint Committee on Children's Issues</p> <p>Membership: ten legislative members</p>	<p><i>KSA 46-3001</i></p> <p>Oversee the implementation and operation of the children's health insurance plan including the assessment of the performance based contracting's measurable outcomes</p> <p>Other children's issues as deemed necessary</p>	<p>National "Kids Count" survey</p> <p>HealthWave (including Medicaid integration)</p> <p>Immunization issues</p> <p>Adoption contract</p> <p>Child care</p> <p>Children's Initiative Fund grants</p> <p>Joint meeting with SRS Transition Oversight Committee:</p> <p>Lutheran Social Services</p> <p>United Methodist Youthville</p> <p>Federal audit of the Adoption and Safe Families Act of 1997</p>	<p>7</p>	<p>\$13,535</p>

Committee	Statutory Charge	Actual Topics Studied	Meeting Days	Total Cost
<p>SRS Transition Oversight Committee</p> <p>Membership: 12 legislative members</p>	<p><i>KSA 46-2701</i></p> <p>Monitor long-term care programs transferred from the Department of Social and Rehabilitation Services to the Department on Aging</p> <p>Monitor, review, and make recommendations relating to privatization efforts at the state hospitals, the closure of hospital beds, the downsizing of staff, the funding of community services, and the availability of community services</p> <p>Monitor, review, and make recommendations relating to privatization of: children's service programs including family preservation, foster care, and adoption; child support collection programs; other programs in the Department of Social and Rehabilitation Services; and programs in the Department on Aging</p> <p>Monitor, review, and make recommendations relating to federal social welfare reform laws, regulations, and policies; the activities of the Department of Social and Rehabilitation Services relating to such federal laws, regulations, and policies; and the operation of home and community based services programs</p> <p>Sunset - July 1, 2001 (SB 31 extends the Committee to July 1, 2003.)</p>	<p>Medicaid pharmacy program</p> <p>Community Developmental Disability Organizations contract</p> <p>Kansas Industries for the Blind/Rehabilitation Center for the Blind</p> <p>Updates on contracts for family preservation, adoption, and foster care</p> <p>Community Services Program</p> <p>Welfare program</p> <p>Job training programs</p> <p>Home and community-based services: developmentally disabled, frail elderly, physically disabled, and head injury</p> <p>Foster care</p> <p>Pharmacy concerns of the elderly</p> <p>Joint meeting with Joint Committee on Children's Issues:</p> <p>Lutheran Social Services</p> <p>United Methodist Youthville</p> <p>Federal audit of the Adoption and Safe Families Act of 1997</p>	<p>6</p>	<p>\$16,438</p>

Committee	Statutory Charge	Actual Topics Studied	Meeting Days	Total Cost
<p>Long-term Care Services Task Force</p> <p>Membership: ten legislative members, three agency representatives, seven members of the public</p>	<p><i>KSA 65-6206</i></p> <p>Study:</p> <ul style="list-style-type: none"> - state and federal laws, rules, and regulations which impact long-term care services - the financing of such services - the effectiveness of partnering activities between state agencies and long-term care providers - other matters deemed appropriate <p>Sunset - July 1, 2005</p>	<p>Long-term care programs in various state agencies</p> <p>Legislative Post Audit reports - "In-home Services to the Elderly," "Services Provided to the Elderly"</p> <p>State demographics</p> <p>Program for All-inclusive Care for the Elderly</p> <p>Long-term care programs in other states</p> <p>Frail Elderly waiver program</p> <p>Intergovernmental transfer</p> <p>Reimbursement issues</p> <p>Health Care Finance Administration</p>	<p>7</p>	<p>\$17,800</p>
<p>Mental Health System Task Force</p> <p>Membership: six legislative members, three agency representatives, six members of the public</p>	<p><i>SR 1849</i></p> <p>Study and make recommendations concerning:</p> <ul style="list-style-type: none"> - an evaluation of the current mental health delivery system - an examination of the most effective ways to deliver mental health services - an investigation into the maximization of federal and other funding sources - a review of the statewide absence of crisis stabilization centers - a review of other matters deemed appropriate 	<p>Current mental health system</p> <p>Crisis stabilization centers</p> <p>Financing structure of the mental health system</p> <p>Mental health systems in other states</p> <p>Suicide prevention</p>	<p>6</p>	<p>\$8,809</p>
<p>TOTAL Members: 69</p>			<p>35</p>	<p>\$82,155</p>