

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on March 23, 2005, in Room 514-S of the Capitol.

All members were present except:

Representative Sawyer- excused
Representative Schwab- excused

Committee staff present:

J. G. Scott, Legislative Research Department
Amy VanHouse, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Becky Krahl, Legislative Research Department
Leah Robinson, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Joe Fritton, Division of Facilities Management
Representative Bill Otto
Representative Forrest Knox
Gwen Martin, Woodson County Commissioner

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on **SB 118**
- Attachment 2 Budget Committee Report on **HB 2398**
- Attachment 3 Budget Committee Report on **HB 2399**
- Attachment 4 Testimony on **SB 243** by Representative Bill Otto
- Attachment 5 Information on gas purchases by state employees

Discussion and Action on SB 118 - State use law; definitions.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on SB 118 and moved for the adoption of the Budget Committee report to recommend SB 118 favorable for passage (Attachment 1). The motion was seconded by Representative Lane. Motion carried.

Discussion and Action on HB 2398 - Procedures for convening a negotiating committee for architectural, land surveying and engineering services for state capital improvement projects.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on HB 2398 and moved for the adoption of the Budget Committee report to recommend HB 2398 favorable for passage (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Joe Fritton, Division of Facilities Management, addressed a question from the Committee with reference to the limits on total costs of a project as contained in the legislation. Mr. Fritton explained that if a project's total cost is over \$750,000, it would be referred to as a specific project and would be addressed by a negotiating committee. If the project cost is below \$750,000, two options are available to the state agency: (1) in-house design staff can be used to do the work; or (2) a qualified vendor can be chosen from a list of vendors approved and published by the State Building Advisory Commission.

Discussion and Action on HB 2399 - Authorizing certain fees for architectural and engineering services for state capital improvement projects, definitions.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 23, 2005 in Room 514-S of the Capitol.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on **HB 2399** and moved for the adoption of the Budget Committee report to recommend **HB 2399** favorable for passage (Attachment 3). The motion was seconded by Representative Lane. Motion carried.

Joe Fritton, Division of Facilities Management, explained that **HB 2399** allows for the actual fees for in-house design work to be applied to the project rather than a percentage. The legislation still allows for the use of the private sector causing the in-house design services to still be competitive.

Briefing on SB 243 - Allowing construction and operation of private prisons.

Becky Krahl, Legislative Research Department, explained that **SB 243** would enact the Private Contract Prison Act. The bill would provide for the authorization, construction, license, and operation of a private prison by a private contractor under the oversight of the Secretary of Corrections. This bill would allow the Secretary to license, monitor, and regulate private contractors who construct, own or operate one or more private prisons in the state. The Secretary could suspend or revoke a license for failure to obtain or maintain accreditation or failure to comply with any requirements of this Act. The Department of Corrections (DOC) would not be obligated to house inmates at any private contract prison in the state. If the Department of Corrections does house inmates at a private contract prison, the private contractor would be allowed to provide correctional services at a cost of no more than 90 percent of the average DOC operating costs for the previous fiscal year costs for comparable services. The Secretary of Corrections would give first consideration to Kansas cities and counties when attempting to place any inmate classified as medium or higher custody in facilities other than correctional facilities owned and operated by the Department of Corrections including private contract prisons. The bill would require private prisons in the state to consult with the Secretary of Corrections during the design and construction of the prison. Other requirements for the private prison include:

- Seek, obtain and maintain accreditation by the American Correctional Association and the National Commission on Health Care.
- Abide by operations standards for correctional facilities adopted by the Secretary.
- Indemnify the state and the Secretary against any and all liability including but not limited to, any civil rights claims.
- Be responsible for dental, medical, and psychological services and diet, education and work programs at least equal to those services and programs provided by the Secretary at comparable state correctional facilities.
- Incarcerate all inmates assigned to the private contract prison by the Department.
- Would not be authorized or allowed to make a decision that affects the sentence imposed.
- Would not be authorized to make recommendations to the Kansas Parole Board
- Would not be authorized determine inmate eligibility for any form of release from a correctional facility including any private contract prison.
- Must have a plan to address all emergencies.
- State would not be required to assume any responsibility for the operation of the private contract prison.
- Must have the approval of the majority of qualified voters in the county.
- Department of Corrections would be required to hire monitoring and case management personnel with this cost being recovered from the private contractor.

It was noted that the Joint Committee on Corrections and Juvenile Justice has not supported private prisons.

Representative Bill Otto presented comments in support of **SB 243** and the economic impact for Woodson County (Attachment 4).

Representative Forrest Knox presented comments in support of **SB 243**.

Responding to Committee questions, Gwen Martin, Woodson County Commissioner, stated that Woodson County supports the legislation and have had discussion with several contractors who could be interested in the construction of a private prison. Ms. Martin indicated that no tax abatements would be given to a private

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 23, 2005 in Room 514-S of the Capitol.

prison contractor who chose to build in Woodson County, all utilities are available for the construction and there is community support for a county-wide vote on the construction.

Concerns voiced by the Committee included:

- Type of inmate programs purposed by the private prison.
- Classification of the type of bed space to be provided at the private prison.
- Whether there would be a tax abatement for the private prison.
- Would the state realize 100% shift in the cost of an inmate housed in the private prison or would they still incur costs for the inmate.
- Would the proposed jobs be filled with local citizens.

Responding to a technical question concerning whether a state statute is required for private prison construction in Kansas, Jim Wilson, Revisor of Statutes, stated that he would research the question and report back to the Committee.

Chair Neufeld indicated that a hearing on **SB 243** will held in the near future.

Representative Hutchins distributed information provided by Department of Transportation to a previous question asked during the presentation by Duane Goossen on March 8, 2005, concerning gas purchases at tribal stations by state employees (Attachment 5).

The meeting was adjourned at 10:00 a.m. The next meeting of the Committee will be held upon call of the Chair.



Melvin Neufeld, Chair

HOUSE APPROPRIATIONS COMMITTEE

March 23, 2005

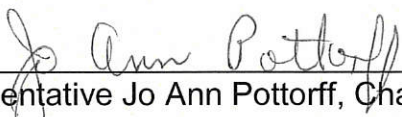
9:00 A.M.

NAME	REPRESENTING
Ladonna Lypster	Private Citizen
Church Lypster	" "
JEREMY S BARCLAY	KDOC
Ally J Shaw	The GEO Group Inc
Lot May	HEIN CON FIRM
Ed Ames	SRS
Martin Holmes	KSRS

House General Government and Commerce Budget Committee Report on

Senate Bill 118

The House General Government and Commerce Budget Committee recommends Senate Bill 118 be reported favorably for passage.



Representative Jo Ann Pottorff, Chairperson



Representative Richard Carlson



Representative David Huff



Representative Annie Kuether



Representative Harold Lane



Representative Scott Schwab

Representative Clark Shultz

HOUSE APPROPRIATIONS

DATE 3-23-2005
ATTACHMENT 1

House General Government and Commerce Budget Committee

Recommendation on Senate Bill 118

Brief

SB 118 would amend the current law to add Business Technology Career Opportunities, Inc. (BTCO) to the list of qualified rehabilitation vendors for the purpose of the State Use Catalog.

Background

A representative of the Cerebral Palsy Research Foundation appeared before the Committee as a proponent for the bill.

BTCO is located in Wichita and is an affiliate and support organization of the Cerebral Palsy Research Foundation, Inc. It performs services such as converting digital images to microfilm format for long-term storage.

Business Technology Career Opportunities, Inc. would be required to submit a schedule of services and costs for review each year by the Department of Administration as the agency responsible for the annual pricing and products list offered through the State Use Catalog.

House General Government and Commerce Budget Committee Report on

House Bill 2398

The House General Government and Commerce Budget Committee recommends House Bill 2398 be reported favorably for passage.



Representative Jo Ann Pottorff, Chairperson

Representative Richard Carlson


Representative David Huff



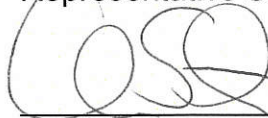
Representative Annie Kuether



Representative Harold Lane



Representative Scott Schwab



Representative Clark Shultz

HOUSE APPROPRIATIONS

DATE 3-23-2005
ATTACHMENT 2

House General Government and Commerce Budget Committee

Recommendation on House Bill 2398

Brief

HB 2398 would raise the dollar threshold at which a negotiating committee would be convened for design services on capital improvement projects to \$750,000 for general construction projects and \$500,000 for engineering projects. The current limits are \$500,000 and \$250,000 respectively.

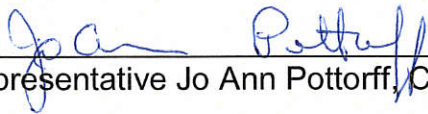
Background

Representatives of the Division of Facilities Management of the Department of Administration, the American Institute of Architects in Kansas, the Kansas Board of Regents, and the American Council of Engineering Companies testified in support of the bill. The conferees noted that these dollar thresholds were last increased in the mid-1990s, and the proposed increases are essentially an adjustment for inflation.

House General Government and Commerce Budget Committee Report on

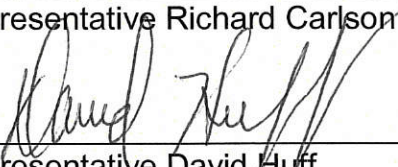
House Bill 2399

The House General Government and Commerce Budget Committee recommends House Bill 2399 be reported favorably for passage.

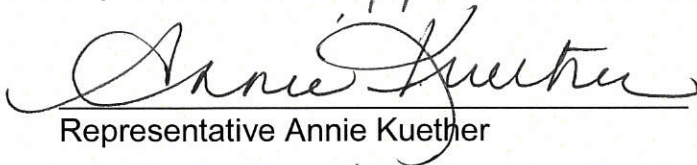


Representative Jo Ann Pottorff, Chairperson

Representative Richard Carlson



Representative David Huff

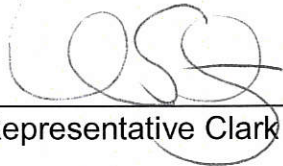


Representative Annie Kuether



Representative Harold Lane

Representative Scott Schwab



Representative Clark Shultz

HOUSE APPROPRIATIONS

DATE 3-23-2005
ATTACHMENT 3

House General Government and Commerce Budget Committee

Recommendation on House Bill 2399

Brief

HB 2399 amends statutes to allow agencies to seek the appropriate level of services (architectural and engineering) required from the Department of Administration and negotiate fees for those services. This bill would change fees from the existing single percentage concept to a fee structure based on services provided and project complexity. For construction projects that require selection of an architectural or engineering firm, this bill eliminates the 1.0 percent project management fee established in current statute and allows the Department of Administration to set a fee for services based on the capital improvement project's size and complexity. For construction projects designed by the Department of Administration's in-house architects or engineers, this bill would eliminate the 8.0 percent design fee that is included in the appropriations bill each year and allows the Department to negotiate a fee with the state agency undertaking the project.

Provisions included in this bill were attached to the Board of Regents FY 2005 appropriation for the state universities during the 2004 Legislative Session. HB 2399 would formalize those provisions in enabling legislation and extend them to other state agencies.

Background

Representatives of the Division of Facilities Management of the Department of Administration and the Board of Regents testified in support of the bill.

Representative Bill Otto
Testimony for SB 243

The Woodson county area is an economically depressed region that needs an influx of jobs. The school is already county-wide, and the former claim to fame as the Hay Capital of the World has just not provided the requisite jobs or tax base. Why would someone not give Woodson county the chance to have a private prison? Without an increase in jobs, this county is dying.

HOUSE APPROPRIATIONS

DATE 3-23-2005
ATTACHMENT 4

PROJECTIONS FOR PRIVATE CORRECTION FACILITY
WOODSON COUNTY AND YATES CENTER

- UNEMPLOYMENT WOULD CREATE 200-300 JOBS.... CURRENT LABOR FORCE IS 15.88 UNEMPLOYMENT RATE @ 7.3%
- POPULATION CURRENTLY 1,599 PROJECTED 2,050
- TAX BASE CURRENT COUNTY EVALUATION \$ 27,916,977.00
- PROJECTED W/ 30-35 MILLION FACILITY WOULD DOUBLE EVALUATION
- SCHOOL ENROLLMENT CURRENTLY 527 STUDENTS & 5 SPECIAL ED. PROJECTED 677 STUDENTS & 8 SPECIAL ED
- SALES TAX REVENUE (CITY OF YATES CENTER) 2004 \$171,139.00 PROJECTED \$231,139.00 (1/3 INCREASE)
- UTILITIES HIGH IMPACT ON GAS, WATER, WASTEWATER AND ELECTRIC SALES UNKNOWN TOTAL @THIS TIME
- INCREASE IN BUSINESSES.... THERE ARE CURRENTLY 80 AT THIS POINT IN THE CITY OF YATES CENTER

COUNTY APPRAISER ESTIMATES...PRISON FACILITY PROJECT \$40,000,000.00
FACILITY ALONE 1 MILL WOULD BRING IN \$12,000 PER MILL INCREASE.


From: "Marcia Ferrill" <MarciaF@ksdot.org>
To: <hutchins@house.state.ks.us>
Date: Tue, Mar 22, 2005 4:24 PM
Subject: Fueling Policy

Representative Hutchins,

Wanted to let you know what I have found related to purchasing fuel at tribally-owned stations. There is no existing agency or state-wide policy on this. Internally here at KDOT, we encourage our employees to fuel at our own sites whenever possible, as we purchase fuel in bulk and it represents cost savings to the agency.

If you need any additional information on this, just let me know.

CC: "Ken Gudenkauf" <kengud@ksdot.org>, "Robin Schreiner" <RobinS@ksdot.org>

PHONE MESSAGE		DATE 3-21	TIME 1054	A.M. P.M.
FOR	Becky			
M	Jim Hassfeld			
OF				
PHONE ()	785-364-2859 EXT.			
<input type="checkbox"/> FAX	<input type="checkbox"/> MOBILE	<input type="checkbox"/> PAGER ()		
MESSAGE	Saw KS Hwy Patrol buying gas at Tribe station --- is that allowed?			
	Marci Ferrill - KDOT 296-3597			
		SIGNED <i>La.</i>		

- URGENT
- PHONED
- RETURNED YOUR CALL
- PLEASE CALL BACK
- WILL CALL AGAIN
- WAS IN
- WANTS TO SEE YOU

HOUSE APPROPRIATIONS

DATE 3-23-2005
ATTACHMENT 5