

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 10:35 a.m. on March 2, 2004, in Room 123-S of the Capitol.

All members were present except:

Senator Christine Downey- excused  
Senator Nick Jordan- excused

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Melissa Calderwood, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Susan Kannarr, Kansas Legislative Research Department  
Amy Vanhouse, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Jill Wolters, Senior Assistant, Revisor of Statutes  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Reginald Robinson, President and CEO, Kansas Board of Regents  
Robert Hemenway, Chancellor, University of Kansas  
Ken Grotewiel, Assistant Director, Kansas Water Office  
Michael Hayden, Secretary, Kansas Department of Wildlife and Parks  
David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture  
Tracy Streeter, Executive Director, State Conservation Commission  
Robin Jennison, Governmental Services, Representing Pawnee Watershed  
Steve Swaffar, Director, Natural Resources, Kansas Farm Bureau  
Doug Wareham, Kansas Grain & Feed Association and the Kansas Agribusiness Retailers Association  
Michael Herrmann, Mayor, City of Kinsley, Kansas  
Darrel Pettay, businessman, Kinsley, Kansas  
Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association  
Senator Henry Helgerson, Jr.  
Representative Joe Shriver  
Sharon Bird, Creative Community Living  
Kathy Hall, former Unit Director, Winfield State Hospital and Training Center  
Virginia Hicks, former Office Administrator to the Unit Director, Winfield State Hospital  
Amy McCart, Ph.D., University of Kansas

Others attending:

See Attached List.

Chairman Morris opened the public hearing on:

**SB 490--State educational institutions, crediting interest earned on special revenue funds**

Staff briefed the committee on the bill and distributed a copy of Funds Listed in **SB 490** Regents Universities (Attachment 1).

Chairman Morris welcomed Reggie Robinson, President & CEO, Kansas Board of Regents, who testified in support of **HB 490** (Attachment 2). Mr. Robinson explained that **SB 490** makes provision for the crediting of interest savings to state university funds. He also noted that they project that the provisions of **SB 490** would result in approximately \$2.7 million of additional interest earnings credited to state university funds, which otherwise would be credited to the State General Fund.

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 2, 2004, in Room 123-S of the Capitol.

The Chairman welcomed Chancellor Robert Hemenway, University of Kansas, who spoke in support of **SB 490** (Attachment 3). Chancellor Hemenway explained that the bill would establish the policy that interest on tuition-like funds a state colleges and universities should accrue to the benefit of the colleges and universities.

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 490**.

Chairman Morris opened the public hearing on:

**SB 539--Authority of certain state agencies to issue bonds to finance capital improvements for water-related infrastructure projects**

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees on the bill:

Ken Grotewiel, Assistant Director, Kansas Water Office, spoke in support of **SB 539**. Mr. Grotewiel explained that the bill embodies the legislative recommendation of the Kansas Water Authority to the Governor and the Legislature to expand the bonding authority of the State of Kansas for water infrastructure development (Attachment 4).

Michael Hayden, Secretary, Kansas Department of Wildlife and Parks, testified in support of **SB 539**. Secretary Hayden mentioned that **SB 539** represents an important step in increasing fiscal efficiency when meeting the critical needs of Kansas and its citizens. He noted that in today's economic times where revenues are strained, but demand continues, bonding is a tool that allows state agencies to accomplish more with existing revenues (Attachment 5).

David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, spoke in support of **SB 539**. Mr. Pope explained that the Division of Water Resources administers laws related to the regulation of dams, channel modifications and levees. Some of these structures can pose a serious threat to the public safety or welfare, yet costs to correct structural problems can be prohibitive. As an example, bonding authority could help pay for emergency remediation actions, or help finance corrective actions over a longer period of time (Attachment 6).

Tracy Streeter, Executive Director, State Conservation Commission, testified in support of **SB 539**. Mr. Streeter mentioned that the bill modifies current bonding authority to expand the number of agencies authorized to issue bonds and expands the purposes for which bonds may be issued (Attachment 7).

Robin Jennison, representing Pawnee Watershed and their project Horse Thief Reservoir, spoke in support of **SB 539**. Mr. Jennison explained that **SB 539** recognizes the need for a funding process to make capital improvements that benefit the state in a variety of areas. He noted that it would be their recommendation that there be some percentage limitation on how much of the Water Plan Fund could be dedicated to bond payments in a single year (Attachment 8).

Steve Swaffer, Director, Natural Resources, Kansas Farm Bureau, testified in opposition to **SB 539**. Mr. Swaffer expressed concern that **SB 539** proposes to allow State water agencies to go well beyond the purchase of reservoir storage space. He also listed in his written testimony several concerns about the types of projects these funds might be used for, current congressional authorization for federal reservoir uses other than flood control and storage for water supplies, state oversight and approval for these types of projects, impacts on administration of water rights above federal reservoirs and the water users who might be expected to pay for capital improvements (Attachment 9).

Doug Wareham, representing the Kansas Grain and Feed Association (KFGA) and the Kansas Agribusiness Retailers Association (KARA), spoke in opposition to **SB 539**. Mr. Wareham listed specific comments and concerns of the agribusiness industry in relation to the bill. He explained that KFGA and KARA strongly

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 2, 2004, in Room 123-S of the Capitol.

oppose the issuance of bonds that will enable State agencies, such as the Kansas Wildlife and Parks or Kansas Conservation Commission, to purchase and retire water rights or purchase land that will be retired from production of agriculture (Attachment 10).

Michael Herrmann, Mayor, City of Kinsley, Kansas, testified in opposition to **SB 539**. Mayor Herrmann explained that the City of Kinsley has a vital interest in the disposition of the Circle K Ranch and particularly the loss of irrigated acres, water rights and \$2,300,000.00 in annual farm production and commerce. He noted that the City of Kinsley opposes the adoption of **SB 539** as the mechanism whereby the State acquires Circle K Ranch. Mayor Herrmann provided examples of more comprehensive planning with safeguards for their local community in his written testimony (Attachment 11).

Darrel Pettay, businessman who operates a grain elevator and agriculture input facility in Kinsley, Kansas, spoke in opposition to **SB 539**. Mr. Pettay expressed concern, as a local businessman in Kinsley, regarding the future impact this will have on him with a potential economic loss to the City of Kinsley and Edwards County. In closing, Mr. Petty noted that there have to be other alternatives instead of all or nothing and that Kinsley is a good community and he wants to know that his livelihood will not be taken away from him (Attachment 12).

Todd Johnson, Governmental Affairs Staff, Kansas Livestock Association (KLA), testified in opposition to **SB 539**. Mr. Johnson explained that private property rights and natural resources management are priorities for KLA members. He noted that along with a sincere interest in protecting and preserving natural resources, KLA members have long standing opposition to initiatives that would increase the amount of state-owned land. In closing, Mr. Johnson expressed concern with granting bonding authority to multiple agencies as it provides a disjointed, broad reaching approach to land acquisition, and is not sound public policy (Attachment 13).

There being no further conferees to come before the committee, the Chairman closed the public hearing on **SB 539**.

Chairman Morris opened the public hearing on:

**SB 531--Developmental disabilities institutions closure commission**

Staff briefed the committee on the bill.

Chairman Morris welcomed the following conferees on the bill:

Senator Henry Helgerson, Jr., submitted his written testimony and noted that he would give verbal comments at a later time during the hearing (Attachment 14).

Representative Joe Shriver, testified in support of **SB 531** and that he would be available for questions regarding the bill. (Attachment 15).

Sharon Bird, Creative Community Living (CCL), spoke in support of **SB 531**. Ms. Bird mentioned making sure that funding is adequate to meet the support needs of the individuals and make sure it does not disappear after a year or two. She noted when Winfield closed, it was cost effective to have eight people who needed 24 hour LPN or RN nursing care at one location instead of having one or two persons with these needs living in different locations. Ms. Bird mentioned that she did not think both hospitals should be closed because you always need a safety net for people who are not successful in the community setting (Attachment 16).

Kathy Hall, Legal Guardian, formerly worked at Winfield State Hospital and Training Center, spoke in support of **SB 531**. She explained that the closure of Winfield State Hospital and Training Center was possible because of careful planning. Ms. Hall mentioned that if a commission examines the issue of funding following the individual, it should also make recommendations that this be lifelong (Attachment 17).

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 10:35 a.m. on March 2, 2004, in Room 123-S of the Capitol.

Virginia Hicks, Legal Guardian, formerly worked at Winfield State Hospital and Training Center, testified in support of **SB 531**. She emphasized that a commission to study how to close of downsize an institution is important to insure smooth transitions for the people who currently call Parsons or KNI home. Ms. Hicks also noted that it would appear to be a good idea to copy the pieces of the process that worked well for the Winfield closure (Attachment 18).

Dr. Amy McCart, The University of Kansas, testified in support of **SB 531** (Attachment 19). She explained that she is a research professor at the University of Kansas and was asked to share information on institutionalization and support of the bill itself. Dr. McCart explained that specific research in Kansas is consistent with national data and indicates positive outcomes for citizens with disabilities in the areas of behavior, social integration, choices, general quality of life, job satisfaction, medications and family involvement.

Due to time constraints, Chairman Morris held the public hearing open on **SB 531**. This hearing will be continued on Monday, March 8, 2004.

The meeting adjourned at 12:10 p.m. The next meeting is scheduled for March 3, 2004.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE March 2, 2004

NAME	REPRESENTING
Julie Thomas	DOB
Aaron Dunkel	DOB
Reggie Robinson	KBON
Rocky Nichols	KAPS
Stephanie Wilson	Community Living Opportunities
Jane Rhye	KCOD
ANGIE REYNOLDS	SACK
KATHY LOBB	SACK
MATT FLETCHER	INTERHAB
Tom Paine	InterHab
Mary Ann Keating	TARC, Inc.
Josie Torres	SILCK
Jennifer Schwartz	KACIL
St. Mary	HEIN Law Firm
Laura Howard	SRS
Ken Gintowid	Water Office
Steve Hunt	KWO
Steve Adams	Wildlife Parks
Tracy Smith	Conservation Commission
Will Snyder	KDWP
Dick Koeth	KDWP
David L. Pope	WDA

**SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST**

DATE Mar 2, 2004

NAME	REPRESENTING
Joe HARKINS	Ks WATER OFFICE
Lodd Johnson	Kansas Livestock Assn.
Leslie Kaufman	Ks Co-op Council
Tanya Doff	SRS
ERIC Sexton	WSU
Andy Shaw	SWKIA
Mike Huffles	Alliance for Kansas w/ Dev. D.S.
Chris Tymeson	KDWP
Steve Swaffar	Ks Farm Bureau
GREG A. Foley	KDA
Amy McEart	UNIVERSITY OF KANSAS
Virginia Hicks	Winfield, Kansas
Sharon + Bud	CCW Winfield, Ka.
Kathy Hare	Winfield, Ks
Theresa Klinkenberg	KU
SUE PETERSON	K-STATE
Barney Hubert	KNI
Rick Smith	SRS/HLP
Kathy Damm	KU
Bill Brady	City of Hays
K. H. Hays	Hays Law Firm

**Funds Listed in SB 490  
Regents Universities**

**FORT HAYS STATE UNIVERSITY**

Parking fees fund  
General fees fund  
Restricted fees fund  
Education opportunity act – federal fund  
Service clearing fund  
Commencement fees fund  
Health fees fund  
Student union fees fund  
Kansas career work study program fund  
Economic opportunity act – federal fund  
Health professions student assistance program fund  
Oil research library gifts and grants fund  
Federal Perkins student loan fund  
Institutional overhead fund  
Oil and gas royalties fund  
Housing system suspense fund  
Housing system operations fund  
Housing system repairs, equipment and improvement fund  
Sponsored research overhead fund  
Wildlife art fund  
Educational Building Fund

**KANSAS STATE UNIVERSITY**

Parking fees fund  
General fees fund  
Interest on endowment fund  
Restricted fees fund  
Kansas career work study program fund  
Service clearing fund  
Sponsored research overhead fund  
Housing system suspense fund  
Housing system operations fund

Senate Ways and Means  
3-2-04  
Attachment 1

Housing system repairs, equipment and improvement fund  
Coliseum gifts fund  
Student health fees fund  
Scholarship funds fund  
Perkins student loan fund  
Engineering and education gift fund  
U.S. army research grant – metal particle chemistry fund  
Board of regents – U.S. department of education awards fund  
State agricultural university fund  
Salina – student union fees fund  
Salina – dormitory and food service fees fund  
Temporary deposit fund  
Suspense fund  
Grants and gifts fund  
Housing system operation utility reserve fund  
Coliseum repair, equipment, and improvement fund  
Student recreation building repair and improvement fund  
KSU recreation complex depreciation/repair fund  
Engineering complex phase II gift fund  
Ackert hall gift fund  
Educational Building Fund

KANSAS STATE UNIVERSITY EXTENSION SYSTEMS AND  
AGRICULTURE RESEARCH PROGRAMS

Restricted fees fund  
Fertilizer research fund  
Sponsored research overhead fund  
Federal extension fund  
Federal experimental station fund  
Federal awards – advance payment fund  
Smith-Lever special program grant – federal fund  
Kansas artificial breeding service unit fees fund  
Agricultural land use-value fund  
Irrigation research field grant fund  
Educational Building Fund



KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

General fees fund  
Hospital and diagnostic laboratory revenue fund  
Faculty of distinction matching fund  
Hospital and diagnostic laboratory improvement fund  
Restricted fees fund  
Sponsored research overhead fund  
Health professions student loan fund  
H.E.W. veterinary revolving student loan fund  
Student loan funds fund  
Suspense fund  
Educational Building Fund

EMPORIA STATE UNIVERSITY

Parking fees fund  
General fees fund  
Interest on state normal school fund fund  
Restricted fees fund  
Service clearing fund  
Commencement fees fund  
Kansas career work study program fund  
Student health fees fund  
Bureau of educational measurements fund  
Economic opportunity act – work study – federal fund  
Educational opportunity grants – federal fund  
Basic opportunity grant program – federal fund  
Research and institutional overhead fund  
Housing system suspense fund  
Housing system operations fund  
Housing system repairs, equipment and improvement fund  
Educational Building Fund

PITTSBURG STATE UNIVERSITY

Parking fees fund  
General fees fund  
Restricted fees fund  
Service clearing fund  
Hospital and student health fees fund  
Perkins student loan fund  
Sponsored research overhead fund  
College work study fund  
Nursing student loan fund  
Housing system suspense fund  
Housing system operations fund  
Housing system repairs, equipment and improvement fund  
Educational Building Fund

UNIVERSITY OF KANSAS

General fees fund  
Regents center development fund  
Interest fund  
Sponsored research overhead fund  
Law enforcement training center fund  
Law enforcement training center fees fund  
Local law enforcement training reimbursement fund  
Restricted fees fund  
Service clearing fund  
Health service fund  
Kansas career work study program fund  
Student union fund  
Regents supplemental grant fund  
Federal Perkins loan fund  
Ford foundation – forgivable loan fund  
Health professions student loan fund  
Geological survey fund  
Research projects grants fund

Research projects grants matching fund  
Housing system suspense fund  
Housing system revenue fund  
Housing system operations fund  
Housing system repairs, equipment and improvement fund  
Educational opportunity act – federal fund  
Loans for disadvantaged students fund  
Prepaid tuition fees clearing fund  
Fire service training fund  
Student health facility maintenance, repair, and equipment fee fund  
Multi-cultural resource center - construction fund  
Dole institute gift or grant fund  
Educational Building Fund

UNIVERSITY OF KANSAS MEDICAL CENTER

General fees fund  
Restricted fees fund  
Sponsored research overhead fund  
Parking fees fund  
Services to hospital authority fund  
Direct medical education reimbursement fund  
Service clearing fund  
Federal college work study fund  
AMA education and research grant fund  
Federal health professions/primary care student loan fund  
Federal nursing student loan fund  
Suspense fund  
Federal student educational opportunity grant fund  
Federal Pell grant fund  
Federal Perkins student loan fund  
Medical loan repayment fund  
Graduate medical education administration reserve fund  
University of Kansas medical center private practice foundation reserve fund

Robert Wood Johnson award fund  
Federal scholarship for disadvantaged students fund  
Educational nurse faculty loan program fund  
Telekid health care link fund  
Educational Building Fund

WICHITA STATE UNIVERSITY

General fees fund  
Restricted fees fund  
Service clearing fund  
Kansas career work study program fund  
Scholarship funds fund  
Sponsored research overhead fund  
Economic opportunity act – federal fund  
Education opportunity grant – federal fund  
Matching education opportunity grant fund  
Work-study program fund  
Health professions student assistance program – loans fund  
Pell grants fund  
Housing system suspense fund  
Housing system renovation principal and interest fund  
WSU housing system depreciation and replacement fund  
Perkins loan fund  
1976 dormitory maintenance reserve fund  
Restricted fee - research fund  
Housing system renovation bond reserve fund  
WSU housing system surplus fund  
Parking system project revenue fund - K DFA bonds  
Parking system project - maintenance fund - K DFA bonds  
On campus parking principal and interest - K DFA bonds fund  
On campus parking reserve account - K DFA bonds fund  
Educational Building Fund



# KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

TELEPHONE – 785-296-3421  
FAX – 785-296-0983  
www.kansasregents.org

## TESTIMONY ON SENATE BILL 490 SENATE WAYS AND MEANS COMMITTEE

March 2, 2004

**Reginald L. Robinson, President and CEO**

It is my pleasure to speak in support of Senate Bill 490, which makes provision for the crediting of interest earnings to state university funds.

On behalf of the Board of Regents, I want thank the Committee for its support of higher education. In particular, I want to express appreciation for the Committee's interest in and support for the operating grant-funding model for the state universities.

As the Committee is aware, the Board and the state universities have worked with the Governor's office and the Legislature for the past three years to achieve operating grant funding and full ownership of and accountability for tuition at the state universities. In addition, through the university business officers, we have worked with the Department of Administration to achieve increased management flexibility through relief from various administrative requirements. We have made progress on all fronts, but as your Higher Education Subcommittee noted, additional work is needed. We look forward to working with the appropriate committee during the 2004 interim to study the operating grant model.

As part of its effort to move the state universities to the operating grant\tuition ownership model, the Board of Regents requests legislation to provide for crediting to state university funds, that portion of the state's interest earnings attributable to these funds. SB 490 provides for the crediting of interest to special revenue funds of the state universities, as defined in the bill. Interest would be credited based on the average daily balance of each fund and the net earnings rate of the pooled money investment portfolio. The provisions of SB 490 would be applicable to virtually all state university special revenue funds, except certain federal grant funds and special revenue funds which currently earn interest. The interest provisions would be applicable to the educational building fund as well.

We project that the provisions of SB 490 would result in approximately \$2.7 million of additional interest earnings credited to state university funds, which otherwise would be credited to the State General Fund. This projection is based on calculations provided to the Board by the State University Council of Business Officers (COBO) last fall. Using FY 2003 month end balances of all university funds (except SGF) and average monthly interest rates provided by the Pooled Money Investment Board, COBO calculated net additional interest of \$2.7 million. For

Senate Ways and Means  
3-2-04  
Attachment 2

FY 2003, interest rates ranged from 1.910% in July 2002 to 1.298% in June 2003. Since then, interest rates have been approximately 1.1%, suggesting that additional interest earnings might be less than projected.

The ability of the state universities to receive interest on these funds would put the state universities on the same playing field with the community colleges and Washburn University, all of which benefit from interest earned on fund balances. In particular, the crediting of interest to the tuition and fee funds would provide affirmation to students that the state is interested in helping the universities increase the purchasing power of student dollars. Likewise, crediting interest to the Educational Building Fund would nominally enhance the universities' ability to perform desperately needed building repairs and maintenance.

I know that some have expressed concern that to allow the state universities to receive the interest earned from these funds would create a difficult precedent and lead other agencies to also obtain the interest earned on various fees that they collect. While I understand and respect that concern, my reaction to it is two-fold.

First, I do not believe that your decision to endorse the objectives of SB 490 would set any precedent. Our quick review of current Kansas law informs us that at least one other agency already has the kind of authority we seek. Under Section 32-990 of the Kansas Statutes, the state's Department of Wildlife, Parks, and Recreation has the authority to capture the interest earned from the Wildlife Fee Fund, which includes "all moneys received from licenses, permits, stamps, and other issues of the department."

In addition, under Section 32-992, the Department has the same kind of authority with regard to the Wildlife Conservation Fund, which includes "[a]ll license fees from the sale of lifetime hunting, fishing or furharvester or combination hunting and fishing licenses." Finally, the Department is authorized to receive interest earned from the Wildlife Parks Gifts and Donations Fund, which includes "all moneys received as bequests, donations, or gifts by the department."

Second, I believe that the status of the state universities as "operating grant" agencies works to distinguish them other state agencies that might seek authority like that we are seeking pursuant to SB 490. This legislation is necessary to truly operationalize the tuition ownership/operating grant model that we have worked with state leadership (both in the Governor's office and in the Legislature) to put in place over the last several years. That model by its very existence stands for the proposition that the state universities stand in different shoes than other state agencies. This legislation merely seeks to give real meaning to the tuition ownership/operating grant concept.

I think it is useful to note that now is an opportune time for the Legislature to take this action, given that interest rates are extremely low and the impact on the State General Fund would be relatively small. Of course, it would be our hope that the universities would see increased benefits as interest rates rise. It is in that spirit that I would urge the Committee's support for SB 490.

## REMARKS

BY Chancellor Robert Hemenway

Senate Bill 490

Senate Ways and Means Committee

March 2, 2004

10:30 - Room 123-S

- Thank you for the hearing on this bill and for the opportunity to appear today.
- This bill was introduced at the request of the Board of Regents. It is an outgrowth of discussions among the Council of Presidents.
- SB 490 would establish the policy that interest on tuition and tuition-like funds at state colleges and universities should accrue to the benefit of the colleges and universities.
- It does so by calculating the interest earned by those amounts in the Pooled Money Investment Board and crediting the appropriate accounts. (General Fees Funds, etc)
- In discussing this issue with legislators, I have been asked, "How can you distinguish tuition from other state fees and taxes."
- For me, this is easy.
- First of all, three years ago, this legislature adopted a policy that moved state universities to being funded by a Block Grant model. An integral component of this model was the notion of "Tuition Accountability" ---- each of the institutions would be responsible for the management of its tuition revenues, and tuition would not be used to offset general fund appropriations, so that if tuition increased, state funding would decrease.

Senate Ways and Means  
3-2-04  
Attachment 3

- The issue of “Interest on Tuition” encompassed in SB 490 is an obvious extension of that concept; of being responsible for management of tuition revenues, and accountable for how they are spent.
- Without “Tuition Accountability” there is no incentive to improve access or increase enrollment, since tuition and appropriations are linked.
- The state universities Block Grant Model created under Governor Graves and continued under Governor Sebelius, is vastly different from how other state agencies are funded. For example, the Governor has included a five million dollar block grant increase to the Regents system this year.
- Although we are grateful for the 1% increase in our block grant, this amount is still far from being sufficient to fund our required increases in employer costs. Most notably, these include employer contributions for health insurance..... an item which I am told was generally included by policy to state agencies.
- Another example of our situation are the cuts attributed to administrative efficiencies which have been identified to pay for the 3% salary increase proposed in the Governor’s budget.
- I recognize Chairman Morris and others want to study the larger spectrum of these management flexibility issues that arise under Block Grant Funding this summer in an interim, but I believe it is appropriate to consider the issue of SB 490 now.
- Currently, all public higher education institutions in Kansas earn “interest” on their tuition dollars except for the six Regents Universities. Why should Regents Universities be denied access to funds given to the rest of public higher education?



- When a parent writes a check for a tuition payment, it is a fundamentally different transaction than when a person writes a check for a professional licensure fee, a filing fee, or even a payment for taxes.
- First of all, the payment is voluntary, because nobody is forced by a state law to attend higher education.
- Second, it is a payment which has been determined as a life objective years in advance. Many times the source of payment is savings which have accrued over a substantial time period by an individual or family. Those savings have been invested and have earned interest. Why should this amount suddenly be invested to the benefit of the state instead of the educational institution?
- Indeed, the state has even encouraged these savings activities through its tax policies.
- This is very different from a professional licensure fee, an inspection fee, or a filing fee of a typical state agency. The expectations are quite different, and quite easily distinguishable.
- This is another difficult budget year for the State.
- The issue of "Interest on Tuition" is in some ways a symbolic one in such times.
- The administrative impact of the adoption of this policy could be lessened by delaying the effective date of the bill to FY 2006 or FY 2007.

**Testimony on Bonds to Fund Capital Improvements  
for Water-Related Infrastructure  
to  
The Senate Ways and Means Committee**

**SB 539**

**by Ken Grotewiel  
Assistant Director  
Kansas Water Office  
March 2, 2004**

Good morning, Senator Morris and members of the Committee. I am Ken Grotewiel, Assistant Director of the Kansas Water Office. I am pleased to be here this afternoon to testify on behalf of the Kansas Water Authority in support of SB 539.

This bill embodies the legislative recommendation of the Kansas Water Authority to the Governor and the Legislature to expand the bonding authority of the State of Kansas for water infrastructure development.

As we look to the future, the need for new water infrastructure development is growing. It's needed to maintain reliable supplies of good quality water to meet municipal and industrial demands. It's needed to help conserve and extend our groundwater reserves. It's needed to protect and restore our watersheds to improve water quality and reduce the flow of sediment into our lakes and reservoirs.

At issue is whether the State of Kansas currently has adequate tools in its statutory "tool box" to finance the State's current and future water infrastructure needs.

**Past and Current Federal Involvement**

Historically, most large water infrastructure projects in Kansas were financed through low interest, long term loans from the Federal government. These primarily were large flood control reservoirs constructed by the U.S. Army Corps of Engineers and large irrigation lakes constructed by the U.S. Department of Interior Bureau of Reclamation. In the early 1980's this rather "friendly" financing of water projects by the Federal government changed when it initiated new policies that required project beneficiaries to pay more for water supply storage and at a higher interest rate.

As the State of Kansas looks at its water infrastructure needs in addition to reservoir storage, the financing mechanisms for upgrading and enhancing our water infrastructure are lacking. We need more "tools" to meet the many needs before us now, and the many more we must face in the future.

Senate Ways and Means  
3-2-04  
Attachment 4

## **Current Statutory Financing Authority**

The State of Kansas currently has several programs with statutory authority to finance certain water-related capital improvements. The Kansas Water Office has the authority to purchase *surface water supply storage* from federal reservoirs through the issuance of revenue bonds. While the Water Office can also obtain loans from the Pooled Money Investment Board (PMIB) for the purchase of surface water, the amount of money available and for what term depends on whether the PMIB has the capacity for such loans. Any water that is obtained is then marketed to public and private entities.

Statutory authority currently exists to construct *multi-purpose small lakes* for flood control, recreation, and for future, anticipated water supply needs. These programs deal with surface water management needs which limit applicability in most cases to the eastern half of Kansas. However, there is currently no provision for paying for the general construction or public water supply "add on" to multipurpose lakes through the issuance of bonds.

## **Expanded Bonding Authority for Water Infrastructure Needs**

SB 539 provides the mechanism for four agencies of the State to issue bonds, modeled exactly after the authority that the Kansas Water Office currently has for the purchase of reservoir storage. Those agencies are the Department of Agriculture, the State Conservation Commission, and the Department of Wildlife and Parks, and the Kansas Water Office.

While the State Water Plan Fund should be considered as a key revenue source to pay down revenue bonding debt on those capital improvement projects, these bonds could also be used as a way to pay for projects in conjunction with State General Fund dollars, loans, and local financial support.

No bonds would be issued without the approval of the legislature and the Governor as indicated by the last sentence of Section 2 (a) in the bill.

## **Uses for the Bonding Authority**

While the bill details five types of purposes for the issuance of bonds, it is meant to be illustrative of what kinds of projects might be financed by issuing bonds.

1. Purchase of reservoir storage in a structure constructed by the federal government which contains waters for conservation storage water supply. The Kansas Water Office currently has the authority to issue bonds for this purpose.

Current Example: Wilson Reservoir is a potential public water supply for City of Hays and City of Russell.

2. Purchase of federal reservoir storage for fish, wildlife and recreational purposes. This will be necessary as current statutory authority authorizes bonding only for the purchase of "water supply storage".

Current Example: possible purchase of reservoir storage in Keith Sebelius Lake for recreational purposes

3. Purchase of ground water rights and overlying land rights from willing sellers for municipal, industrial, aquifer preservation, and fish, wildlife and recreational purposes.

Current Examples: Circle K Ranch  
Irrigation Transition Program

4. Construction costs and/or water supply "add on" capacity for multipurpose small lake projects as needed. This will be necessary as the current Multipurpose Small Lakes Act has no bonding provision.

Current Example: Horsethief Reservoir

5. Reservoir protection, restoration and enhancement for long-term water quality and quantity assurance.

Current Example: A demonstration project at Perry Reservoir is being discussed to extend its useful life for public water supply storage and improved water quality.

### **Capital Development Plan for Water Infrastructure**

One of the best tools for managing the development of our water infrastructure is having a capital development plan, which the Kansas Water Authority submitted to the Governor and Legislature this year as part of its Annual Report. It is a tool which the Legislature and the Governor can use to make the best use of our resources to meet our future water infrastructure needs.

### **Fiscal Impact**

No additional expenditures would be required to implement the recommended statutory changes or policies at this time. Estimated expenditures associated with capital improvements for water-related infrastructure projects cannot be determined until specific projects have been identified through the State Water Planning Process.

### **Conclusion**

The Kansas Water Authority believes that this expanded bonding authority is essential to facilitate capital improvements to our water infrastructure, which is so vital to our future growth and economic development. Thank you for your time and attention today.

# KANSAS

DEPARTMENT OF WILDLIFE & PARKS

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on SB539 related to Bonding Capital  
Improvements for Water Related Infrastructure Projects  
To  
Senate Ways and Means**

**By J. Michael Hayden  
Secretary  
Kansas Department of Wildlife and Parks**

**March 2, 2004**

SB 539 would expand the authority of several water related state agencies to meet the needs and demands of constituents by allowing bonding, subject to Legislative approval, for capital improvements on water related infrastructure projects. The provisions of this bill would take effect on July 1, 2004.

The Department of Wildlife and Parks supports the favorable passage of SB 539. SB 539 represents an important step in increasing fiscal efficiency when meeting the critical water related infrastructure needs of Kansas and its citizens. Water supply, management of water resources, construction and renovation of dams, and water-based recreation are just a few examples of critical basic infrastructure needs.

In order to provide timely responses to the needs of the public and the State of Kansas, state agencies must have a variety of tools to accomplish the missions so tasked. Bonding is one of those tools. In today's economic times where revenues are strained but demand continues, bonding is a tool that allows state agencies to accomplish more with existing revenues. Kansas has a long history of using bonds to meet infrastructure needs. Bonding has played a major role

Office of the Secretary

1020 S Kansas Ave., Ste. 200, Topeka, KS 66612-1327

Phone 785-296-2281 Fax 785-296-6953 [www.kdwp.state.ks.us](http://www.kdwp.state.ks.us)

Senate Ways and Means  
3-2-04  
Attachment 5

for many decades in building the infrastructure of the Kansas highway system. One only has to travel to neighboring states to see how successful Kansas continues to be in that arena. Kansas' water-based infrastructure is no less important to the future of this state. Further, bonds may only be issued subject to Legislative approval. Through the budget process, the Legislature decides how each agency spends funds available.

Several possibilities exist for maximizing of this type of authority and efficiency for bonding projects including developing recreational facilities associated with Community and Multipurpose Small Lakes, such as Bone Creek and Banner Creek, establishing minimum pools in reservoirs, such as the purchase of storage rights in Norton Reservoir to establish a stable pool for fish, wildlife and recreation while still meeting downstream needs, replacement and renovation of recreational facilities at federal reservoirs, and the repair and renovation of water structures owned by the state.

# KANSAS

DEPARTMENT OF AGRICULTURE  
ADRIAN J. POLANSKY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on Bonds to Fund Capital Improvements for Water-Related  
Infrastructure**

to  
**The Senate Ways and Means Committee**

**SB 539**

**by Chief Engineer David L. Pope, Division of Water Resources,  
Kansas Department of Agriculture  
March 2, 2004**

Good morning, Senator Morris and members of the Committee. I am David Pope, chief engineer of the Department of Agriculture's division of water resources, here today to lend my support to SB 539.

This bill would expand the bonding authority of the State of Kansas for water infrastructure development. I agree that this bill would add to the state's statutory "tool box" for current and future water infrastructure needs.

#### **Uses for the New Authority**

Critical water supply or structural problems in many parts of the state demand the development of a wide range of innovative and proactive strategies to maintain the resources for future and to protect the public. Bonding could assist the water-related agencies when they need to deal with situations that are outside the norm.

#### **Kansas Department of Agriculture**

Although I do not see the Department of Agriculture as the primary user of this authority, I can see some situations for which it would be beneficial. Bonding could be in our interest, and that of Kansans, when unusual problems arise and no other funding mechanisms seem to be available.

The division of water resources administers laws related to the regulation of dams, channel modifications and levees. Some of these structures can pose a serious threat to the public safety or welfare, yet costs to correct structural problems can be prohibitive. As an example, bonding authority could help pay for emergency remediation actions, or help finance corrective actions over a longer period of time.

In conclusion, KDA urges you to consider Senate Bill 539 positively. It could provide a useful tool to complement existing sources and provide a solution for some critical situations that are not met by current funding mechanisms.

Thank you for your attention.

Division of Water Resources David L. Pope, Chief Engineer  
109 SW 9th ST., 2nd Floor Topeka, KS 66612-1283

Voice (785) 296-3717 Fax (785) 296-1176 <http://www.accesskansas.org/kda>

*Senate Ways and Means  
3-2-04  
Attachment 6*



Tracy Streeter, Executive Director

**KANSAS**  
State Conservation Commission

Kathleen Sebelius, Governor

**Testimony on SB 539**  
**Bonding Capital Improvements for Water Related Infrastructure Projects**

**Senate Ways & Means Committee**

**March 2, 2004**

Chairman Morris and members of the Committee, thank you for the opportunity to appear in support of Senate Bill 539. I am Tracy Streeter, Executive Director of the State Conservation Commission.

This bill modifies current bonding authority to expand the number of agencies authorized to issue bonds and expands the purposes for which bonds may be issued. The State Conservation Commission administers a number of programs that could potentially benefit from bonding authority, including:

Multipurpose Small Lakes

Watershed Dam Construction

Water Resources Cost-Share

Nonpoint Source Pollution Control

Riparian and Wetland Protection

In addition, proposed programs such as the Irrigation Transition Assistance Program could also benefit from the expanded authorities and purposes contained in SB 539. The Commission's existing programs and the proposed program for irrigation transition assistance would likely be considered in the Kansas Water Authority's capital development plan for Kansas Water Plan projects.

From a short-term perspective, SB 539 provides the mechanism for the Legislature to accelerate the financing of Horsethief Reservoir through the Multipurpose Small Lakes Program. Instead of appropriating funding over multiple fiscal years and building the reservoir at a later date, the

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*Senate Ways and Means*  
*3-2-04*  
*Attachment 7*



State Conservation Commission could issue bonds, subject to Legislative approval of funding for debt retirement, and finance the project much sooner. This legislation, along with House Bill 2582 which proposes the creation of the Horsethief Reservoir Benefit District, provides the mechanisms needed to make Horsethief Reservoir a reality.

I would like to thank the Chair and Committee members for considering this legislation. I will respond to questions at the appropriate time.

**Robin Jennison  
Governmental Services  
800 SW Jackson  
Suite 1100  
Topeka, Kansas 66612**

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March 2, 2004

Senate Ways & Means Committee

**SB539**

Chairman Morris and Members of the committee:

I am Robin Jennison, representing Pawnee Watershed and their project HorseThief Reservoir. Pawnee Watershed supports SB539. SB539 recognizes the need for a funding process to make capital improvements that benefit the state in a variety of areas.

The immediate financial needs of the state make it difficult for Kansas to make the investments necessary for projects like HorseThief Reservoir to become a reality. Projects like HorseThief reservoir are investments that will benefit the state for a number of years and bonding is an appropriate funding source for those kinds of investments.

Kansas has used similar funding for capital improvements at our regents institutions and highways for a number of years. A case could be made that projects like HorseThief Reservoir will last much longer than highways or even some of the buildings the state has built.

Projects that fit the criteria envisioned in 539 are as much an investment in the future of Kansas as are highways. These investments will improve recreation opportunities for Kansans, as well as expand on the tourism potential of the state. Kansas has untapped potential in outdoor recreation, but to realize that potential our natural resources need to be developed and preserved.

As we understand the bill, we think that there is one issue that needs to be addressed by the legislation. Even though we support the idea of bonding for capital improvements for water-related infrastructure projects as defined in the bill, we are concerned that the Water Plan Fund could become so committed to the more visible and prominent capital improvement projects that important ongoing programs could suffer. It would be our recommendation that there be some percentage limitation on how much of the Water Plan Fund could be dedicated to bond payments in a single year.

Senate Ways and Means  
3-2-04  
Attachment 8



## **Kansas Farm Bureau**

2627 KFB Plaza, Manhattan, Kansas 66503-8155 • 785.587.6000 • Fax 785.587.6914 • www.kfb.org  
800 SW Jackson St., Ste. #1008, Topeka, Kansas 66612 • 785.234.4535 • 785.234.0278

### **PUBLIC POLICY STATEMENT**

#### **Senate Ways and Means Committee**

**RE: SB 539-an act concerning issuance of bonds for water-related infrastructure projects.**

**March 2, 2004  
Topeka, Kansas**

**Presented by:  
Steve M. Swaffar, Director  
Natural Resources**

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Chairman Morris and members of the committee, thank you for this opportunity to provide comments on Senate Bill 539 addressing the authority for state water agencies to issue revenue bonds for water-related infrastructure projects. I am Steve Swaffar, Director of Natural Resources for the Kansas Farm Bureau (KFB). I am here to testify in opposition to SB 539.

As Kansans many of us have heard the debate about the release of water from three of our large reservoirs, Milford, Tuttle Creek and Perry for the purposes of supporting navigation flows in the Missouri River via the Kansas River. Recently this debate has taken on national significance with the filing of several lawsuits by States, municipalities, transportation companies, power companies and environmental interest groups. The Governors from the impacted States have just this past year held a summit to discuss and attempt resolution to the issues involved with the Missouri River, however that summit brought about no solutions. Kansas has traditionally objected to the release of our reservoir waters, but since the U.S. Army Corps of Engineers currently holds the reservation rights Kansas has been unable to prevent those releases. The releases seem to have little impact on the flows in the Missouri river, but may have some detrimental impacts on the water levels in our reservoirs and the hydrology of the Kansas River.

KFB supports the State purchasing remaining storage in the federal reservoirs for the purposes of protecting vital water supplies. We believe there are multiple benefits for the State, and our members in maintaining this water in the reservoirs. Currently the state has several options in the "tool box" available for such purposes including revenue bonds, state water plan funds, pooled money investment board, revenue from water marketing contracts and assurance district membership charges, state general funds

*Senate Ways and Means  
3-2-04  
Attachment 9*

and money received by the director of the Kansas Water Office from any source to be used for storage acquisition. SB 539 proposes to enhance the bonding authority of state agencies for what is being called "water infrastructure needs". More specifically this includes authorizing state agencies to purchase reservoir storage for fish, wildlife or recreational purposes, or purchase of ground water rights and overlying land rights. This bill proposes to allow State water agencies to go well beyond the purchase of reservoir storage space.

We have concerns about the types of projects these funds might be used for, current congressional authorization for federal reservoir uses other than flood control and storage for water supplies, state oversight and approval for these types of projects, impacts on administration of water rights above federal reservoirs and the water users who might be expected to pay for capitol improvements.

In Section 1(b), the bill states, "*Capitol improvements for water-related infrastructure projects includes but is not limited to:*" we believe this language provides state agencies with considerable discretion to pursue projects that may not be fiscally responsible or in the interests of all Kansans. We recommend the words "but not limited to" be stricken and the language revised to reflect all of the types of projects for which agencies would be permitted to issue bonds.

Section 1(b)(2) allows funds secured from revenue bonds to be used for the "*purchase of federal or state reservoir storage for fish, wildlife and recreational purposes.*" Currently, federal reservoirs in Kansas do not have congressional authorization for uses beyond flood control and water supply. Although recreation and fisheries are secondary uses, Congress did not provide these authorizations in the original appropriation for the reservoirs and we believe there was never Congressional intent to provide that authorization. If the State buys storage in the reservoirs for fish, wildlife and recreation, then the Congressional authorization would need to be obtained first. We raise these questions to the committee's attention: Has the Kansas Water Office requested this Congressional authorization for these uses? If so, has it been granted, if not, does KWO plan to make the request and when?

We also have concerns how the administration of water rights for municipal, industrial, and irrigation uses might be affected if water rights in federal reservoirs are designated for maintenance of fish, wildlife and recreation. While recreational use is one of the listed beneficial uses within the rules and regulations of the Kansas Water Appropriation Act, any right the state attempts to develop for such use should follow the same guidelines that any other water user in the state must follow. Municipal and industrial users clearly have been the targeted beneficiaries of the reservation rights held by the state in the past. State developed water rights for recreational purposes should not receive an unfair priority advantage over existing water rights under the guise of a reservation right.

Section 1(b)(3) allows the designated agencies to "*purchase ground water rights, and overlying land rights from willing sellers for municipal, industrial, aquifer preservation, and fish, wildlife and recreation purposes.*" While KFB recognizes that the purchase and retirement of individual water rights in over-appropriated areas is in the best interest of its members, this can be accomplished without the state taking this land out of the hands of private citizens; our policy directly opposes the purchase of land by the state or federal government. We believe there are programs in place and proposed programs

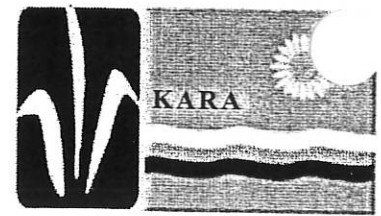
that will allow the state to buy water rights without the need to purchase the overlying land associated with those water rights. Additionally, we do not see the need for ground water rights to be purchased for fish, wildlife and recreation. Therefore, we would request the language in the bill be revised to reflect authority to purchase only water rights for retirement and support of aquifer conservation.

Section 1(b)(4) provides similar authority for agencies to acquire land for construction of small multipurpose lake projects. KFB understands there will be situations, particularly when water supply shortages exist, where construction of small lakes will be beneficial to local citizens. However, we believe it is the local citizenry that should make those decisions and subsequently request help from the State. We suggest that bond revenues still be available for engineering services to assist local communities for necessary water supply lakes, but the ability for land acquisition be stricken from this section.

Section 2(b)(3)(C) allows charges to beneficiaries of capital improvement projects for water-related infrastructure to assure payments of principal and interest on revenue bonds. These statutes were originally written for contracts for water users who derived benefit from the construction of large reservoirs or from the purchase of storage space in those reservoirs. It is unclear who the intended beneficiaries of capital improvement projects for water-related infrastructure might be. This is particularly confusing if the purchase of water storage space, water rights or property is made for the benefit of fish and wildlife. This section is not clear as to whom charges might be placed upon and to which types of infrastructure projects charges could be attached. We respectfully request the language in this section concerning charges to these types of projects be removed.

Additionally, Section 7 requires a notice in the Kansas register of the issuance of bonds, the amount of the bonds, the purpose of the bonds and a 30-day notice to contest the legality of the bonds. However, it does not require an identification of the potential beneficiaries of the project individuals who might be impacted by a charge as stated in Section 2(b)(3)(c). We believe these individuals should be identified, given the proper notification and the ability to contest the bonds if they so choose.

This bill has considerable impact on agency responsibility, authority granted to agencies to carry out service to Kansans and the potential impact on the debt service owed by the State of Kansas. We ask that the committee carefully consider the potential changes in state government proposed by this bill. The KWO currently has the authority to issue bonds to purchase reservoir storage space under the existing statute. Purchase of this space should be pursued, but we do not feel this is a prudent measure for the state to issuing bonding authority to other agencies and for other purposes. We respectfully request the committee to reconsider the broad scope of this bill and stand ready to help the committee revise the proposed legislation. Thank you for this opportunity to provide testimony.



STATEMENT OF THE  
KANSAS GRAIN & FEED ASSOCIATION  
AND THE  
KANSAS AGRIBUSINESS RETAILERS ASSOCIATION  
SUBMITTED TO THE  
SENATE WAYS AND MEANS COMMITTEE  
IN OPPOSITION TO SENATE BILL 539  
SENATOR STEVE MORRIS, CHAIRMAN  
MARCH 2, 2004

KGFA & KARA MEMBERS ADVOCATE PUBLIC POLICIES THAT ADVANCE A SOUND ECONOMIC CLIMATE FOR AGRIBUSINESS TO GROW AND PROSPER SO THEY MAY CONTINUE THEIR INTEGRAL ROLE IN PROVIDING KANSANS AND THE WORLD THE SAFEST, MOST ABUNDANT FOOD SUPPLY.

816 SW Tyler, Topeka KS 66612 - 785-234-0461 - Fax: 785-234-2930

Senate Ways and means  
3-2-04  
Attachment 10

**The statement is presented on behalf of the Kansas Grain and Feed Association (KGFA) and the Kansas Agribusiness Retailers Association (KARA).**

The KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 920 Kansas business locations and represents 99% of the commercially licensed grain storage in the state.

KARA's membership includes 730 agribusiness firms that are primarily retail facilities that supply fertilizers, crop protection chemicals, seed, petroleum products and agronomic expertise to Kansas farmers. KARA's membership base also includes ag-chemical and equipment manufacturing firms, distribution firms and various other businesses associated with the retail crop production industry.

KGFA and KARA stand in opposition to Senate Bill 539. Listed below are specific comments and concerns of the agribusiness industry in relation to this proposed legislation:

- KGFA/KARA believes Kansas' taxpayer dollars should not be used as an incentive for landowners to sell their water rights or farmland to state government. Government ownership of land is poor economic policy; it shrinks the local tax base and also reduces economic activity in rural communities.
- KGFA/KARA believe incentives designed to reduce depletion of Kansas groundwater sources should focus on water reduction best management practices, such as water-conserving crop rotations and the installation of sub-surface irrigation systems. These alternatives should be considered before moving toward the permanent retirement of water rights and productive farmland.
- KGFA/KARA believes that all legislative proposals that propose the idling or retirement of water rights and/or removal of agricultural land from production should be accompanied by a thorough economic impact statement that shows the effects the proposal will have on rural communities, rural businesses and local tax bases over the long-term.

In light of the aforesaid concerns, KGFA/KARA strongly opposes the issuance of state bonds that will enable state agencies, such as the Kansas Department of Wildlife & Parks or Kansas Conservation Commission, to purchase and retire water rights or purchase land that will be retired from production agriculture.

Thank you for the opportunity to submit comments concerning Senate Bill 539. If you require additional information please contact Doug Wareham at (785) 234-0461.



March 1, 2004

Senate Ways and Means Committee  
Hearing on March 1, 2004, **SB539**

Please accept the input of the City of Kinsley, which has a vital interest in the disposition of the Circle K Ranch and particularly the loss of irrigated acres, water rights, and \$2,300,000.00 in annual farm production and commerce. The City of Kinsley opposes the adoption of **SB 539** as the mechanism whereby the State acquires Circle K Ranch. K.S.A. 82a-1360 et seq. as presently enacted is a well-defined compact law which implements reservoir storage as part of the Kansas Water Plan. Under **SB 539**, the State Water Office, Conservation Commission, Secretary of Agriculture, and Secretary of Wildlife and Parks want not just cooperative authority but also broad independent authority to identify, implement, and fund "Capital Improvements for water-related infrastructure projects." Such projects can compete with and change priorities of the State Water Plan. **SB 539** can and eventually will be interpreted and implemented in 4 different ways, or if roadblocks are present in one office, for instance the Kansas Water Authority, Executive policy will shift to another office. The chief planning role of the Kansas Water Authority will be diminished. Projects don't even have to be a part of the Kansas Water Plan. The administrative function of the Chief Engineer will be diminished and blurred by the many cooks in the kitchen, who get to interpret and re-interpret terms such as "aquifer preservation", "overlying land rights", "purposes", and "including, but is not limited to." **SB 539** presents too many unknowns and too much discretion. **SB 539** contains the following language which was not contained in **HB 2578**:

**'No such bonds shall be issued unless the issuance is approved by the governor and specifically approved by appropriation or other act of the legislature, other than this act.'**

This provision apparently means to provide some measure of legislative oversight to the process, however the phrase "... **and specifically approved by appropriation or other act of the legislature...**" leaves room for problems. Some will likely argue that the phrase means that the approval process is nothing more than a few lines in a general appropriation bill, thereby nullifying the "**specifically approved**" part of the phrase.

You have undoubtedly been told that the Circle K Ranch acquisition is mostly about conservation of water resources. However there is strong indication that the Circle K Ranch acquisition is driven more by other factors than by conservation of water resources. Chief Engineer, David Pope, of the Division of

Senate Ways and Means  
3-2-04  
Attachment 11



Water Resources made the following observation in his presentation to the House Environment Committee:

**'Groundwater models have been developed in the general area of the ranch, but none have actually encompassed the area directly. In researching the area, it was determined that updating existing models to incorporate the Circle K Ranch was not feasible in the time frame for the project acquisition.'**

Thereby expediency drives the acquisition, not comprehensive planning for conservation of water resources. There is no adequate predictor of outcome. Acquisition of Circle K Ranch may leave the State short on resources which could be used for projects which can be shown to be beneficial, rather than just sounding good to some, particularly the municipal owners who get to cash in on past mistakes. Yet the Chief Engineer now plans to dismiss 7000 out of 8000 acre feet of water rights at Circle K Ranch, and we may never know how wisely or unwisely tax funds were spent. It is plain to see that if the conversion to wildlife and parks does not generate the commerce and revenue hoped for by Secretary Hayden, then Kinsley and Edwards County will be the disproportionate loser of such planning. Water Rights once gone do not come back.

As such the City of Kinsley would urge more comprehensive planning which preserves the opportunity for irrigated agricultural and commerce to a greater extent while substantially meeting the objectives of both water conservation and wildlife and parks development. Please keep in mind that we do not support dismissal of water rights, when other measures such as custodial care will conserve water while retaining the water rights and priority as appurtenant to the land.

An Example of more comprehensive planning with safeguards for our local community is as follows:

PLAN A (25% 25% 50%)

During first 10yrs. the 25% least productive land and water will be converted to Wildlife and Parks. Water rights will be custodial until at least end of 10yr. period.

During First 10yrs. 25% middle productive land and water will remain in irrigation but water-conserving crops will be emphasized. Wildlife development and hunting will occur concurrently. At the end of 10yrs. overall effect will be fully evaluated as to success of wildlife and park project; water conservation; and positive/negative impact on Kinsley/Ed. Co. A plan will then be developed as to what should happen to this land and water rights

At least 50% of Circle K land and water rights are best suited for irrigated farming. This land should remain as a permanent irrigated farm with wildlife and hunting developed concurrently. Private ownership should not be ruled out.

PLAN B (30% 30% 40%)

Plan B is similar to Plan A but greater land is converted fully to wildlife and parks over time.

The City of Kinsley would like to be a co-owner/co-participant with the State of Kansas in Plan A or Plan B. The City of Kinsley would like to be co-participants and/or co-issuers of the bonds planned for this project and co-participant with the State in the receipt of federal funding. The City of Kinsley strongly believes that the bond funding should include funds for the development of hunting and recreational opportunities, which will attract the user base for the wildlife and park area. **SB 539** does not provide for comprehensive planning.

### CITY OF KINSLEY ECONOMIC LOSS

Recent feedback from the State indicates that current thought is to convert Circle K Ranch to a "primitive hunting" area, thereby other recreational opportunities and public access are not really part of the plan. Unfortunately this type of plan while arguably cost-effective to the State, does not generate the public access and dollars, which would in any way come close to replacing the \$2,300,000.00 annual loss of agricultural commerce.

The City of Kinsley believes that if the State acquires Circle K Ranch, then the Kansas Department of Commerce should be involved in the planning and transition of Circle K Ranch. Grants and programs should be implemented to assist the City of Kinsley to develop its full potential as a provider of goods and services to the users of the Wildlife and Parks Area and as a community where people that work at the area will live and settle their families. The Dept. of Commerce is well suited to assist the City of Kinsley to obtain the greater diversification that has been suggested by Secretary Hayden.

The City of Kinsley continues to be concerned that the current municipal owners will be undeservedly rewarded in a State purchase of Circle K Ranch.

**SB 539 provides "Water-related" officials with what they want, big dollars and expedient open-ended statutory powers, without the need to present the legislature with comprehensive planning. Rural communities and the loss of commerce are after-thoughts to such a process. Something to work out later. It should be suggested to "water-related" officials that aquifer preservation and community preservation are interrelated functions of state government.**

Please advise as to the manner whereby the purposes of this letter may be discussed and implemented. Thank you for your consideration.

Sincerely,



Michael Herrmann  
Mayor  
City of Kinsley

## OPPOSITION TO SENATE BILL 539

March 1, 2004

Kansas Senate Ways and Means Committee

Attn: Senator Steve Morris (Chair), Senator David Adkins (Vice Chair), Senator Bill Bunten,  
Senator David Jackson, Senator Nick Jordan, Senator David Kerr, Senator Larry Salamans,  
Senator Christine Downey, Senator Jim Barone, Senator Henry Helgerson

Re: Senate Bill 539

My name is Darrel Pettay and I run a grain elevator and agriculture input facility in Kinsley. I have a very significant interest in the potential of this bill passing. I was in Topeka on February 11, 2004 testifying against HB 2578. To me this is another avenue for Commissioner Mike Hayden and the agencies that favor purchasing Circle K Ranch, to try and get this passed without much thought to what the potential economic loss to the City of Kinsley or Edwards County will be. I have seen the "Potential Economic Contributions of Public Hunting and Wildlife Viewing at the Circle K Ranch", and the potential results are very disturbing to me. As a local businessman, I'm concerned about what the future impact this will have on me. This survey showed projected retail sales of \$622,881, my location alone had around \$650,000 in grain receipts and crop inputs for 2003. I can think of 12 businesses that Circle K Ranch does inputs with. This involves 2-3 trucking companies, 2 businesses used for repairs to equipment, a custom cutting company, alfalfa grinding and baling, lumber yard, parts store, fuel/oil company, irrigation company, and my facility. This doesn't include the 7-8 full time jobs at this ranch either. As you can see, that is 12 businesses that the retiring of all but 3-4 circles will seriously impact. As a business, my facility will survive but this will hurt and there are several of the above-mentioned businesses that converting this ranch to a "Wildlife Preserve" will devastate if not run completely out of business. All the community of Kinsley has heard, is this is an all or nothing propositions from the State and the City of Hays. All we have read about lately in the news is how our smaller communities are dying and school enrollments continuing to decline. Have the people who are so actively in favor of getting this ranch bought thought about what this can and will do to the community of Kinsley and eventually Edwards County? Do they realize what this will do to our schools eventually? With the potential loss of jobs losing this ranch will cause, this will force people to leave Kinsley for other options. We have been told repeatedly that we will have an abundance of new income into Kinsley from hunters. I personally don't see that happening and I think you will be hard pressed to find other who will agree as well. While Kinsley is a nice little community, we are limited on new business potential because we are in a "flood plain" and FEMA is dragging their feet in re-mapping the town. We have been told that people will flock to Kinsley and buy gas, rent hotel rooms, and buy food. We have one (1) 12 room motel, two (2) restaurants, one (1) pizza shop, one (1) sub-sandwich shop, three (3) gas stations of which 2 are convenience stores, one (1) grocery store and several other small businesses. Kinsley routinely has trap-shooting tournaments at the local gun club and normally have an exceptional turnout. The problem is close to 70-80% of the participants bring motor homes stocked with food, fully fueled or stay in Dodge City, Great Bend, Larned, Hays or with other relatives. We don't see very much "Economic Impact" from this, and it wouldn't be much different with the Circle K Ranch purchase.

I think there is a happy medium that can be reached through all this if both sides are willing to give some. I think if the State is intent on buying this ranch, there really isn't much we can do about it, but retiring all but 1,000-acre feet or enough for 3-4 circles isn't the answer either. I believe there are 3-4 things that could be done if people wanted to, that would help ease some of the animosity towards this purchase. Something like retiring 1/2 or 20-21 of the 41 circles that is along the river with the rest continuing to be in agriculture. Getting FEMA to lift the "flood plain" label so new businesses and homes for families can come to Kinsley without paying additional insurance would help. Also if this is done, build a local "Advisory Committee" with local towns people like the City Mayor, one of the county commissioners, 2-3 local businessmen, 1-2 farmers, the gentleman who currently farms Circle K Ranch and a couple of personnel from the agency who will be responsible for overseeing the upkeep of this ranch. Don't load it up with hand picked people from Topeka or

Senate Ways and Means  
3-2-04  
Attachment 12

outsiders who don't have any stake in our community. If this is such a good thing, why have the hand appointed "Advisory Committee" members been having their meeting in Larned in Pawnee county instead of Kinsley and Edwards county. If we are to believe this is a wonderful thing, why don't they buy their meals and fuel in Kinsley for these meeting? Also making this bill site specific only to Circle K Ranch is another step. If it is going to happen, help make it so the whole community doesn't completely die out. Let us be a part of the process instead of being told this is what will happen and you are going to like it.

I read somewhere recently that commissioner Hayden commented that the State of Kansas has around 52,000 acres of public owned land with the United States average being around 245,000 or so acres, excluding Alaska, Texas and California. Just because we aren't to the average doesn't mean we have to keep up with the Jones. I also read that there are approximately 41,000 over appropriated acre-feet in the area that Circle K Ranch is in. I believe it runs from just inside the Ford/Edwards county line to almost to Great Bend and involves 1,797 wells. Sure shutting off 6,600-acre feet will help, but where will the other 34,000 feet come from? That is also figuring doing it all in one year, no like the proposed 8-10 year plan we have heard about. Who will monitor the other wells to be sure there isn't continued over pumping? Can't there be a mandatory 10% reduction with weekly monitoring or something similar? The gentleman who currently rents from Hays has offered to buy the ranch back on 2-3 different occasions and was told, "Unless he was going to pay more than the original purchase price, don't waste your time or ours".

In closing, there has got to be other alternatives instead of all or nothing. Kinsley is a good community and I plan to live there a long time, but also want to know my lively hood won't be taken away from me. How many of you on the committee were farm raised or still works on the farm? How would you feel if something like this affected your community or lively hood? I'll bet you wouldn't like it either. I just ask each of you to remember that as you are eating dinner tonight, how are you being feed? We live in one of the greatest agriculture States in the country in the greatest nation on earth and it would be a shame if we can't continue what makes us great.

Sincerely,

Darrel Pettay



Since 1894

## TESTIMONY

To: Senate Ways and Means Committee  
Senator Stephen Morris, Chairman

From: Todd Johnson, Governmental Affairs Staff

Subject: **Opposition to SB 539** – bonding authority for certain state agencies

Date: March 2, 2004

*The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 6,000 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seedstock, cow-calf and stocker production, cattle feeding, grazing land management and diversified farming operations.*

I am Todd Johnson, governmental affairs staff for the Kansas Livestock Association. Thank you for allowing me to address your committee this morning in opposition to SB 539.

Private property rights and natural resources management are priorities for KLA members. To this end, members are actively involved in initiatives to improve wildlife habitat, water quality and the general sustainability of their own land. They are supportive of efforts at the state and national level to make such improvements reality. For example, KLA members are part of the Tallgrass Legacy Alliance, an organization of landowners and special interests dedicated to enhancing and restoring the biological, economic and cultural wellbeing of the tallgrass prairie in eastern Kansas.

Along with this sincere interest in protecting and preserving our natural resources, KLA members have long standing opposition to initiatives that would increase the amount of state owned land. This opposition stems from concerns about land currently owned or managed by the state. Members share frustration in farming or ranching near state controlled land that has become infested with noxious weeds, and feel strongly good management should be practiced on existing lands.

Perhaps the biggest objection to state ownership of land arises from the potential for government competition with private, land-based enterprises. KLA is opposed to SB 539 because it empowers any "water-related agency", defined as the Kansas Water Office, State Conservation Commission, Department of Agriculture and Department of Wildlife and Parks, to request the Kansas development finance authority to issue and sell revenue bonds for purchasing additional state land.

KLA Testimony – SB 539

Producers statewide are venturing into new forms of land-based commerce, such as hunting, trail rides and other “agritourism” activities. Authorizing multiple state agencies to request the issuance and sale of revenue bonds that could be used to purchase land, which in turn may compete with their businesses, is contrary to the spirit of private enterprise.

We are concerned with granting bonding authority to multiple agencies as it provides a disjointed, broad reaching approach to land acquisition, and is not sound public policy. Granting such authority to acquire land without a comprehensive approach to natural resource policy seems an inappropriate use of limited state funds, and reaches into land management, something our members feel is best managed privately.

Thank you for considering our views. I will stand for questions at the appropriate time.

Testimony before the  
Ways and Means Committee

Regarding

Senate Bill 531

on

March 2, 2004

Presented by:

Senator Henry Helgeson

Senate Ways and Means  
3-2-04  
Attachment 14

Thank you for this opportunity to speak to you today about Senate Bill 531, which concerns the department of social and rehabilitation services.

The bill relates to state developmental disabilities institutions; creating the developmental disabilities institutions closure commission; prescribing powers, duties and functions for the commission, the governor, and the secretary of social and rehabilitation services.

This bill creates within the department of social and rehabilitation services a developmental disabilities institutions closing commission which will consist of nine members appointed as follows: Five members appointed by the governor; one appointed by the president of the Senate; one appointed by the minority leader of the Senate; one member appointed by the speaker of the House of Representatives. Of those appointed by the governor, one will represent a community developmental disability organization, one will represent an affiliate community developmental disability service provider, one will be a person with a developmental disability who is a consumer of services provided, one will be a parent, guardian, or family member of a person with a developmental disability, and one will be an advocate for persons with developmental disabilities and the provision of services to such persons.

On or before December 1, 2004, the commission will submit to the governor a written final report containing recommendations closure of one developmental disabilities institution no later than January 1, 2006, and recommendations for the closure, downsizing, or other reduction of the other developmental disabilities institution. There will also be a date of closure for the institution recommended for closure, recommendations of policies and procedures to facilitate any such closure and to assist institution clients displaced by the closure, downsizing, or other reduction. In addition, the recommendations of the commission will include service and program changes and transitional and long-term funding for services at the community level.

The commission will be required to take into consideration the savings from the closure of the institution, the impact on the communities involved, the effects on the clients of the institutions and their families, the new ways to fund community-based services that ensure persons with disabilities are properly served, and other issues surrounding these changes.

The governor will submit the final report of the commission to the legislature on or before January 10, 2005. Unless the legislature enacts one or more of the laws on or before February 15, 2005, that reject the recommendation or recommendations of the commission to close one or both institutions and changing the date of closure specified for each closure, each institution recommended to be closed shall be closed on the date of closure specified by the commission. No institution shall be closed before January, 2006.

The governor and the secretary of social and rehabilitation services will take all actions necessary to put into effect the recommendations of the commission to close the



institutions recommended for closure or to downsize or reduce an institution in accordance with the commission's recommendations. The secretary of social and rehabilitation services will prepare and submit budget estimates for the fiscal year ending June 30, 2006, and for ensuing fiscal years that support and implement the recommendations of the commission, including the preparation and submission of all amended budget estimates that the recommendations require. Recommendations to the legislature for necessary funding of home and community-based services, program and direct financial and other aid, and assistance for the implementation of the commission's recommendations will be submitted by the governor.

This bill is needed for a variety of reasons. It is both the socially and fiscally responsible way for this legislature to best serve Kansans with developmental disabilities.

Currently, there are two hospitals in the state being run for the developmentally disabled. There is an institution in Parsons, and the Kansas Neurological Institute in Topeka. Both of these hospitals are currently housing only half of the patients for which they have the capacity. By closing one of the facilities, a more efficient use can be made of our existing facilities. It is also estimated that by operating both of these institutions, five million dollars is being spent, not on direct care, but on administrators, upkeep, and staffing that we do not need. It is my opinion that the money being spent on unnecessary personnel and facilities could be better spent on improving the quality of life of the patients and moving them back into communities where they can be more productive and happy.

This is by no means an unprecedented action. In Kansas, we have already closed the hospital in Winfield. At first, this move was met with stiff opposition, but now several years removed, we see that it was the right decision. According to the Final Report of the Hospital Closure Project in December of 1998, "There is good reason for Kansas stakeholders to be gratified." According to the report, the quality of life and care has increased for the patients and the closure is viewed as a success all around.

In addition, the move to deinstitutionalize is not solely a Kansas phenomenon. Alaska, Hawaii, Maine, New Hampshire, New Mexico, Rhode Island, Vermont, and West Virginia have all recently closed state facilities for people with developmental disabilities. It has been a success in those states, and will continue to be a success in ours.

Despite all the positives of these actions, there are bound to be some problems, the largest being the loss of jobs for the employees at the closing institution. However, these effects are easily mitigated by allowing these individuals to take other state jobs or qualify for early retirement benefits. These few jobs do not justify the five million dollars being spent on these institutions. This money could be better spent serving the patients more adequately rather than being doled out as a subsidy to a handful of people in these communities.

**JOE SHRIVER**  
REPRESENTATIVE, 79TH DISTRICT  
COWLEY COUNTY  
P. O. BOX 1324  
ARKANSAS CITY, KANSAS 67005-7324  
(316) 442-6522

STATE CAPITOL, ROOM 273-W  
TOPEKA, KS 66612-1504  
(785) 296-7648  
1-800-432-3924



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ELECTIONS COMMITTEE  
LOCAL GOVERNMENT COMMITTEE  
JOINT COMMITTEE ON SPECIAL CLAIMS  
AGAINST THE STATE

March 2, 2004

TO: Senator Steve Morris, Chairman,  
Senate Ways and Means and members of the Committee

RE: SB 531

I am Joe Shriver, State Representative, from Arkansas City. I wish to thank Chairman Morris, whom I served with on the Special Committee on Appropriations/Ways and Means. Chairman Morris commented that the Senate would take a deeper look into these issues at our December meeting and thus, we are here today.

SB 531 seeks to set up a closure commission similar to the commission that recommended closure for Topeka State Hospital (MH) and Winfield State Hospital (ICF/MR). I support SB 531 and ask this committee to move forward in looking at a comprehensive study on the capacity and needs of developmental services in Kansas. Sure, closure is hard. I live in a county which had a state hospital close. I have worked closely with families, providers, advocates and a closing institution.

As a member of the House Appropriations Committee, I have argued for several years as I watch the waiting lists for services grow and the populations in the MR hospitals level off.

Prior to the closure of Winfield, SRS worked aggressively with families in all institutions on finding community services until it seems that Winfield closed and the push into the community went to a snail's pace. Something changed and the movement into the community seemed to stop.

Today, population in the state institutions would suggest that one facility in Kansas could house the ICF/MR population. I feel this committee should look at this issue and ask itself how long should we continue to support bricks and mortar when clients are left unserved or under served.

I ask that the committee move forward on SB 531 and Chairman Morris, I will stand for any questions.

  
Joe Shriver  
State Representative  
District #79

Senate Ways and Means  
3-2-04  
Attachment 15

Senate Bill 531

I have some questions about Senate Bill 531. Will there be more than one parent on the committee? Will there be parents from one or both hospitals that are in question? Who will be the advocate? Will it be an individual who represents an agency or a lobby group? The Alliance, of which Creative Community Living (CCL) is a member of, or Interhab?

A CDDO representative is listed to be a part of this commission. Will this representative come from an independent CDDO that provides no services or will it be one that does. Each will look

at this closure in a very different way. My recommendation would be for a representative to come from an independent CCDO.

This bill states that there will be a savings by closing a facility. That is true to a point. IF you are talking about buildings and utilities there is a savings. However, if you are talking about services to those people leaving the state hospital that is not always a true statement. If you fund the people for less services than they are currently receiving, then you'll save. MAKE SURE FUNDING IS ADEQUATE TO MEET THE SUPPORT NEEDS OF THE INDIVIDUALS, AND MAKE SURE IT DOESN'T DISAPPEAR AFTER A YEAR OR TWO. The needs of the individuals will not decrease when they move to the community. The staff's time will not only be spent providing for the needs of the individual but also the laundry, cooking, cleaning and other household tasks. Within the institution these household tasks are likely the responsibility of other departments like maintenance, housekeeping, laundry, dietary, etc.

Most important, if there is a closure the money must follow each person so they have the services they need and the agency giving the service can do justice to them not only from day one but also until death. That agency SHOULD NOT HAVE TO BATTLE EACH YEAR to keep the level or rate of funding once that level has been established. We must also address the issue of our people

growing older and needing more care, including more professional care in order to live. Also the need for liquid diet and not by feeding tube. The state does not pay for some things I think they should, and I think this commission should take a look at what those under paid , or non-paid items are. The part of the bill that says it is a requirement that the funding follow

the clients into the community is a must. How will we know the funding is the proper amount and who will measure that?

When Winfield was closed some people thought our loved ones would go all over the state for services. That did not happen to the extent expected and that was because parents chose to place their loved ones where they knew they would have good care, and

would have staff trained to care for them. IT WAS ALSO COST EFFECTIVE TO HAVE 8 PEOPLE WHO NEEDED 24 HOUR LPN OR RN NURSING CARE AT ONE LOCATION INSTEAD OF HAVING 1 OR 2 PERSONS WITH THOSE NEEDS LIVING IN \$ DIFFERENT LOCATIONS. With the proper care you are talking about

Sharon Bind

Senate Ways and Means  
3-2-04  
Attachment 16

people living and living well. Without the proper supports individuals would die.

From the time closure was announced until the time the doors closed at Winfield, 18 months transpired. That was barely enough time. This time around you must make sure families have adequate time to prepare for change. Twenty-four months might be a more reasonable time frame for closure.

With proper planning one state hospital could be closed, as the number being served at both is not large, however I DO NOT THINK BOTH hospitals should be closed. You ALWAYS NEED A SAFETY NET for people who are not successful in the community setting.

The last time around there was supposed to be a committee that went to each location and looked at the facilities structure, looked into the community impact, and the impact to those at that facility. I do not think any of the above issues had any affect on the outcome of the closure. In other word, no one really cared about the issues. My hope is that this time there would be a committee that would look at the whole picture.

New services such as dental clinics must be setup with at least financial help from the state in order to provide those services that will not and cannot be found in the community. Other services we were lucky enough to find were professionals who set up their own business so that we could hire their dietitian, PT., or OT, or speech professional. You must be able to find these professionals, and it is not easy. The state will more than likely need to at least help financially with this process as well.

Finally, the quality assurance system that is in place is overtaxed. I understand there are only ten Quality Enhancement Coordinators for the entire state of Kansas. These coordinators cannot possibly see that the quality of services to all individuals is adequate. CDDOs also have a quality assurance responsibility. It is done differently in each CDDO area. As a parent I would want the quality assurance system to be examined before adding more people to the community services.

Sharon Bird

Dear

My Son Michael was one of the people living at Winfield State Hospital at the time of the closure. He now has a home here in Winfield with Creative Community Living. I can truly say this has been the happiest time in Michael's life. He continues to have many medical, and eating problems, but his care has been good and he feels like his home is really his.

You ask how could I know this if he can't tell me. Well, wanting to stay in his home to visit with me tells me, he is content in a way I have never seen before. This is due to the fact that so far his program has been funded well enough to provide him with enough staff to give him the attention he needs for health and happiness.

Senate Bill 242 if past would help SRS to continue to put money where it is needed most. Providing services to those people who need them, as well as taking those on a waiting list for services off and provide that person and their family with the help they need so badly. SB242 would do this with out asking for more money, but use what is in the system.

Thirteen or less CDDO's would not reduce the help to people with disabilities. It would however mean that some of the able body people holding jobs in those CDDO, s might have to look for an other job, or move to serve in other areas. I understand that might be a hard ship, but my understanding is that SRS is there to serve people with disabilities, that cannot help themselves.

Please pass SB242. It will serve our state and our people well, with out adding to the cost to do so.

Thank you for your consideration.

Sincerely,

Sharon Bird

Sharon Bird  
Mother of Michael Bird  
President of CCL Board of Directors (Creative Community Living)

First make sure enough staff remains behind so people are safe during last days or closure

Ask Parents for input or to help with plans for their children's future place of living

Know that all people will not be successful in the community setting

Money must follow people into the community and the services that they receive at the state hospital will need to be provided

People don't get normal just because they live in a community setting --if the person needs 24-hour care they will continue to need 24-hour care

People we serve change as they age as well as us, however they sometimes age much faster than we do— Michael 37,--Bill 58

Funding MUST be at a level that nurses can be hired, enough nurses

Dental care must be something the state helps provide instead on the community programs having to provide these services all on their own

Independent CCDO's will be helpful

How our children have done at CCL and how parents feel

What some of the other agencies have done or not done

Good Morning. My name is Kathy Hall. I worked for 33 years at Winfield State Hospital and Training Center. I was a member of the Administration, a Unit Director when closure was announced. I am also the guardian of 6 individuals with mental retardation. All six of these individuals lived at WSH&TC and now live successfully in the Winfield community. Ronnie, Susan, Berryl and Rhonda are supported by Creative Community Living and Jon and Paul are supported by Martin Luther Homes.

I am here to speak in support Senate Bill 531 which calls for the formation of a commission to study closure of another DD hospital. Having worked closely with closure issues in the past as an administrator and subsequently as a guardian, taking time to study the issues involved will be time well spent. The closure of WSH&TC was possible because of careful planning. While I am a very big advocate of community living, there are some services that have not been duplicated in the community that are available at the institution. For example, individuals with mental retardation and mental illness who have a crisis with regards to their mental illness are not well served in our local psychiatric hospitals. Parsons has a special unit for behavioral crises. A commission should look closely at the services provided at the institutions and insure these services are available, accessible and affordable in the community before moving forward.

The commission must include recommendations about the funding. When WSH&TC was closed some individuals were funded at a higher rate because of their extraordinary needs. I am guardian for Ronnie and he has extraordinary needs. Ronnie disliked wearing clothing. He was very aggressive toward others and himself. When he was moving into the community from WSH&TC, I really worried about the safety of children in his community. Because his funding was higher, he has been provided 1:1 staffing. Now he wears pants, and shoes all of the time. He sometimes wears a shirt. He still has problems with being aggressive to others and to himself but less often than when at WSH&TC. The extraordinary funding is only protected until June 30 of this year. What makes anyone think his needs are any less extraordinary than when his placement was made? In order to maintain the successes he has experienced the funding must remain. In Ronnie's case he may dress more appropriately, however his behaviors will never reach a level that would require staffing less than 1:1. **So, when the commission examines the issue of funding following the individual it should also make recommendations that this be lifelong.**

Thank you for the opportunity to speak.

Kathy Hall  
6168 222nd Road  
Winfield, Kansas 67156

Senate Ways and Means  
3-2-04  
Attachment 17

Good Morning. My name is Virginia Hicks. I worked for 32 years at Winfield State Hospital and Training Center, retiring in 1994 as an Office Administrator to the Unit Director. I spent 16 years working as a Mental Retardation Specialist or supervisor of direct care staff. I am the guardian for 5 individuals who moved from WSH&TC into the community. Robert, Ronnie, Brenda, Scott, and Larry are supported by Creative Community Living.

I am here to speak in support of Senate Bill 531. I am a supporter of community living as all of the individuals I am guardian for have been very happy living in their own homes in the community. A commission to study closure or down sizing is necessary to insure a smooth transition for individuals who are currently living in institutions. A process put into place for the WSH&TC closure that I saw that helped was called Essential Lifestyle Planning (ELP.) The Team at the hospital used this document to prepare the community service provider with details of what the person would need in terms of equipment and services to be successful in the community. For example, equipment might include things as small as special toothbrushes, to specialized wheelchairs, walkers, lifts, bathing equipment and scales. Services might include physical therapy, occupational therapy, speech/language therapy, dietitian services, psychological services, dental services and psychiatric services. The Teams at the hospital worked closely with Teams at the agencies that would serve people to insure that the services would be continued. The transition itself included staff from the hospital going with the individual for visits or to stay for the first couple of shifts. I saw first hand that careful planning made for smooth transitions. Change is difficult for all of us. If you had lived in an institution for over 25 years like Robert, moving to a home with three other people in a neighborhood would be a huge change. The transition was smooth because the agency was prepared to provide the same type of schedule and activities that Robert was used to. Over time, more changes have been made and his life looks a lot different than it did when he lived at the hospital.

In closing, I must emphasize that a commission to study how to close or down size an institution is important to insure smooth transitions for the people who currently call Parsons or KNI home. It would seem like a good idea to copy the pieces of the process that worked well for the Winfield closure.

Virginia Hicks  
1617 East 7th Street  
Winfield, Kansas 67156

Senate Ways and Means  
3-2-04  
Attachment 18



## *Efficacy of De-Institutionalization*

### *The Research Tell Us...*

- In 1977 national data indicates 83% of people with disabilities lived in institutions, as of 2002 only 19% live in institutions.
- Internationally, others such as England, Australia, Canada, and Wales have joined with the United States in its move to smaller community settings for citizens with disabilities.
- 118 institutions have closed in the United States, with 66 of those occurring in the 1990's.
- 10 states have eliminated institutions all together and others have established plans to do so.
- The national commitment to de-institutionalization rests in the hands of the states.
- Reductions in the populations of institutional settings does not result in proportional reductions in costs, it is only through institutional closure that funds can be adequately redirected to community supports. Community programs do not cost more than institutionalization.

### *Reasons Given For Not Pursuing De-Institutionalization...*

- People with severe and profound disabilities will not benefit from community supports: research indicates this is **not the case**.
- People with severe behavioral challenges cannot be handled in the community: research maintains this is also **not true**.
- People with medical concerns need hospitalization: research purports this is **not the case**.
- Elderly people, who have been institutionalized for many years, may not adjust to the change: research also clearly states this is **not true**.

### *The Research Also Tells Us... Community Support Works*

- In fact, there is example, upon example documented in the literature indicating that individuals with disabilities can and do have successful lives in the community.
- There are significant increases in desired behavior and reductions in challenging behavior of people with disabilities after moving into the community.
- We know that families may initially oppose community placement, but are much happier with support after community placement.
- Community placements result in great improvements in: satisfaction for individuals with disabilities and their families, their personal privacy, as well as general quality of life indicators, earnings, productivity and happiness.
- Additionally, more social interactions and community involvement occur for persons with disabilities after community placement.
- Specific research in Kansas is consistent with national data and indicates positive outcomes for our citizens with disabilities in the areas of behavior, social integration, choices, general quality of life, job satisfaction, medications, and family involvement.

### *We Must...*

- Join together national, state and local resources to support the de-institutionalization of individuals with disabilities in Kansas. We know we can make this work in our state without negative economic impact while improving the lives of Kansans. The efficacy of community placement is not disputed; in fact it is validated consistently time again.

The University of Kansas  
Amy McCart Ph.D.  
amccart@kc.rr.com

Senate Ways and Means  
3-2-04  
Attachment 19