

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 11, 2008, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Kristen Clarke Kellems, Assistant Revisor of Statutes
Scott Wells, Assistant Revisor of Statutes
Mike Heim, Assistant Revisor of Statutes
Kimbra Caywood McCarthy, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Representative L. Candy Ruff
Wayne Bollig, Director, Veterans Services, Kansas Commission on Veterans' Affairs
Ken Stodgill, Kansas Veterans of Foreign Wars
Mary Ann Keating, Executive Director, Topeka Association for Retarded Children, Inc. (TARC)
Joe Waters, Director of Facilities, Board of County Commissioners, Johnson County
Eric Stafford, Associated General Contractors of Kansas, Inc.

Others attending:

See attached list.

Bill Introductions

Senator Taddiken moved, with a second by Senator Goodwin, to introduce a conceptual bill concerning the Republican River and Arkansas River, disposition of litigation moneys. Motion carried on a voice vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2008 and FY 2009 were available to the committee.

Subcommittee reports on:**Kansas Corporation Commission (Attachment 1)**

Subcommittee Chairwoman Carolyn McGinn reported that the subcommittee on the Kansas Corporation Commission concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments.

Senator McGinn moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Kansas Corporation Commission in FY 2008 and FY 2009. Motion carried on a voice vote.

Citizens Utility Ratepayer Board

Subcommittee Chairwoman Carolyn McGinn reported that the subcommittee on the Citizens' Utility Ratepayer Board concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustment and notation.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 11, 2008, in Room 123-S of the Capitol.

Senator McGinn moved, with a second by Senator Emler, to adopt the subcommittee budget report on the Citizens' Utility Ratepayer Board in FY 2008 and FY 2009. Motion carried on a voice vote.

Insurance Commissioner, Kansas Insurance Department (Attachment 2)

Subcommittee Chairman Jay Emler reported that the subcommittee on the Insurance Commissioner, Kansas Insurance Department, concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments.

Senator Emler moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the Insurance Commissioner, Kansas Insurance Department, in FY 2008 and FY 2009. Motion carried on a voice vote.

Health Care Stabilization Fund Board of Governors

Subcommittee Chairman Jay Emler reported that the subcommittee on the Health Care Stabilization Fund Board of Governors concurs with the Governor's recommendation in FY 2008 with notation and concurs with the Governor's recommendation in FY 2009 with adjustments.

Senator Emler moved, with a second by Senator Wysong, to adopt the subcommittee budget report on the Health Care Stabilization Fund Board of Governors in FY 2008 and FY 2009. Motion carried on a voice vote.

Kansas Guardianship Program (Attachment 3)

Subcommittee Chairwoman Jean Schodorf reported that the subcommittee on the Kansas Guardianship Program concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments.

Senator Schodorf moved, with a second by Senator Teichman, to adopt the subcommittee budget report on the Kansas Guardianship Program in FY 2008 and FY 2009. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 626--An act establishing the veterans enhanced service delivery program

Scott Wells, Assistant Revisor of Statutes, briefed the committee on the bill (Attachment 4).

Representative L. Candy Ruff testified in support of **SB 626** (Attachment 5). Representative Ruff mentioned that **HB 2923** unanimously passed the House and is similar except for amendments that addressed the Post Audit provisions.

Wayne Bollig, Director, Veterans Services, Kansas Commission on Veterans Affairs, spoke as a proponent on **SB 626** (Attachment 6). An important component of the bill would be the Enhanced Service Delivery Program outlined in the bill.

Ken Stodgill, Kansas Veterans of Foreign Wars, testified in support of **SB 626** (Attachment 7). Mr. Stodgill mentioned that as a service organization, they are very interested in the bill and support it.

The Chairman closed the public hearing on **SB 626**.

Chairman Umbarger opened the public hearing on:

SB 650--Secretary of social and rehabilitation services to convey certain properties at Kansas neurological institute to Topeka association for retarded citizens, inc.; approval of deed by attorney general

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 11, 2008, in Room 123-S of the Capitol.

Staff briefed the committee on the bill.

Mary Ann Keating, Executive Director, Topeka Association for Retarded Citizens, Inc., testified in support of **SB 650** (Attachment 8). Ms. Keating explained that they have visited with the Kansas Department of Social and Rehabilitation Services and the state architect and they all have agreed to TARC's request regarding an additional 9.34 acres of land to build a Senior Center. They hope that there is a favorable response to their request for additional land from the state.

The Chairman closed the hearing on **SB 650**.

Senator V. Schmidt moved, with a second by Senator Kelly, to recommend SB 650 favorable for passage and be placed on the Consent Calendar. Motion carried on a roll call vote.

The Chairman turned the committee's attention to discussion of:

SB 485—Counties; alternative building construction procurement contracts; bidding changes

Eric Stafford, Associated General Contractors of Kansas, Inc., (Attachment 9) and Joe Waters, Director of Facilities, Board of County Commissioners, Johnson County (Attachment 10) provided detailed explanations regarding changes on the bill.

The Chairman requested that the Revisor draft a substitute bill due to all the changes. Senator Steineger moved, with a second by Senator Wysong, to adopt the Johnson County amendments and draft a substitute bill for consideration. Motion carried on a voice vote.

The meeting adjourned at 12:05 p.m. The next meeting was scheduled for March 12, 2008.

**SENATE WAYS AND MEANS
GUEST LIST**

Date March 11, 2008

NAME	REPRESENTING
LEN Stockell	STATE VFW
DARRELL BECKER	STATE VFW
Wayne Bollig	KCVA
Rep Candy Ruff	House
Jennifer Gray	NA
Doug Lindell	LDC
Jayne Price	KCC
Jusan Tulipoff	KCC
Diane Sprungel	CurB
Shonda Titsworth	CUKB
Beth Rinnaba	CURB
Chip Wheelen	HCSF Board of Gov.S
Jim FREDERICK	KCVA
Kater Peck	KCVA
JACK FOWLER	KCVA
Tom Whitaker	KMCA
Bob Totten	KCA
Eric Stafford	AGIC of KS
Joe Waters	Johnson County
Berky Grubel	DOB
Kamie Heffler	DOB
Ben Cleaves	DOB
Paula Sherman	DOB

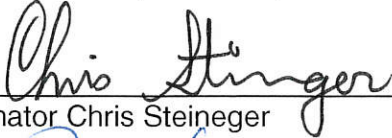
FY 2008 and FY 2009

SENATE WAYS AND MEANS SUBCOMMITTEE

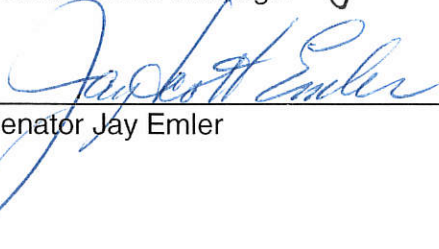
Kansas Corporation Commission
Citizens' Utility Ratepayer Board



Senator Carolyn McGinn, Chair



Senator Chris Steineger



Senator Jay Emler

Senate Ways & Means
3-11-08
Attachment 1

House Budget Committee Report

Agency: Kansas Corporation Commission **Bill No.** - -

Bill Sec. - -

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1258

Budget Page No. 107

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,649,255	21,649,255	0
Subtotal - Operating	<u>\$ 21,649,255</u>	<u>\$ 21,649,255</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 21,649,255</u></u>	 <u><u>\$ 21,649,255</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 214.0	 214.0	 0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	<u><u>220.5</u></u>	<u><u>220.5</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** requests a revised FY 2008 budget totaling \$21.6 million, an increase of \$264,358, or 1.2 percent, above the amount approved by the 2007 Legislature. The increase above the approved amount is attributed to an increase of \$164,558 in federal funding, primarily due to an increase in the Energy Program, and an increase of \$99,800 in other funding, due to increased expenditures for the Facilities Conservation Improvement Program (FCIP) within the Energy Program. These increases are partially offset by decreases in other special revenue funds. The revised estimate does not include any State General Fund expenditures and would fund the currently approved 214.0 FTE positions.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2008 revised estimate of funding and staffing.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2008 recommendation.

House Committee Recommendation

The **House Committee** concurs with the House Budget Committee's FY 2008 recommendation.

Senate Subcommittee Report

Agency: Kansas Corporation Commission **Bill No. - -** **Bill Sec. - -**

Analyst: O'Hara **Analysis Pg. No.** Vol. II - 1258 **Budget Page No.** 107

<u>Expenditure Summary</u>	<u>Agency Estimate FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	21,649,255	21,649,255	0
Subtotal - Operating	<u>\$ 21,649,255</u>	<u>\$ 21,649,255</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 21,649,255</u></u>	<u><u>\$ 21,649,255</u></u>	<u><u>\$ 0</u></u>
FTE Positions	214.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	<u><u>220.5</u></u>	<u><u>220.5</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** requests a revised FY 2008 budget totaling \$21.6 million, an increase of \$264,358, or 1.2 percent, above the amount approved by the 2007 Legislature. The increase above the approved amount is attributed to an increase of \$164,558 in federal funding, primarily due to an increase in the Energy Program, and an increase of \$99,800 in other funding, due to increased expenditures for the Facilities Conservation Improvement Program (FCIP) within the Energy Program. These increases are partially offset by decreases in other special revenue funds. The revised estimate does not include any State General Fund expenditures and would fund the currently approved 214.0 FTE positions.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2008 revised estimate of funding and staffing.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2008 recommendation.

House Budget Committee Report

Agency: Kansas Corporation Commission **Bill No.** HB 2946

Bill Sec. 17

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1258

Budget Page No. 107

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 177,121	\$ 0	\$ 0
Other Funds	20,056,486	20,686,168	(559,148)
Subtotal - Operating	\$ 20,233,607	\$ 20,686,168	\$ (559,148)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 20,233,607	\$ 20,686,168	\$ (559,148)
FTE Positions	214.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	6.5	6.5	0.0
TOTAL	220.5	220.5	0.0

* All of the Budget Committee's recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests a FY 2009 budget of \$20.2 million, a decrease of \$1.4 million, or 6.5 percent, below the revised current year estimate. The request includes State General Fund expenditures of \$177,121 for the Kansas Energy Council (KEC). The request also includes one enhancement of \$229,100, all from special revenue funds, for the replacement of 12 agency vehicles. The request would fund the current 214.0 FTE positions.

Governor's Recommendation

The **Governor** recommends a FY 2009 budget of \$20.7 million, a decrease of \$963,087, or 4.4 percent, below the Governor's FY 2008 recommendation. The decrease is attributed to a one-time demand transfer in FY 2008 of \$1.0 million from the State General Fund to the Kansas Electric Transmission Authority (KETA) Development Fund for the purpose of planning and constructing an electric transmission line. The recommendation includes \$102,513 from special revenue funds to continue KETA activities, \$117,121 from special revenue funds for the Kansas Energy Council (KEC), \$112,900 for six replacement vehicles, and \$559,148 for the Governor's pay plan.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2009 recommendation, with the following adjustment and notations:

1. **Pay Plan Adjustments.** Delete \$559,148, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$292,917, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$173,331, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$92,900, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.
2. **Federal Motor Carrier Safety Regulations Provisos.** The Budget Committee has learned there may be legislative interest in a proviso that limits expenditures by the agency for educating the public on the Federal Motor Carrier Safety Regulations. The Budget Committee recommends that any proviso on this topic should limit expenditures by the agency on enforcement of the federal regulations, rather than limit expenditures on educating the public.
3. **Introduction of House Resolution.** The Budget Committee notes its concern regarding the Federal Motor Carrier Safety Regulations. The Budget Committee has approved the introduction of a House Resolution urging the Federal Motor Carrier Safety Administration to more clearly define the term "interstate commerce," and determine whether the farm-to-market transport of commodities is considered within that definition.
4. **Agency Appropriations Bill Provisos.** The Budget Committee recommends the introduction of legislation to include provisos, traditionally included in the appropriations bill, in law. The agency currently has two separate provisos in its most recent appropriations bill that the agency believes it would be appropriate to introduce as legislation. The Budget Committee recommends that these provisos, concerning the Conservation Fee Fund and the Abandoned Oil and Gas Well Fund, be introduced as legislation. The Budget Committee, at the request of the agency, also recommends that the proviso, as stated in part a of Section 18 of 2007 House Substitute for SB 357, be deleted from the appropriations bill this session. In addition, the Budget Committee recommends that the agency continue to review existing provisos and make recommendations to the Budget Committee during the 2009 Session for other provisos which could be included in substantive law.

The two provisos included in the Budget Committee recommendations are listed below:

2007 HB 2368 § 105

- (a) ...Conservation fee fund..... No limit
Provided, That any expenditure made from the conservation fee fund for plugging abandoned wells, cleanup of pollution from oil and gas activities and testing of wells shall be in addition to any expenditure limitation imposed on this fund: *Provided further*, That expenditures may be made from this fund for debt collection and set-off administration: *And provided further*, That a percentage of the fees collected, not to exceed 27 percent, shall be transferred from the conservation fee fund to the accounting services recovery fund of the department of administration for services rendered in collection efforts: *And provided further*, That all expenditures made from the conservation fee fund for debt collection and set-off administration shall be in addition to any expenditure limitation imposed on this fund: *And provided further*, That the state corporation commission shall include as part of the fiscal year 2009 budget estimates for the state corporation commission submitted pursuant to KSA 75-3717 and amendments thereto, a three-year projection of receipts to and expenditures from the conservation fee fund for fiscal years 2009, 2010 and 2011.

- (c) Expenditures for the fiscal year ending June 30, 2008, by the state corporation commission from the conservation fee fund or the abandoned oil and gas well fund may be made for the service of independent on-site supervision of well plugging contracts: *Provided*, That all expenditures from the conservation fee fund or the abandoned oil and gas well fund for the purpose of plugging of abandoned oil and gas wells shall be subject to the competitive bidding requirements of KSA 75-3739 and amendments thereto and shall not be exempt from such competitive bidding requirements on the basis of the estimated amount of such purchases.

House Committee Recommendation

The **House Committee** concurs with the House Budget Committee's FY 2009 recommendation.

Senate Subcommittee Report

Agency: Kansas Corporation Commission **Bill No.** SB 658

Bill Sec. 17

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1258

Budget Page No. 107

<u>Expenditure Summary</u>	<u>Agency Request FY 09</u>	<u>Governor's Recommendation FY 09</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 177,121	\$ 0	\$ 0
Other Funds	<u>20,056,486</u>	<u>20,686,168</u>	<u>(559,148)</u>
Subtotal - Operating	<u>\$ 20,233,607</u>	<u>\$ 20,686,168</u>	<u>\$ (559,148)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 20,233,607</u></u>	<u><u>\$ 20,686,168</u></u>	<u><u>\$ (559,148)</u></u>
FTE Positions	214.0	214.0	0.0
Non FTE Uncl. Perm. Pos.	<u>6.5</u>	<u>6.5</u>	<u>0.0</u>
TOTAL	<u><u>220.5</u></u>	<u><u>220.5</u></u>	<u><u>0.0</u></u>

* All of the Subcommittee's recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests a FY 2009 budget of \$20.2 million, a decrease of \$1.4 million, or 6.5 percent, below the revised current year estimate. The request includes State General Fund expenditures of \$177,121 for the Kansas Energy Council (KEC). The request also includes one enhancement of \$229,100, all from special revenue funds, for the replacement of 12 agency vehicles. The request would fund the current 214.0 FTE positions.

Governor's Recommendation

The **Governor** recommends a FY 2009 budget of \$20.7 million, a decrease of \$963,087, or 4.4 percent, below the Governor's FY 2008 recommendation. The decrease is attributed to a one-time demand transfer in FY 2008 of \$1.0 million from the State General Fund to the Kansas Electric Transmission Authority (KETA) Development Fund for the purpose of planning and constructing an electric transmission line. The recommendation includes \$177,121 from special revenue funds for Kansas Energy Council (KEC) expenditures, \$102,513 from special revenue funds to continue KETA activities, \$112,900 for six replacement vehicles, and \$559,148 for the Governor's pay plan.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2009 recommendation, with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$559,148, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$292,917, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$173,331, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$92,900, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.

2. **FTE Position for the Facilities Conservation Improvement Program (FCIP).** The Subcommittee recommends reviewing at Omnibus the addition of 1.0 FTE position for the agency to implement the interim committee recommendation by the Special Committee on Energy, Natural Resources, and Environment, that the FCIP be marketed to more agencies and units of government.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** - -

Bill Sec. - -

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1278

Budget Page No. 85

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	871,499	871,499	0
Subtotal - Operating	\$ 871,499	\$ 871,499	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 871,499	\$ 871,499	\$ 0
FTE Positions			
	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.			
	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

Agency Estimate

The **agency** estimates FY 2008 operating expenditures of \$871,499, all from special revenue funds. The request is an increase of \$79,229, or 10.0 percent, above the amount approved by the 2007 Legislature. The increase is due to a reappropriated balance of \$79,229 in funds for professional services from FY 2007, resulting from a late proposal submitted by the agency's consultants regarding three different cases. The agency is allowed by appropriations bill language to carry over any unencumbered funds from the previous fiscal year, provided the funds are used for consultant contracts.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2008 estimate for funding and staffing.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's FY 2008 recommendation.

House Committee Recommendation

The **House Committee** concurs with the House Budget Committee's FY 2008 recommendation.

Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No. - -**

Bill Sec. - -

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1278

Budget Page No. 85

<u>Expenditure Summary</u>	<u>Agency Estimate FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	871,499	871,499	0
Subtotal - Operating	<u>\$ 871,499</u>	<u>\$ 871,499</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 871,499</u></u>	<u><u>\$ 871,499</u></u>	<u><u>\$ 0</u></u>
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>6.0</u></u>	<u><u>6.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2008 operating expenditures of \$871,499, all from special revenue funds. The request is an increase of \$79,229, or 10.0 percent, above the amount approved by the 2007 Legislature. The increase is due to a reappropriated balance of \$79,229 in funds for professional services from FY 2007, resulting from a late proposal submitted by the agency's consultants regarding three different cases. The agency is allowed by appropriations bill language to carry over any unencumbered funds from the previous fiscal year, provided the funds are used for consultant contracts.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2008 estimate for funding and staffing.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2008 recommendation.

House Budget Committee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** HB 2948

Bill Sec. 18

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1278

Budget Page No. 85

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	792,881	803,448	(10,567)
Subtotal - Operating	\$ 792,881	\$ 803,448	\$ (10,567)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 792,881	 \$ 803,448	 \$ (10,567)
 FTE Positions	 6.0	 6.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

* All of the Budget Committee's recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests FY 2009 operating expenditures of \$792,881, all from special revenue funds. The request is a decrease of \$78,618, or 9.0 percent, below the revised FY 2008 estimate. The decrease is attributed to FY 2007 reappropriated funds that the agency has budgeted for contractual services in FY 2008. Thus, the FY 2009 request for contractual services is decreased by \$79,229, which is partially offset by increases for rent, association membership dues, legal database fees, advertising, and other communications expenditures. The agency also requests a decrease in salaries and wages for FY 2009 which reflects the one-time bonus payment to agency employees in FY 2008 for the pay plan approved by the 2007 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2009 operating expenditures of \$803,448, all from the Utility Regulatory Fee Fund. The recommendation is an increase of \$10,567, or 1.3 percent, above the agency's FY 2009 request. The increase is attributed to the Governor's pay plan.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation with the following adjustment and notation:

1. **Pay Plan Adjustments.** Delete \$10,567, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$10,567, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.

2. **Provisos.** The Budget Committee recommends the introduction of legislation to include provisos, traditionally included in the appropriations bill, in law. The agency currently has one separate proviso in its most recent appropriations bill concerning professional services and competitive bidding that the Budget Committee recommends would be more appropriately reflected in substantive law. In addition, the Budget Committee recommends that the agency continue to review existing provisos and make recommendations to the Budget Committee during the 2009 Session for other provisos which could be included in substantive law.

The proviso included in the Budget Committee recommendations is listed below:

2007 HB 2368 § 106(a)

Utility regulatory fee fund.....\$780,280
Provided, That expenditures may be made by the citizens' utility ratepayer board from the utility regulatory fee fund pursuant to contracts for professional services, which are hereby authorized to be entered into by the board: *Provided further*, That such professional services shall include but are not limited to the services of engineers, accountants, attorneys and economists, to assist in carrying out the duties of the board, which assistance may include preparation and presentation of expert testimony, when the expenses of such professional services are required to be assessed under KSA 66-1502 and amendments thereto against the public utilities involved: *And provided further*, That such contracts shall be negotiated by a negotiating committee composed of the following persons: The consumer counsel of the citizens' utility ratepayer board or the consumer counsel's designee, the director of the budget or that director's designee, the director of accounts and reports or that director's designee, and the chairperson of the citizens' utility ratepayer board or the chairperson's designee: *And provided further*, That the consumer counsel of the citizens' utility ratepayer board or the consumer counsel's designee shall convene the negotiating committee for each such contract and the negotiating committee shall consider all proposals by persons applying to perform such contract and shall award the contract: *And provided further*, That such contracts shall not be subject to the provisions of KSA 75-3739 and amendments thereto or to the provisions of the acts contained in article 58 of chapter 75 of the Kansas Statutes Annotated.

House Committee Recommendation

The **House Committee** concurs with the House Budget Committee's FY 2009 recommendation.



Senate Subcommittee Report

Agency: Citizens' Utility Ratepayer Board **Bill No.** SB 658

Bill Sec. 18

Analyst: O'Hara

Analysis Pg. No. Vol. II - 1278

Budget Page No. 85

<u>Expenditure Summary</u>	<u>Agency Request FY 09</u>	<u>Governor's Recommendation FY 09</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	792,881	803,448	(10,567)
Subtotal - Operating	<u>\$ 792,881</u>	<u>\$ 803,448</u>	<u>\$ (10,567)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u>\$ 792,881</u>	 <u>\$ 803,448</u>	 <u>\$ (10,567)</u>
 FTE Positions	 6.0	 6.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

* All of the Subcommittee's recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests FY 2009 operating expenditures of \$792,881, all from special revenue funds. The request is a decrease of \$78,618, or 9.0 percent, below the revised FY 2008 estimate. The decrease is attributed to FY 2007 reappropriated funds that the agency has budgeted for contractual services in FY 2008. Thus, the FY 2009 request for contractual services is decreased by \$79,229, which is partially offset by increases for rent, association membership dues, legal database fees, advertising, and other communications expenditures. The agency also requests a decrease in salaries and wages for FY 2009 which reflects the one-time bonus payment to agency employees in FY 2008 for the pay plan approved by the 2007 Legislature.

Governor's Recommendation

The **Governor** recommends FY 2009 operating expenditures of \$803,448, all from the Utility Regulatory Fee Fund. The recommendation is an increase of \$10,567, or 1.3 percent, above the agency's FY 2009 request. The increase is attributed to the Governor's pay plan.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2009 recommendation, with the following adjustment and notation:

1. **Pay Plan Adjustment.** Delete \$10,567, all from special revenue funds, to remove the following pay plan adjustment recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$10,567, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.

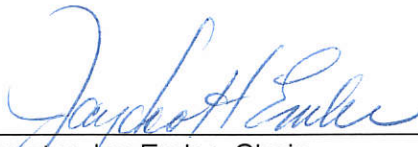
2. **House Bill 2919.** The Subcommittee notes that House Bill 2919 has been approved by the House and is currently in the Senate Committee on Utilities. The bill would place into statute a proviso that historically has been in the appropriations bill, under which the agency currently operates. The bill would authorize the agency to negotiate contracts for professional services to assist in preparing and presenting expert testimony, or otherwise carrying out the duties of the agency. The bill also would require that negotiations be conducted by a committee and would specify the membership and duties of the negotiating committee.

FY 2008 and FY 2009

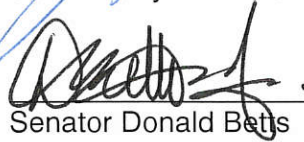
SENATE WAYS AND MEANS SUBCOMMITTEE

Insurance Commissioner
Health Care Stabilization Fund Board of Governors

March 11, 2008



Senator Jay Emler, Chair



Senator Donald Betts

Senate Ways & Means
3-11-08
Attachment 2

House Budget Committee Report

Agency: Kansas Insurance Department **Bill No.** HB 2947

Bill Sec. 27

Analyst: Gorges

Analysis Pg. No. Vol. II-1001

Budget Page No. II-78

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	23,167,004	23,237,004	0
Subtotal - Operating	\$ 23,167,004	\$ 23,237,004	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	120,861	120,861	0
Subtotal - Capital Improvements	\$ 120,861	\$ 120,861	\$ 0
 TOTAL	 \$ 23,287,865	 \$ 23,357,865	 \$ 0
 FTE Positions	 143.0	 143.0	 0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	147.0	147.0	0.0

Agency Estimate

The **agency** estimates current year operating expenditures of \$23,167,004, a decrease of \$152,911, or 0.7 percent, below the amount approved by the 2007 Legislature. The request would be completely funded by special revenue funds.

Governor's Recommendation

The **Governor** concurs with the agency's estimate and adds \$70,000 for a Highway Patrol Security Officer which the agency omitted from their budget submission. The recommendation would be completely funded by special revenue funds.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

House Committee Recommendation

The **House Committee** concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas Insurance Department **Bill No.** SB 655

Bill Sec. 27

Analyst: Gorges

Analysis Pg. No. Vol. II-1001

Budget Page No. II-78

<u>Expenditure Summary</u>	<u>Agency Estimate FY 08</u>	<u>Governor's Recommendation FY 08</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	0
Other Funds	23,167,004	23,237,004	0
Subtotal - Operating	<u>\$ 23,167,004</u>	<u>\$ 23,237,004</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Other Funds	120,861	120,861	0
Subtotal - Capital Improvements	<u>\$ 120,861</u>	<u>\$ 120,861</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 23,287,865</u></u>	<u><u>\$ 23,357,865</u></u>	<u><u>\$ 0</u></u>
FTE Positions	143.0	143.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>147.0</u></u>	<u><u>147.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates current year operating expenditures of \$23,167,004, a decrease of \$152,911, or 0.7 percent, below the amount approved by the 2007 Legislature. The request would be completely funded by special revenue funds.

Governor's Recommendation

The **Governor** concurs with the agency's estimate and adds \$70,000 for a Highway Patrol Security Officer which the agency omitted from their budget submission. The recommendation would be completely funded by special revenue funds.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Insurance Department

Bill No. 2946

Bill Sec. 10

Analyst: Gorges

Analysis Pg. No. II-1001

Budget Page No. 78

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	23,225,564	23,503,530	(259,416)
Subtotal - Operating	<u>\$ 23,225,564</u>	<u>\$ 23,503,530</u>	<u>\$ (259,416)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	123,054	123,054	0
Subtotal - Capital Improvements	<u>\$ 123,054</u>	<u>\$ 123,054</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 23,348,618</u></u>	<u><u>\$ 23,626,584</u></u>	<u><u>\$ (259,416)</u></u>
FTE Positions	143.0	143.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>147.0</u></u>	<u><u>147.0</u></u>	<u><u>0.0</u></u>

* All of the Budget Committee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests budget year operating expenditures of \$23,225,564, an increase of \$58,560, or 0.3 percent, above the revised current year estimate. The increase is partially offset by the one-time bonus payment paid in FY 2008 and would be completely funded by special revenue funds.

Governor's Recommendation

The **Governor** recommends budget year operating expenditures of \$23,503,530, an increase of \$277,966, or 1.2 percent, above the agency's request. The recommendation is an increase of \$266,526, or 1.1 percent, above the Governor's revised current year recommendation. The increase is attributed to \$70,000 to fund a Highway Patrol Security Officer inadvertently omitted from the agency's request, and an \$207,966 to fund salaries and wages based on the Governor's pay plan adjustments. The recommendation would be completely funded by special revenue funds.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$259,416, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$174,549 to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$33,417 to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$51,450 to remove the amount recommended by the Governor for longevity bonus payments.

House Committee Recommendation

The **House Committee** concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas Insurance Department **Bill No.** 658

Bill Sec. 10

Analyst: Gorges **Analysis Pg. No.** II-1001

Budget Page No. 78

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	23,225,564	23,503,530	(259,416)
Subtotal - Operating	<u>\$ 23,225,564</u>	<u>\$ 23,503,530</u>	<u>\$ (259,416)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	123,054	123,054	0
Subtotal - Capital Improvements	<u>\$ 123,054</u>	<u>\$ 123,054</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 23,348,618</u></u>	<u><u>\$ 23,626,584</u></u>	<u><u>\$ (259,416)</u></u>
FTE Positions	143.0	143.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>147.0</u></u>	<u><u>147.0</u></u>	<u><u>0.0</u></u>

* All of the Senate Subcommittee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests budget year operating expenditures of \$23,225,564, an increase of \$58,560, or 0.3 percent, above the revised current year estimate. The increase is partially offset by the one-time bonus payment paid in FY 2008 and would be completely funded by special revenue funds.

Governor's Recommendation

The **Governor** recommends budget year operating expenditures of \$23,503,530, an increase of \$277,966, or 1.2 percent, above the agency's request. The recommendation is an increase of \$266,526, or 1.1 percent, above the Governor's revised current year recommendation. The increase is attributed to \$70,000 to fund a Highway Patrol Security Officer inadvertently omitted from the agency's request, and an \$207,966 to fund salaries and wages based on the Governor's pay plan adjustments. The recommendation would be completely funded by special revenue funds.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$259,416, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$174,549 to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$33,417 to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$51,450 to remove the amount recommended by the Governor for longevity bonus payments.

House Budget Committee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** HB 2947 **Bill Sec.** 4

Analyst: Gorges **Analysis Pg. No.** Vol. II - 1020 **Budget Page No.** II -183

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	33,719,785	33,719,785	0
Subtotal - Operating	<u>\$ 33,719,785</u>	<u>\$ 33,719,785</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 33,719,785</u></u>	<u><u>\$ 33,719,785</u></u>	<u><u>\$ 0</u></u>
FTE Positions	17.0	17.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>17.0</u></u>	<u><u>17.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates current year operating expenditures of \$33,719,785 from the Health Care Stabilization Fund, a decrease of \$570,237, or 1.7 percent, below the amount approved by the 2007 Legislature. Of the estimated expenditures, \$1,571,472 is for the Administration Program, while the remaining \$32,148,313 is for the payment of claims and claims related expenses.

The request is an increase of \$292,079, or 22.8 percent above the approved amount for the Administration Program, which is attributed to \$217,079 in Kansas Savings Incentive Program (KSIP) expenditures and one supplemental request totaling \$75,000 to fund an independent professional accounting audit.

Governor's Recommendation

The **Governor** concurs with the agency's revised current year estimate.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** SB 658 **Bill Sec.** 11

Analyst: Gorges **Analysis Pg. No.** II-1020 **Budget Page No.** 183

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	33,719,785	33,719,785	0
Subtotal - Operating	<u>\$ 33,719,785</u>	<u>\$ 33,719,785</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 33,719,785</u></u>	<u><u>\$ 33,719,785</u></u>	<u><u>\$ 0</u></u>
FTE Positions	17.0	17.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>17.0</u></u>	<u><u>17.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2008 expenditures of \$33,719,785 from the Healthcare Stabilization Fund, a decrease of \$570,237, or 1.7 percent, below the amount approved by the 2007 Legislature. Of the estimated expenditures, \$1,571,472 is for the Administration Program, while the remaining \$32,148,313 is for the payment of claims and claims related expenses. The request is an increase of \$292,079, or 22.8 percent above the approved amount for the Administration Program, which is attributed to \$217,079 in KSIP expenditures and one supplemental request totaling \$75,000 to fund an independent professional accounting audit.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2008 estimate.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notation:

1. The Subcommittee notes the agency's supplemental request, an independent audit, would be funded with special revenue funds and has been approved by the agency's board. The Health Care Stabilization Fund Oversight Committee also recommends the supplemental request. The audit will review the agency's claims procedures, including possibly combining three currently non-integrated databases. It will review the compatibility of current procedures with the upcoming Financial Management System. Finally, the review will provide a baseline of operations for the agency's new executive director.

House Budget Committee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** HB 2946 **Bill Sec.** 11

Analyst: Gorges **Analysis Pg. No.** Vol. II -1020 **Budget Page No.** II -183

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	33,448,833	33,483,656	(39,623)
Subtotal - Operating	<u>\$ 33,448,833</u>	<u>\$ 33,483,656</u>	<u>\$ (39,623)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 33,448,833</u></u>	<u><u>\$ 33,483,656</u></u>	<u><u>\$ (39,623)</u></u>
FTE Positions	17.0	17.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>17.0</u></u>	<u><u>17.0</u></u>	<u><u>0.0</u></u>

* All of the Budget Committee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests FY 2009 expenditures of \$33,448,833 from the Health Care Stabilization Fund, a decrease of \$270,952, or 0.8 percent, below the revised FY 2008 estimate. Of the request, \$1,300,520 is for the Administrative Program, while the remaining \$32,148,313 is for the payment of claims and claims related expenses.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$34,823 for the Governor's pay plan.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$39,623, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.

- a. **State Employee Pay Increases.** Delete \$22,563, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
- b. **Classified Employee Pay Plan.** Delete \$12,260, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
- c. **Longevity Pay.** Delete \$4,800, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.

Senate Subcommittee Report

Agency: Health Care Stabilization Fund Board of Governors **Bill No.** SB 658 **Bill Sec.** 11

Analyst: Gorges **Analysis Pg. No.** II-1020 **Budget Page No.** 183

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	33,448,833	33,483,656	(39,623)
Subtotal - Operating	\$ 33,448,833	\$ 33,483,656	\$ (39,623)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 33,448,833	 \$ 33,483,656	 \$ (39,623)
 FTE Positions	 17.0	 17.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	17.0	17.0	0.0

* All of the Budget Committee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests FY 2009 expenditures of \$33,448,833 from the Healthcare Stabilization Fund, a decrease of \$270,952, or 0.8 percent, below the revised FY 2008 estimate. Of the request, \$1,300,520 is for the Administrative Program, while the remaining \$32,148,313 is for the payment of claims and claims related expenses. The decrease is in the Administration Program. The request reflects the one-time bonus payment paid in FY 2008.

Governor's Recommendation

The **Governor** recommends FY 2009 expenditures of \$33,483,656, an increase of \$34,823, or 0.1 percent, above the agency's FY 2009 request. The increase is entirely attributed to the Governor's pay plan.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:


1. **Pay Plan Adjustments.** Delete \$39,623, all from special revenue funds, to remove the following pay plan adjustments recommended by the Governor. Pay plan adjustments will be considered in a separate bill.
 - a. **State Employee Pay Increases.** Delete \$22,563, all from special revenue funds, to remove the amount recommended by the Governor for the 2.5 percent base salary adjustment.
 - b. **Classified Employee Pay Plan.** Delete \$12,260, all from special revenue funds, to remove the amount recommended by the Governor for FY 2009 pay increases for basic vocational classes and for those employees identified as having the most disparity relative to market rate.
 - c. **Longevity Pay.** Delete \$4,800, all from special revenue funds, to remove the amount recommended by the Governor for longevity bonus payments.

FY 2008 and FY 2009


SENATE WAYS AND MEANS SUBCOMMITTEE

Kansas Guardianship Program

March 11, 2008



Senator Jean Schodorf, Chair



Senator Donald Betts

Senate Ways & Means
3-11-08
Attachment 3

House Budget Committee Report

Agency: Kansas Guardianship Program **Bill No.** HB

Bill Sec.

Analyst: Gorges

Analysis Pg. No. Vol.-

Budget Page No. 171

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,349,629	\$ 1,349,629	\$ 0
Other Funds	0	0	0
Subtotal - Operating	\$ 1,349,629	\$ 1,349,629	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,349,629	\$ 1,349,629	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Estimate

The **agency** estimates FY 2008 operating expenditures of \$1,349,629, all from the State General Fund. The estimate is an increase of \$52,517, or 4.0 percent, above the amount approved by the 2007 Legislature. The entire increase is attributable to reappropriated FY 2007 funds.

Governor's Recommendation

The **Governor** concurs with the agency's request.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation.

House Committee Recommendation

The **House Committee** concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas Guardianship Program

Bill No. - -

Bill Sec. 34

Analyst: Gorges

Analysis Pg. No. I-182

Budget Page No. II-171

Expenditure Summary	Agency Estimate FY 08	Governor's Recommendation FY 08	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,349,629	\$ 1,349,629	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	<u>\$ 1,349,629</u>	<u>\$ 1,349,629</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,349,629</u></u>	<u><u>\$ 1,349,629</u></u>	<u><u>\$ 0</u></u>
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>12.0</u></u>	<u><u>12.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2008 operating expenditures of \$1,349,629, all from the State General Fund. The estimate is an increase of \$52,517, or 4.0 percent, above the amount approved by the 2007 Legislature. The entire increase is attributable to reappropriated FY 2007 funds.

Governor's Recommendation

The **Governor** concurs with the agency's request.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Guardianship Program **Bill No.** HB

Bill Sec.

Analyst: Gorges

Analysis Pg. No. Vol.-

Budget Page No. 171

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	House Budget Committee Adjustments*
Operating Expenditures:			
State General Fund	\$ 1,297,557	\$ 1,311,606	\$ (14,049)
Other Funds	0	0	0
Subtotal - Operating	\$ 1,297,557	\$ 1,311,606	\$ (14,049)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 1,297,557	\$ 1,311,606	\$ (14,049)
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

* All of the Budget Committee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests \$1,297,557, all from the State General Fund for FY 2009 operating expenditures. The request is a decrease of \$52,072, or 3.9 percent, below the FY 2008 revised estimate. The request includes two agency enhancement requests totaling \$13,500. Without the enhancement packages, the agency's FY 2008 request is a decrease of \$65,572, or 4.9 percent, below the FY 2008 revised estimate.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$14,049 for the Governor's pay plan adjustment.

House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$14,049, all from the State General Fund, to remove the State Employee Pay Increase. There are no other pay plan adjustments in the Governor's recommendation. Pay plan adjustments will be considered in a separate bill.

House Committee Recommendation

The **House Committee** concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas Guardianship Program **Bill No.** SB 658 **Bill Sec.** 34

Analyst: Gorges **Analysis Pg. No.** I-182 **Budget Page No.** 171

Expenditure Summary	Agency Request FY 09	Governor's Recommendation FY 09	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 1,297,557	\$ 1,311,606	\$ (14,049)
Other Funds	0	0	0
Subtotal - Operating	<u>\$ 1,297,557</u>	<u>\$ 1,311,606</u>	<u>\$ (14,049)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,297,557</u></u>	<u><u>\$ 1,311,606</u></u>	<u><u>\$ (14,049)</u></u>
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>12.0</u></u>	<u><u>12.0</u></u>	<u><u>0.0</u></u>

* All of the Subcommittee recommended reductions are related to pay plan adjustments.

Agency Request

The **agency** requests \$1,297,557, all from the State General Fund for FY 2009 operating expenditures. The request is a decrease of \$52,072, or 3.9 percent, below the FY 2008 revised estimate. The request includes two agency enhancement requests totaling \$13,500. Without the enhancement packages, the agency's FY 2008 request is a decrease of \$65,572, or 4.9 percent, below the FY 2008 revised estimate.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$14,049 for the Governor's pay plan adjustment.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

1. **Pay Plan Adjustments.** Delete \$14,049, all from the State General Fund, to remove the State Employee Pay Increase. There are no other pay plan adjustments in the Governor's recommendation. Pay plan adjustments will be considered in a separate bill.

Office of Revisor of Statutes
300 S.W. 10th Avenue
Suite 010-E, Statehouse
Topeka, Kansas 66612-1592
Telephone (785) 296-2321 FAX (785) 296-6668

MEMORANDUM

To: Senator Umbarger, Chairman, and Members of the Senate Ways and Means Committee

From: Scott S. Wells, Assistant Revisor

Date: March 4, 2008

Subject: SB 626, veterans enhanced service delivery program

Senate Bill No. 626 directs the Kansas commission on veterans affairs (KCVA) to establish and administer the veterans enhanced service delivery program within the veterans claims assistance program. The goal of the veterans enhanced service delivery program is to ensure delivery of services to all veterans, their dependents and survivors and, where necessary, to bring those services to veterans. To accomplish this goal, the veterans enhanced service delivery program is to incorporate a reorganized veterans services program and use mobile offices to reach veterans, their dependents and survivors, thus ensuring that all veterans have access to service. The reorganization of veterans services is to include the use of mobile claims offices, as necessary, and a strong rural outreach program in order to streamline and modernize Kansas' delivery services and benefits to veterans, their dependents and survivors. The director of the veterans claims assistance program is charged with appointing subordinate officers and employees, subject to the approval of the executive director of the KCVA. The veterans claims assistance advisory board shall serve in an advisory role to the KCVA and the director of the veterans claims assistance program.

The KCVA is required to adopt rules and regulations to implement and administer the veterans enhanced service delivery program and, specifically, shall include the following: (1) Duties and responsibilities of the veterans claims assistance advisory board to oversee the operation and reorganization of veteran services within

the veterans claims assistance program and the introduction of the mobile office concept; (2) the development of criteria for the location, maintenance and staffing of mobile offices and veteran service offices; (3) the development of criteria for joint outreach programs between veteran service organizations, state and federal agencies providing services to veterans and the KCVA; (4) targeted outreach programs to reach minority veterans, veterans in rural Kansas communities, homebound veterans, and those in nursing homes or those with limited mobility; and (5) the development of criteria for working with staff at the United States department of veterans affairs offices and clinics throughout Kansas, as well as state agencies, community organizations, business leaders and veteran service organizations to ensure the broadest reach of the program.

The legislative budget committee shall annually study and review the veterans enhanced service delivery program.

STATE OF KANSAS



TOPEKA

HOUSE OF
REPRESENTATIVES

L. CANDY RUFF
REPRESENTATIVE FORTIETH DISTRICT
LEAVENWORTH COUNTY
321 ARCH
LEAVENWORTH, KANSAS 66048
(913) 682-6390

STATE CAPITOL, ROOM 278-W
TOPEKA, KANSAS 66612-1504
(785) 296-7647
E-MAIL: Ruff@house.state.ks.us

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER:
BUSINESS, COMMERCE & LABOR
FEDERAL AND STATE AFFAIRS
TOURISM AND PARKS
JOINT COMMITTEE ON ADMINISTRATIVE
RULES AND REGULATIONS
JOINT COMMITTEE ON ARTS AND
CULTURAL RESOURCES

To: Senate Ways and Means Committee
From: Rep. L. Candy Ruff
Re: SB 626, HB 2923
Date: March 11, 2008

Although your committee is hearing SB 626 today, HB 2923 which just unanimously passed the House is similar except for amendments that addressed the Post Audit provisions. Please consider both bills as they reorganize and enhance veteran services within the Kansas Commission on Veterans Affairs. Designed to improve the services to veterans, dependents and survivors by creating the Veterans Enhanced Service Delivery Program (VESDP), these bills will provide three handicapped-accessible mobile offices equipped with wireless technology and printed materials while being staffed by Veteran Service Representatives (VSR) and clerical personnel. The delivery of these enhanced services will be to rural and isolated communities that are currently underserved by KCVA, while also providing services to veterans unable to leave their homes or those veterans living in extended care facilities.

Carried within the provision to reorganize veteran services will be an effort to identify those veterans who currently receive (or are applying for) state services and benefits and may be eligible for similar assistance from the Veterans Administration. With the goal of reducing state spending in those service areas, SB 626 and HB 2923 call for Legislative Post Audit to identify the gatekeepers within the state's social services delivery system. Once identified, suggestions will be made to better direct eligible veterans to federal programs thus saving state resources. Although amendments were added to HB 2923 to address those Post Audits, several technical errors will need to be addressed when this legislation is worked in committee. Post Audit has provided language for that amendment and it is attached to my testimony.

The role of the Veterans Claims Assistance Program Advisory Board would be expanded by oversight and program recommendations for VESDP. This board is comprised of representatives from veteran service organizations and legislators with appointments made by the leadership in the House and Senate. KCVA's director of veteran services serves as staff liaison. Continuing its advisory role to the Commissioners of KCVA, the board would be involved in setting veteran service priorities as well as serving as advocates for the program within the Legislature.

Although the legislation carries a reasonable fiscal note, the chairman of the Social Services Budget Subcommittee indicated efforts were being made to find savings from within existing resources as well as the agency's administrative budget. When enhancements are considered during omnibus discussions, this program will receive priority consideration indicated by the bill's unanimous passage in the House.

3-6-08

Legislative Post Audit suggestions for modifications to Section 3 and Section 4 of HB 2923

Sec. 3. The legislative post auditor shall conduct audits of the veterans enhanced service delivery program under this section in accordance with the provisions of the legislative post audit act. Each such audit shall focus on how much spending from the state general fund would be or has been reduced because of increased federal benefits paid to veterans resulting from the veterans enhanced service delivery program. Reports of such audits shall be submitted to the legislature at the beginning of the regular session of the legislature held during ~~2009~~ **2010** and 2012. The ~~2009~~ **2010** audit report shall ~~estimate~~ **examine and report on** the savings from the time the veterans enhanced service delivery program was implemented ~~and as projected for the remainder of through the end of~~ fiscal year 2009. ~~and~~ The 2012 audit report **shall examine and report on savings attributable to the enhanced service delivery program** for fiscal years 2010 ~~and~~ 2011. ~~and 2012.~~

Sec. 4. *By the start of the 2009 legislative session,* ~~The~~ legislative post auditor shall conduct an audit to determine ~~how much~~ **whether it appears that significant amounts of** money is spent from the state general fund for services to veterans or family members of veterans ~~that~~ could be replaced by federal benefits through the United States department of veterans affairs.

I would also propose adding a new section that says the following: **The Kansas Commission on Veterans Affairs shall be required to keep detailed records of the of results produced by the enhanced service delivery program including, but not limited to, the names of all veterans or family members whose benefits were able to be shifted from state-funded programs to federal benefits offered through the United States Department of Veterans Affairs, as well as the amounts of benefits they were receiving from each state-funded program at the time their benefits were shifted to the federal programs.**

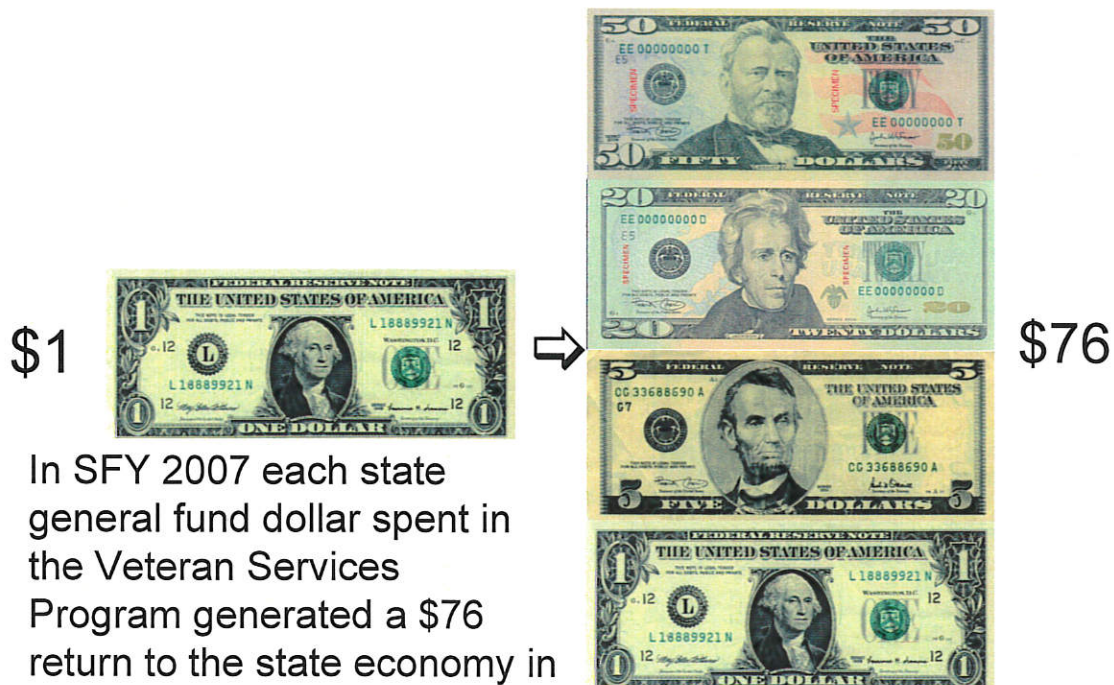
Discussion of reasons for proposed changes

Section 3: The reason for changing the first audit date from the 2009 legislative session to the 2010 legislative session is that 2009 will be a start-up year for the program. For the audit to be completed for the start of the 2009 session, the latest it could start would be Fall 2008, which would only give the program a few months to be in existence before being audited. Hence the results would likely be very limited. I also modified the language calling for LPA to project savings through 2012 for much the same reason. Because that first year would be only a partial year and the first year of the program, any projections of savings would likely be very inaccurate at that point. Instead, I suggest having the 2012 audit cover actual results from 2010 and 2011. I'd suggest not including FY 2012 because only a few months of FY 2012 would have elapsed by the time the audit needed to be done.

Section 4: The section as it currently exists doesn't specify when the audit would be done. I inserted language to do that. Also, as we discussed when I was drafting the scope statement for

the audit, it doesn't appear that there are records we could look at to determine "how much money is spent from the State General Fund for services to veterans and family members that could be replaced by federal benefits. I modified the language to say we would determine whether it appears significant amounts of money spent from the General Fund could be replaced with federal benefits, to keep the language more consistent with the scope statement. *(Also, one thing to consider, it seems that your intention in requesting the audit called for in Section 4 is to assess whether spending money in this program is likely to produce General Fund savings. If that's the case, it might be sort of a moot issue to do that audit after the legislation is already passed.)*

Kansas Commission on Veterans' Affairs



In SFY 2007 each state general fund dollar spent in the Veteran Services Program generated a \$76 return to the state economy in federal benefits paid directly to veterans an increase of \$1.50 over SFY 2006.

Wayne Bollig, Director, Veteran Services

Senate Ways & Means
3-11-08
Attachment 6

Senate Ways and Means Committee

Dwayne Umbarger - Chair
Laura Kelly - Ranking
Minority
Jay Scott Emler - Vice Chair

Stephen R Morris
Vicki L Schmidt
Ruth Teichman
Mark Taddiken
Chris Steineger

Jean Kurtis Schodorf
Donald Betts
Greta Goodwin
Carolyn McGinn
David Wysong

RE: SB-626 Testimony

Chairman Umbarger and members of the Committee, I am Wayne Bollig, Director of the Veteran Services Program with the Kansas Commission on Veterans' Affairs.

Veteran Services provides advocacy and benefits information to veterans, their families, and survivors and assists them in acquiring veterans' benefits. Veteran Services is made up of field offices, the Veterans Claims Assistance Program, and Service Grants. An important new component would be the Enhanced Service Delivery Program outlined in SB-626 and in HB-2923 recently passed unanimously by the house.

Veteran Services generates in excess of one hundred million dollars annually for veterans and the Kansas economy, but this has little to do with dollars and more to do with the States commitment to veterans. The State and the Federal government go to great lengths to provide benefits and support to those who sacrifice so much for us. We have programs like Heroes 2 Hometowns, Wounded Warriors, and others. The State has always stepped forward to support and thank Kansas men and women who serve. SB-626 helps us provide benefits information and support to veterans that return home to live in our small rural communities, that are homebound, or those that live in nursing homes across the State. Veteran Services is often the first and only contact that the veteran can rely on. Because of issues like Hearing loss, TBI, PTSD, the loss of limbs, or other illnesses, veterans often require personal contact SB-626 will help Veteran Services find and support these veterans.

Unfortunately, Veteran Services struggles often closing offices for weeks or even months at a time when vacancies occur. Funding and rising costs keep itinerant travel to a minimum, even purchases of basic office supplies can be a struggle. Most offices have only one staff member this means illness, vacations, and itinerant travel leave offices locked and unmanned for extended periods. With 44 authorized positions and 19 vacant, Veteran Services has just 14 veteran service positions covering 82,282 square miles, supporting approximately 240,000 Kansas veterans, plus their dependents and survivors.

The veteran service organizations support SB-626, Jack Fowler Chairman of the KCVA, has been an avid supporter, of filling vacant positions within the Veteran Services Program and the mobile office concept.

The KCVA, VFW, and the American Legion all agree SB-626, if passed, will make the KCVA and Veteran Services stronger. There are thousands of veterans in rural communities; homebound veterans, and veterans in nursing homes that struggle from day to day. These veterans are under-served, at best, but often simply overlooked. They may have no knowledge of the assistance they deserve or their federal VA benefits. SB-626 allows us to take information and support to these veterans.

SB-626 requires reorganization of Veteran Services and has the potential to bring millions of new dollars to Kansas in the form of benefits paid to veterans. It will reduce State costs by increasing the number of veterans enrolled in the VA health care system and receiving benefits such as hospitalization and prescription drugs, no longer relying on State assistance.

Last State Fiscal year Veteran Services contributed \$76 in direct cash benefits to the Kansas economy for each \$1.00 in state general fund dollar appropriated. Total benefits generated by the \$1.5 million in SGF funding generated over \$123 million dollars in support for veterans, dependents and survivors.

Attachment 1 shows Kansas veterans average \$1,209 per veteran in compensation and pension dollars compared to, \$1,409 per veteran in the United States, this is \$200 per veteran less than the national average. Kansas currently has only 17 out of 105 counties where veterans receive compensation at or above the national average. If all counties were brought up to this national average, benefit payments to Kansas veterans would increase by between \$50 and \$76 million per year.

An example of this success is the Veterans Claims Assistance Program passed unanimously by both the House and Senate. It started with a \$500,000 appropriation the first year; benefits paid to veterans increased by 18%, or a \$12.7 million, a return to Kansas taxpayers of \$30 per dollar spent after just nine months of operation.

Thank you for this opportunity to bring testimony before you and I will now stand for questions.



2007 Kansas Per Capita Compensation and Pension

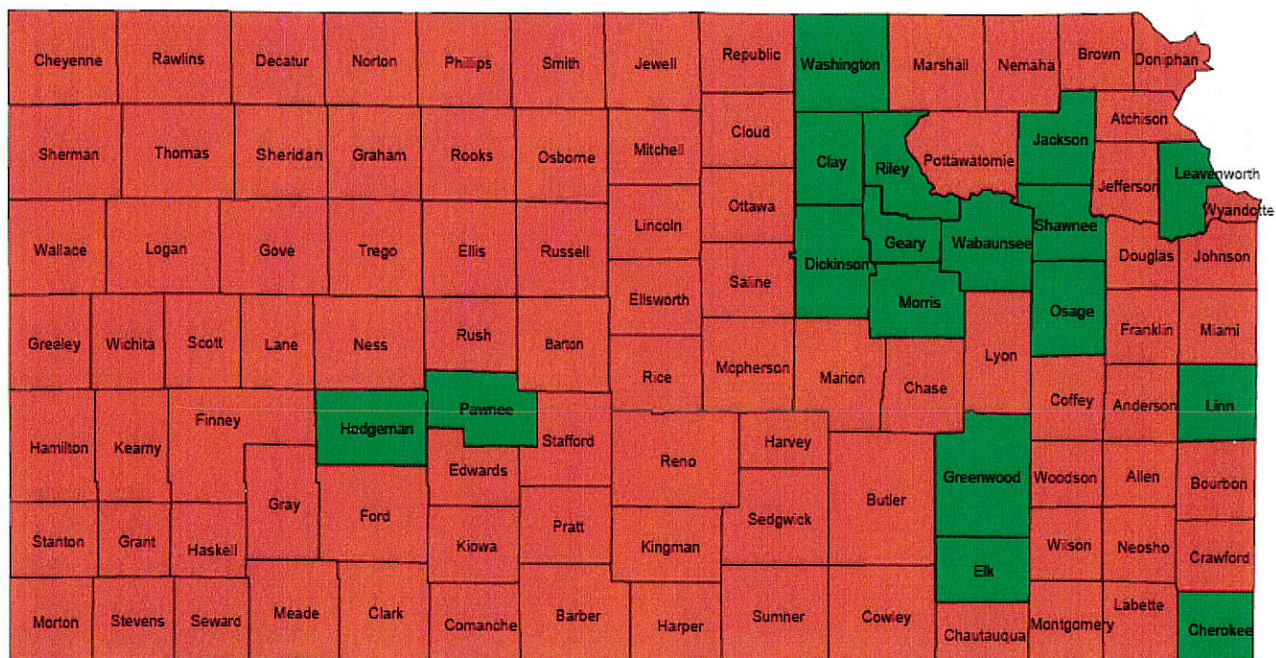
National Average: \$1,409

State Average: \$1,202

(population figures are from Vet Pop
2004, version 1.0, 9/30/06)
2006 VA C&P data

■ > \$1409 per Veteran

■ < \$1409 per Veteran



KANSAS VETERANS OF FOREIGN WARS

Senate Ways & Means

SB-626 – establishing the veterans enhanced service delivery program within the
Veterans' Claims Assistance Program

Senator Umbarger and members of the Committee, thank you for the opportunity to present testimony as a proponent of SB-626.

Recent attacks on our nation have reminded Americans once again how much this great country depends on our Armed Forces. Unfortunately when these young men and women return home they often feel forgotten. Not because of any thing we do intentionally but often because of the unintentional consequences of inadequate funding and budget cuts.

The VFW has come to you over the years asking for support and you have always stood behind us. In recent years we have come to you to help and assistance and we are proud to say your faith was well placed. Last year which was the first year for the Grant Program. That program in its first year paid back 30 fold. It allowed us to hire staff, and reach out to veterans' that could travel to a KCVA field office or one of our offices in a VA hospital. Because of this program we were able to help Kansas veterans, dependents and survivors receive over 64 million dollars in benefits. But we can only provide those benefits to those who could come to either a KCVA representative or a representative in one of the hospitals. There is a whole segment of the veteran community being overlooked, veterans confined to nursing homes, homebound or those unaware of their entitlements.

The Service Organizations are proud of our history with the KCVA, so when Chairman Fowler asked the VFW to work with them on getting funding and filling positions, we agreed. We looked forward to working with them to rebuild a relationship that has spanned almost 65 years. Representative Ruff and Senator Ostmeyer encouraged us to find a way to help the KCVA, a way that would demonstrate to Legislators and veterans alike that the KCVA and the Service Organizations can and would work together to benefit veterans. SB-626 does this.

The KCVA, and the VFW agree SB-626, if passed, will make veterans service stronger. It will provide needed support to thousands of veterans in rural communities; home bound veterans and veterans in nursing homes that struggle day to day, and deserving of assistance in filing for federal benefits they have earned.

The funding required to properly implement SB-626 is minimal when weighed against the sacrifices and service of veterans. We are constantly looking for ways to assist our disabled veterans, working together. SB-626 allows us to do this by taking needed services and assistance to the veteran, by reaching out to them where they live and when they can not come to us.

The benefit of SB-626 reaches beyond the veteran, it will also provide assistance to spouses and children who live in rural communities.

We ask that you pass SB-626 out of committee and that the legislature support veterans as they have in the past.

Thank you for this opportunity to submit testimony before this committee.

Senate Ways & Means
3-11-08
Attachment 7



Service. Support. Advocacy.

2701 SW Randolph Ave • Topeka KS 66611 • (785) 232-0597 • FAX (785) 232-3770 • www.tarcinc.org

TO: Senate Ways and Means Committee
FROM: Mary Ann Keating, Executive Director
Topeka Association for Retarded Citizens, Inc. (TARC)
DATE: March 11, 2008
RE: SB 650: Transfer of Land

I appreciate the opportunity to meet with you this morning in support of Senate Bill 650. I appreciate all that you each do on behalf of persons with disabilities across Kansas. I am especially thankful to Senator Vicki Schmidt for assisting TARC with this bill and both Senator Schmidt and Senator Laura Kelly for all they do representing Topeka and Shawnee County.

54 years ago, if you had a child with a disability you had two options: to either place your child in a state mental retardation hospital or keep your child at home. Our founding families created a third option and in 1954 founded TARC as a community service provider to support children with mental retardation. It was an organization founded by families for families with children with disabilities.

Thirty two families started TARC with space in a renovated garage, a part-time teacher and volunteers to operate a day care for young children with mental retardation. As those children grew older, Ethel May Miller, the first Executive Director of TARC, and a nationally recognized leader in the development of services and supports for persons with mental retardation, came before the Kansas Legislature in 1970 to request land from the state to build a community center to provide a preschool and an adult day program for persons with developmental disabilities.

The Center was built on property located to the southeast boundary of the Kansas Neurological Institute at 2701 Randolph Avenue. In 1979, as TARC continued to grow and those children and young adults became ready for the workforce, Ms. Miller again came to the Legislature to request a transfer of land from the state to build a Training Center to enhance employment opportunities for persons with disabilities.

I stand before you in 2008 to request land to build a Senior Center, as a number of the individuals we have supported since 1954, along with many others, have already, or are about to reach retirement age. TARC, which started the first Senior Program for persons with developmental disabilities in Shawnee County, now has 30 individuals in our Senior Program. Over the next 4 years that number will increase to 58, in less than 10 years it will reach 90. Our current space is inadequate to meet the needs of our seniors. The bathrooms are not accessible; the space is a former multi-purpose room that does not allow for a quiet area or privacy. There are also multiple exits which present a safety concern for those we support. An increasing number of our adults experience Alzheimer's, dementia and other health related challenges requiring specialized equipment and environmental considerations.

Senate Ways & Means
3-11-08
Attachment 8

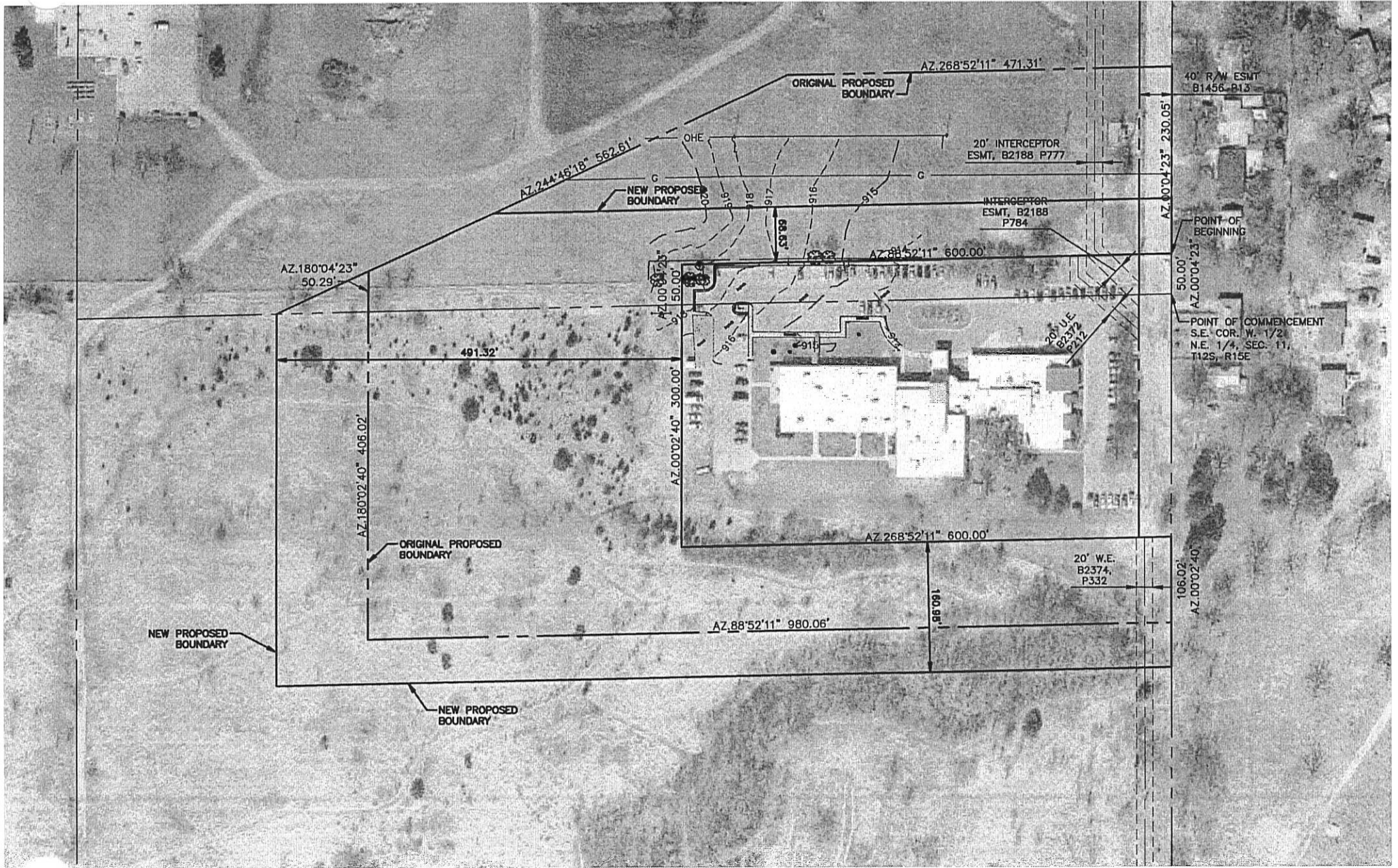
As TARC is located to the east of KNI with the Shunga Creek on our south boundary and neighbors homes to our east, we can only move west and north. We have had several meetings with KNI officials to address our need to expand. They have visited with us, SRS and the state architect and they have all agreed to our request. We are requesting an additional 9.34 acres of land, described in detail in SB 650, to build a Senior Center. The land would also be used to expand our parking, as we no longer have enough parking for our staff and visitors resulting in cars having to be parked on the street in front of our neighbor's homes on Randolph.

TARC has a strong and proud history of providing quality community supports and services to infants, children and adults with disabilities since our inception in 1954. Our founding families can be proud of the vision they had over 50 years ago and the reality that their dream for their children has become. We can assure you that we are committed to continuing that tradition of excellence in the years ahead on behalf of those with developmental disabilities that we are privileged to support.

We hope that you will have favorable response to our request for additional land from the state through Senate Bill 650.

Thank you for your time and consideration. I would be pleased to address any questions that you might have.

Mary Ann Keating
Executive Director
TARC, Inc.
2701 SW Randolph Avenue
Topeka, Kansas 66611
785-232-0597
mkeating@tarcinc.org
www.tarcinc.org



SENATE BILL No. 485
By Committee on Ways and Means

Balloon –
considering
conference call and
committee
comments.

9 AN ACT concerning counties; enacting the county alternative project
10 delivery building construction procurement act; amending K.S.A. 19-
11 214 and repealing the existing section.
12

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

14 New Section 1. This act shall be known and may be cited as the
15 county alternative project delivery building construction procurement act.

16 New Sec. 2. (a) "Alternative project delivery" means an integrated
17 comprehensive building design and construction process, including all
18 procedures, actions, sequences of events, contractual relations, obliga-
19 tions, interrelations and various forms of agreement all aimed at the suc-
20 cessful completion of the design and construction of buildings and other
21 structures whereby a construction manager or general contractor or build-
22 ing design-build team is selected based on a qualifications and best value
23 approach.

24 (b) "Ancillary technical services" include, but shall not be limited to,
25 geology services and other soil or subsurface investigation and testing
26 services, surveying, adjusting and balancing air conditioning, ventilating,
27 heating and other mechanical building systems and testing and consultant
28 services that are determined by the agency to be required for the project.

29 (c) "Architectural services" means those services described by sub-
30 section (e) of K.S.A. 74-7003, and amendments thereto.

31 (d) "Best value selection" means a selection based upon ~~project cost,~~
32 ~~qualifications~~ and other factors.

33 (e) "Board" means the board of county commissioners or its
34 designees.

35 (f) "Building construction" means furnishing labor, equipment, ma-
36 terial or supplies used or consumed for the design, construction, altera-
37 tion, renovation, repair or maintenance of a building or structure. Build-
38 ing construction does not include highways, roads, bridges, dams,
39 turnpikes or related structures, or stand-alone parking lots.

40 (g) "Building design-build" means a project for which the design and
41 construction services are furnished under one contract.

42 (h) "Building design-build contract" means a contract between the
43 county and a design-builder to furnish the architecture or engineering

Delete and replace with
"objective criteria related to
price, features, functions, life-
cycle costs"

Senate Ways & Means
3-11-08
Attachment 9

1 and related design services required for a given public facilities construc-
2 tion project and to furnish the labor, materials and other construction
3 services for such public project.

4 (i) "Construction services" means the process of planning, acquiring,
5 building, equipping, altering, repairing, improving, or demolishing any
6 structure or appurtenance thereto, including facilities, utilities or other
7 improvements to any real property, excluding highways, roads, bridges,
8 dams or related structures, or stand-alone parking lots.

9 (j) "Construction management at-risk services" means the services
10 provided by a firm which has entered into a contract with the county to
11 be the construction manager or general contractor for the value and
12 schedule of the contract for a project, which is to hold the trade contracts
13 and execute the work for a project in a manner similar to a general con-
14 tractor, and which is required to solicit competitive bids for the trade
15 packages developed for the project and to enter into the trade contracts
16 for a project with the lowest responsible bidder therefor. Construction
17 management at-risk services may include, but are not limited to, sched-
18 uling, value analysis, system analysis, constructability reviews, progress
19 document reviews, subcontractor involvement and prequalification, sub-
20 contractor bonding policy, budgeting and price guarantees and construc-
21 tion coordination.

22 (k) "Construction management at-risk contract" means the contract
23 whereby the county acquires from a construction manager or general
24 contractor a series of preconstruction services and an at-risk financial
25 obligation to carry out construction under a specified cost agreement.

26 (l) "Construction manager or general contractor" means any individ-
27 ual, partnership, joint venture, corporation or other legal entity who is a
28 member of the integrated project team with the county, design profes-
29 sional and other consultants that may be required for the project, who
30 utilizes skill and knowledge of general contracting to perform precon-
31 struction services and competitively procures and contracts with specialty
32 contractors assuming the responsibility and the risk for construction de-
33 livery within a specified cost and schedule terms including a guaranteed
34 maximum price.

35 (m) "Design-builder" means any individual, partnership, joint ven-
36 ture, corporation or other legal entity that furnishes the architectural or
37 engineering services and construction services, whether by itself or
38 through subcontracts.

39 (n) "Design criteria consultant" means a person, corporation, part-
40 nership or other legal entity duly registered and authorized to practice
41 architecture or professional engineering in this state pursuant to K.S.A.
42 74-7003, and amendments thereto, and who is employed by contract to
43 the county to provide professional design and administrative services in

1 connection with the preparation of the design criteria package.
 2 (o) "Design criteria package" means performance-oriented specifi-
 3 cations for the public construction project sufficient to permit a design-
 4 builder to prepare a response to the county's request for proposals for a
 5 building design-build project.
 6 (p) "Engineering services" means those services described by sub-
 7 section (i) of K.S.A. 74-7003, and amendments thereto.
 8 (q) "Guaranteed maximum price" means the cost of the work as de-
 9 fined in the contract.
 10 (r) "Parking lot" means a designated area or parking structure for
 11 parking motor vehicles. A parking lot included as part of a building con-
 12 struction project shall be subject to the provisions of this act. A parking
 13 lot designed and constructed as a stand-alone project shall not be subject
 14 to the provisions of this act.
 15 (s) "Preconstruction services" means a series of services that can in-
 16 clude, but are not necessarily limited to: Design review, scheduling, cost
 17 control, value engineering, constructability evaluation and preparation
 18 and coordination of bid packages.
 19 (t) "Project services" means architectural, engineering services, land
 20 surveying, construction management at-risk services, ancillary technical
 21 services or other construction-related services determined by the county
 22 to be required by the project.
 23 (u) "Public construction project" means the process of designing,
 24 constructing, reconstructing, altering or renovating a public building or
 25 other structure. Public construction project does not include the process
 26 of designing, constructing, altering or repairing a public highway, road,
 27 bridge, dam, turnpike or related structure.
 28 (v) "Stipend" means an amount paid to the unsuccessful proposers
 29 to defray the cost of submission of phase II of the building design-build
 30 proposal.

31 New Sec. 3. (a) Notwithstanding any other provision of the law to
 32 the contrary, the board of county commissioners is hereby authorized to
 33 institute an alternative project delivery program whereby construction
 34 management at-risk or building design-build procurement processes may
 35 be utilized on public projects pursuant to this act. This authorization for
 36 construction management at-risk and building design-build procurement
 37 shall be for the sole and exclusive use of planning, acquiring, designing,
 38 building, equipping, altering, repairing, improving or demolishing any
 39 structure or appurtenance thereto, including facilities, utilities or other
 40 improvements to any real property, but shall not include highways, roads,
 41 bridges, dams or related structures or stand-alone parking lots.

42 ~~(b) To assist in the procurement of alternative project delivery con-~~
 43 ~~struction services as defined under this act, the board shall encourage~~

Insert ...unsuccessful "*and responsive*" proposers...

Delete Sections (b), (1), (2) and (3).

1 firms engaged in the performance of construction services to submit annually to the board a statement of qualifications and performance data. Each statement shall include data relating to the following:

2
3
4 (1) The firm's capacity and experience, including experience on similar or related projects;

5
6 (2) the capabilities and other qualifications of the firm's personnel;

7 and

8 (3) such other information related to qualifications and capability of the firm to perform construction services for projects as may be described by the board.

9
10
11 (c b) The board shall approve those projects for which the use of alternative project delivery procurement process is appropriate. In making such determination, the board may consider the following factors:

12
13 (1) The likelihood that the alternative project delivery method of procurement selected will serve the public interest by providing substantial savings of time or money over the traditional design-bid-build delivery process.

14
15 (2) The ability to overlap design and construction phases is required to meet the needs of the end user.

16
17 (3) The use of an accelerated schedule is required to make repairs resulting from an emergency situation.

18
19 (4) The project presents significant phasing or technical complexities, or both, requiring the use of an integrated team of designers and constructors to solve project challenges during the design or preconstruction phase.

20
21 (5) The use of an alternative project delivery method will not encourage favoritism in awarding the public contract or substantially diminish competition for the public contract.

22
23 (d c) When a request is made for alternative delivery procurement by the county, the county clerk shall publish a notice in the official county newspaper that the board will be holding a public hearing with the opportunity for comment on such request. Notice shall be published at least 15 days prior to the hearing.

24
25 (e d) If the board finds that the project does not qualify for the alternative project delivery methods included under this act, then the construction services for such project shall be obtained pursuant to competitive bids and all contracts for construction services shall be awarded to the lowest responsible bidder in accordance with procurement procedures determined and administered by the board.

26
27 (f) When it is necessary in the judgment of the board to obtain project services for a particular project as described under this act, the county clerk shall publish a notice of the request for qualifications and proposals for the required project services at least 15 days prior to the commence-

Delete "shall" and replace with "may only"
NOTE: This is new amendment based on concerns from AGC members and schools that the bill made this mandatory

Insert: ...those projects "or programs" for which ...

Renumber, change (d) to (c).

Delete "clerk"

Delete "hearing" and insert "meeting"

Note: This paragraph was changed by counties, but committee wanted to leave it in. AGC concurs with committee.

Delete and replace with "statute or to the procedures permitted by law"

Delete - was duplicative with other subsequent sections

1 ~~ment of such request in the official county newspaper and in such other~~
2 ~~appropriate manner as may be determined by the board.~~

3 New Sec. 4. Construction management at-risk project delivery pro-
4 cedures shall be conducted as follows:

5 (a) The board shall determine the scope and level of detail required
6 to permit qualified construction manager or general contractors to submit
7 construction management at-risk proposals in accordance with the re-
8 quest for proposals given the nature of the project.

Insert "or" as early...

9 (b) Prior to completion of the construction documents, ~~but~~ ~~as early~~
10 ~~as during the schematic design phase~~, the construction manager or gen-
11 eral contractor shall be selected. The project design professional may be
12 employed or retained by the board to assist in the selection process. ~~The~~
13 ~~design professional shall be selected and its contract negotiated as re-~~
14 ~~quired by the board.~~

Delete and replace with "the initiation of the project"

Delete sentence. NOTE:
Taken from state bill, but not needed here.

15 (c) The county clerk ~~shall publish a notice of the request for quali-~~
16 ~~fications and proposals for the required project services at least 15 days~~
17 ~~prior to the commencement of such requests in the official county news-~~
18 ~~paper and in such other appropriate manner as may be determined by~~
19 ~~the county.~~

Delete "clerk"

Counties suggested to change this paragraph, but committee recommended it stay – AGC concurs with committee

20 (d) The board shall solicit proposals in a three stage qualifications
21 based selection process. Phase I shall be the solicitation of qualifications
22 and prequalifying a ~~minimum of three but no more than five~~ construction
23 manager or general contractors to advance to phase II. Phase II shall be
24 the solicitation of a request for proposal for the project, and phase III
25 shall include an interview with each proposer to present their qualifica-
26 tions and answer questions.

Delete and insert "short list" NOTE:
Short list is covered later in this section.

27 (1) Phase I shall require all proposers to submit a statement of qual-
28 ifications which shall include, but not be limited to:

- 29 (A) Similar project experience;
- 30 (B) experience in this type of project delivery system;
- 31 (C) references from design professionals and owners from previous
- 32 projects;
- 33 (D) description of the construction manager or general contractor's
- 34 project management approach;
- 35 (E) financial statements; and
- 36 (F) bonding capacity. Firms submitting a statement of qualifications
- 37 shall be capable of providing a public works bond in accordance with
- 38 K.S.A. 60-1111, and amendments thereto, and shall present evidence of
- 39 such bonding capacity to the board with their statement of qualifications.
- 40 If a firm fails to present such evidence, such firm shall be deemed un-
- 41 qualified for selection under this subsection.

42 (2) The board shall evaluate the qualifications of all proposers in ac-
43 cordance with the instructions of the request for qualifications. The board

1 shall prepare a short list containing a minimum of three and maximum
2 of five qualified firms, which have the best and most relevant qualifica-
3 tions to perform the services required of the project, to participate in
4 phase II of the selection process. ~~If three qualified proposers cannot be~~
5 ~~identified, the selection process shall cease.~~ The board shall have discre-
6 tion to disqualify any proposer that, in the board's opinion, lacks the
7 minimal qualifications required to perform the work.

Delete and insert the following: "If the board receives qualifications from less than four proposers, all proposers shall be invited to participate in Phase II of the selection process."

8 (3) Phase II of the process shall be conducted as follows:
9 (A) Prequalified firms selected in phase I shall be given a request for
10 proposal. The request for proposal shall require all proposers to submit
11 a more in depth response including, but not be limited to:
12 (i) Company overview;
13 (ii) experience or references, or both, relative to the project under
14 question;
15 (iii) resumes of proposed project personnel;
16 (iv) overview of preconstruction services;
17 (v) overview of construction planning;
18 (vi) proposed safety plan;
19 (vii) fees, including fees for preconstruction services, fees for general
20 conditions, fees for overhead and profit and fees for self-performed work,
21 if any.

22 (4) Phase III shall be conducted as follows:
23 (A) Once all proposals have been submitted, the board shall interview
24 all of the proposers, ~~allowing the competing firms to present their pro-~~
25 ~~posed team members, qualifications, project plan and to answer ques-~~
26 ~~tions.~~ Interview ~~scores shall not account for more than 50% of the total~~
27 possible score.

Delete: "allowing the competing firms to present their proposed team members, qualifications, project plan and to answer questions."

28 (B) The board shall select the firm providing the best value based on
29 the proposal criteria and weighting factors utilized to emphasize impor-
30 tant elements of each project. All scoring criteria and weighting factors
31 shall be identified by the board in the request for proposal instructions
32 to proposers. The board shall proceed to negotiate with and attempt to
33 enter into contract with the firm receiving the best total score to serve as
34 the construction manager or general contractor for the project.

Insert: "presentation"

35 (C) If the board determines, that it is not in the best interest of the
36 county to proceed with the project pursuant to the proposals offered, the
37 board shall reject all proposals. If all proposals are rejected, the board
38 may solicit new proposals using different design criteria, budget con-
39 straints or qualifications.

40 (D) The contract to perform construction management at-risk serv-
41 ~~ices for a project shall be prepared and entered into between the county~~
42 ~~and the firm performing such construction management at-risk services.~~
43 ~~A construction management at-risk contract utilizing a cost plus guaran-~~

Delete and insert the following :
...services "will typically be awarded in phases: preconstruction followed by one or more amendments for construction. The contract form will be" a cost...

1 teed maximum price contract value shall return all savings under the
 2 guaranteed maximum price to the county
 3 (E) The county clerk shall publish a construction services bid notice
 4 in the official county newspaper and in such other appropriate manner
 5 for the construction manager or general contractor as may be determined
 6 by the county. Each construction services bid notice shall include the
 7 request for bids and other bidding information prepared by the construc-
 8 tion manager or general contractor and the county. The county may allow
 9 the construction manager or general contractor to self-perform construc-
 10 tion services provided the construction manager or general contractor
 11 submits a bid proposal under the same conditions as all other competing
 12 firms. If a firm submitting a bid proposal fails to present such evidence,
 13 such firm shall be deemed unqualified for selection under this subsection.
 14 At the time for opening the bids, the construction manager or general
 15 contractor shall evaluate the bids and shall determine the lowest respon-
 16 sible bidder except in the case of self-performed work for which the
 17 county shall determine the lowest responsible bidder. The construction
 18 manager or general contractor shall enter into a contract with each firm
 19 performing the construction services for the project and make a public
 20 announcement of each firm selected in accordance with this subsection.
 21 New Sec. 5. Building design-build project delivery procedures shall
 22 be conducted as follows:
 23 (a) The board shall determine the scope and level of detail required
 24 to permit qualified persons to submit building design-build proposals in
 25 accordance with the request for proposals given the nature of the project.
 26 (b) Notice of requests for proposals shall be advertised and published
 27 in the official county newspaper. The county clerk shall publish a notice
 28 of a request for proposal with a description of the project, the procedures
 29 for submittal and the selection criteria to be used.
 30 (c) The board shall establish in the request for proposal a time, place
 31 and other specific instructions for the receipt of proposals. Proposals not
 32 submitted in strict accordance with such instructions shall be subject to
 33 rejection.
 34 (d) A request for proposals shall be prepared for each building de-
 35 sign-build contract containing at minimum the following elements:
 36 (1) The procedures to be followed for submitting proposals, the cri-
 37 teria for evaluation of proposals and their relative weight and the proce-
 38 dures for making awards.
 39 (2) The proposed terms and conditions for the building design-build
 40 contract.
 41 (3) The design criteria package.
 42 (4) A description of the drawings, specifications or other information
 43 to be submitted with the proposal, with guidance as to the form and level

Insert: period after contract
 Delete: "value shall return" and
 capitalize "all."
 New sentence will read:
 "...contract. All savings under..."

Insert: "...price "may
 return"

Insert: "as defined in the
 request for proposal"

Delete and replace with: "The
 board and/or construction
 manager at-risk, at the board's
 discretion, shall publish a
 construction services bid
 notice"...

Delete sentence

Delete and replace with:
 ...project "all bids will be
 available for public view."

Insert: "qualifications and"

Delete and replace with:
 "county requirements"

Delete sections (b) through
 (e)(1) and replace with: (b)
 "The board shall solicit proposals
 in a three-stage process. Phase I
 shall be the solicitation of
 qualifications of the building
 design-build team. Phase II shall
 be the solicitation of a technical
 proposal including conceptual
 design for the project. Phase II
 shall be the proposal of the
 construction cost.
 (1) The board shall review the
 submittals of the proposers
 and assign points to each
 proposal as prescribed in
 the instructions of the
 request for proposal.
 (2) Notice of requests for
 qualifications shall be
 advertised and published
 in the official county
 newspaper. Notification to
 include a description of the
 project and the procedures
 for submittal.
 (3) The board shall establish
 in the request for
 qualifications a time, place
 and other specific
 instructions for the receipt
 of qualifications.
 Qualifications not
 submitted in strict
 accordance with such
 instructions shall be
 subject to rejection.

1 of completeness of the drawings, specifications or other information that
2 will be acceptable.

3 (5) A schedule for planned commencement and completion of the
4 building design-build contract.

5 (6) Budget limits for the building design-build contract, if any.

6 (7) Requirements, including any available ratings for performance
7 bonds, payment bonds and insurance.

8 (8) Any other information that the agency at its discretion chooses to
9 supply, including without limitation, surveys, soil reports, drawings of ex-
10 isting structures, environmental studies, photographs or references to
11 public records.

12 (e) The board shall solicit proposals in a three-stage process. Phase I
13 shall be the solicitation of qualifications of the building design-build team.
14 Phase II shall be the solicitation of a technical proposal including con-
15 ceptual design for the project. Phase III shall be the proposal of the
16 construction cost.

17 (1) The board shall review the submittals of the proposers and assign
18 points to each proposal as prescribed in the instructions of the request
19 for proposal.

20 (2) Phase I shall require all proposers to submit a statement of qual-
21 ifications which shall include, but not be limited to, the following:

22 (A) 1) Demonstrated ability to perform projects comparable in design,
23 scope and complexity.

24 (B) 2) References of owners for whom building design-build projects
25 have been performed.

26 (C) 3) Qualifications of personnel who will manage the design and con-
27 struction aspects of the project.

28 (D) 4) The names and qualifications of the primary design consultants
29 and contractors with whom the building design-builder proposes to sub-
30 contract. The building design-builder may not replace an identified sub-
31 contractor or subconsultant without the written approval of the board.

32 (E) 5) Firms submitting a statement of qualifications shall be capable of
33 providing a public works bond in accordance with K.S.A. 60-1111, and
34 amendments thereto, and shall present evidence of such bonding capa-
35 bility to the board with their statement of qualifications. If a firm fails to
36 present such evidence, such firm shall be deemed unqualified for selec-
37 tion under this subsection.

38 (3) d) The board shall evaluate the qualifications of all proposers in ac-
39 cordance with the instructions prescribed in the request for proposal.

40 Designers on the project shall be evaluated in accordance with the
41 requirements set by the board. Qualified proposers selected by the eval-
42 uation team may proceed to phase II of the selection process. Proposers
43 lacking the necessary qualifications to perform the work shall be dis-

(4) A request for qualifications shall be prepared for each building design-build contract containing at minimum the procedures to be followed for each of the three phases in the process for submitting proposals, the criteria for evaluation of proposals and their relative weight and the procedures for making awards.

Renumber, change (2) to (c)

Renumber, change (A) to (1)

Renumber, change (B) to (2)

Renumber, change (C) to (3)

Renumber, change (D) to (4)

Renumber, change (E) to (5)

Renumber, change (3) to (d)

Delete and replace with "qualifications."

Delete and replace with "A short list of the qualified"

1 qualified and shall not proceed to phase II of the process. Under no
2 circumstances shall price or fees be considered as a part of the prequal-
3 ification criteria. Points assigned in the phase I evaluation process shall
4 not carry forward to phase II of the process. All qualified proposers shall
5 be ranked on points given in phases II and III only. The two-phase eval-
6 uation and scoring process shall be combined to determine the greatest
7 value to the county.

Delete

Renumber, change (5) to (e)

8 ~~(4) The board shall have discretion to disqualify any proposer who~~
9 ~~lacks the minimal qualifications required to perform the work.~~

Delete sentence, replace with:
"If less than four proposers
respond, all proposers shall be
invited to participate in Phase
II of the selection process."

10 (5 e) The board shall prepare a short list containing a minimum of
11 three, but no more than the top five qualified proposers to participate in
12 phase II of the process. If three qualified proposers cannot be identified,
13 the contracting process shall cease.

Delete and insert: "technical"

14 (6 f) Phase II of the process shall be conducted as follows:

15 (A 2) Proposers shall submit their design for the project to the level of
16 detail required in the request for proposal. The design proposal should
17 demonstrate compliance with the requirements set out in the request for
18 proposal.

Renumber, change (A) to (2)

Delete section (B)

19 (B) Up to 20% of the points awarded to each proposer in phase II
20 may be based on each proposer's qualifications and ability to design, con-
21 struct and deliver the project on time and within budget.

Renumber, change (C) to
(3) Delete, replace with:
"The technical proposal
may contain certain limited
reference to specific
elements of the cost."

22 (C 3) The design proposal shall not contain any reference to the cost
23 of the proposal.

24 (D 4) The design submittals shall be evaluated and assigned points in
25 accordance with the requirements of the request for proposal.

Delete, insert: "technical"

26 (7 g) Phase III shall be conducted as follows:

27 (A 1) The phase III proposal shall provide a firm fixed cost of construc-
28 tion. The proposal shall be accompanied by bid security and any other
29 submittals as required by the request for proposal.

Renumber, change (7) to (g)

30 (B 2) The proposed contract time, in calendar days, for completing a
31 project as designed by a proposer shall be considered as an element of
32 evaluation in phase III. The request for proposal shall establish a user
33 delay value for each proposed calendar day identified in the proposal.

Renumber, change (A) to (1)

Insert: "design and"
construction...

34 (C 3) Cost and schedule proposals shall be submitted in accordance
35 with the instructions of the request for proposal. Failure to submit a cost
36 proposal on time shall be cause to reject the proposal.

Delete and insert: "may"

37 (8 4) Proposals for phase II and III shall be submitted concurrently at
38 the time and place specified in the request for proposal. The phase III
39 cost proposals shall be opened only after the phase II design proposals
40 have been evaluated and assigned points.

Insert: "In that event, the"
request...

41 (9 5) Phase III cost and schedule, which shall prescribe containing the
42 number of calendar days, proposals shall be opened and read aloud at
43 the time and place specified in the request for proposal. At the same time

Delete and insert: "the
assignment of value of
contract time in the selection
process."

Insert New Section (f)

1) The remaining project requirements will be provided to the short listed proposer to include the following:

(A) The terms and conditions for the building design-build contract.

(B) The design criteria package.

(C) A description of the drawings, specifications or other information to be submitted with the proposal, with guidance as to the form and level of completeness of the drawings, specifications or other information that will be acceptable.

(D) A schedule for planned commencement and completion of the building design-build contract.

(E) Budget limits for the building design-build contract, if any.

(F) Requirements, including any available ratings for performance bonds, payment bonds and insurance.

(G) Any other information that the county at its discretion chooses to supply, including without limitation, surveys, soil reports, drawings of existing structures, environmental studies, photographs or references to public records.

Renumber, change (C) to (3)

Delete and insert: "Phase III"

Renumber, change (8) to (4)

Delete, insert: "technical"

Renumber, change (9) to (5)

1 and place, the evaluation team shall make public its scoring of phase II.
2 Cost proposals shall be evaluated in accordance with the requirements of
3 the request for proposal. In evaluating the proposals, each proposers'
4 adjusted score shall be determined by adding the phase III cost proposal
5 to the product of the proposed contract time and the user delay cost, and
6 dividing that sum by the phase II score.

Delete and insert: "Phase III"

Insert: "and determining the successful proposer." each...

Delete "adjusted"

7 (40 6) The responsive proposer with the lowest total number of points
8 shall be awarded the contract. If the board determines, that it is not in
9 the best interest of the county to proceed with the project pursuant to
10 the proposal offered by the proposer with the lowest total number of
11 points, the board shall reject all proposals. In such event, all qualified
12 proposers with higher point totals shall receive a stipend pursuant to
13 subsection (e)(12) of this section, and amendments thereto, of this act,
14 and the proposer with the lowest total number of points shall receive an
15 amount equal to two times such stipend.

Delete and replace with ..."in a quantifiable and objective manner described in the request for proposal in combination of the points earned in both phase II and phase III."

Renumber, change (10) to (6)

Insert: "successful and" responsive...

16 (41 7) If all proposals are rejected, the board may solicit new proposals
17 using different design criteria, budget constraints or qualifications.

Delete

18 (42 8) As an inducement to qualified proposers, the board shall pay a
19 stipend, the amount of which shall be established in the request for proposal,
20 to each prequalified building design-builder whose proposal is responsive
21 but not accepted. Upon payment of the stipend to any unsuccessful building
22 design-build proposer, the county shall acquire a nonexclusive right to use
23 the design submitted by the proposer, and the proposer shall have no further
24 liability for its use by the county in any manner. If the building design-build
25 proposer desires to retain all rights and interest in the design proposed,
26 the proposer shall forfeit the stipend.

Insert: "successful"

27 New Sec. 6. Every bid conforming to the terms of the advertisement,
28 together with the name of the bidder, shall be recorded, and all such
29 records with name of the successful bidder indicated thereon shall, after
30 award or letting of the contract, be subject to public inspection upon
31 request. The county clerk shall, within five days after award or letting of
32 the contract, publish the name of the successful bidder. The public notice
33 on public display shall show the phase II and III scores and the adjusted
34 final score. The county clerk shall, within five days after award or letting
35 of the contract, have the names of all proposers whose bids were not
36 selected, together with phase II and III scores and the final adjusted score
37 for each, available for public review.

Delete and insert: "If the determination to reject all proposals is made for the convenience of the board, the successful and responsive proposer shall receive twice the stipend pursuant to subsection (g)(8) of this section and amendments there to, of this act, and all other responsive proposers shall receive an amount equal to such stipend. If the determination is made to reject all proposals as a result of proposals exceeding the budget published in the request for proposals or otherwise not complying with the request for proposal, the board need not remit a stipend to the proposers."

Renumber, change (11) to (7)

38 Sec. 7. K.S.A. 19-214 is hereby amended to read as follows: 19-214.
39 (a) Except as provided in subsection (b) and, in K.S.A. 19-216a, and in
40 sections 1 through 6, and amendments thereto, all contracts for the expenditure
41 of county moneys for the construction of any courthouse, jail or other county
42 building, or the construction of any bridge in excess of \$10,000, shall be
43 awarded, on a public letting, to the lowest and best bid.

Renumber, change (12) to (8)

Delete and insert: "proposal received from each phase of procurement, including total scores and total rankings" shall...

Delete

SB 485

11

1 The person, firm or corporation to whom the contract may be awarded
2 shall give and file with the board of county commissioners a good and
3 sufficient surety bond by a surety company authorized to do business in
4 the state of Kansas, to be approved by the county attorney or county
5 counselor, in the amount of the contract, and conditioned for the faithful
6 performance of the contract.

7 (b) The provisions of subsection (a) shall not apply: (1) To the ex-
8 penditure of county funds for professional services; (2) to the provisions
9 of K.S.A. 68-521, and amendments thereto; or (3) to the purchase of
10 contracts of insurance.

11 Sec. 8. K.S.A. 19-214 is hereby repealed.

12 Sec. 9. This act shall take effect and be in force from and after its
13 publication in the statute book.

Page 1; New Section 2; Subsection (d); Line 31- delete "*project cost, qualifications*" from definition of "Best Value Selection" and replaced with "*objective criteria related to price, features, functions, life-cycle*" **This amendment was made to better define "Best Value Selection."**

Page 3; New Section 2; Subsection (v); Line 28- Added "*and responsive*". **This amendment was made to clarify that companies submitting design build proposals can not just submit a proposal and receive a stipend if not selected.**

Page 3; New Section 3; Subsection (b); Line 42- Delete language encouraging firms performing construction services to annually submit statement of qualifications to the board. **This section was removed because it was included in the state bill because state agencies require firms to submit statement of qualifications. This would not apply to counties.**

NEW – not included in original balloon. Page 4; New Section 3; Subsection (c); Line 11 – Delete "shall" and replace with "*may only*". **This will clarify that utilizing alternative delivery on a limited basis and is at the discretion of the county.**

Page 4; New Section 3; Subsection (c); Line 11 – Added "*or programs*". **This was added because a program could involve more than one project.**

Page 4; New Section 3; Subsection (d); Line 29- delete "clerk"; added "make official public notice"; deleted "in the official county newspaper." **This amendment was added to allow each county flexibility in how they notify the public of request for alternative delivery procurement. COMMITTEE AMENDED IT BACK IN. Delete "clerk" is ok.**

Page 4; New Section 3; Subsection (d); Line 31, 33- delete "hearing"; added "meeting." **This is a technical change to make consistent with county operations.**

Page 4; New Section 3; Subsection (e); Lines 36-39- delete "*competitive bids and all contracts for construction services shall be awarded to the lowest responsible bidder in accordance with procurement procedures determined and administered by the board.*" and add "*statute or to procedures permitted by law*" and then delete entire section (f). **This change was made to reference statutes specific to statutes in place for county bidding procedures.**

Page 5; New Section 4; Subsection (b); Lines 9-10- deleted "*during the schematic design phase*"; deleted "*but*"; added "*or*" and added ...as early as "*initiation of the project.*" **This amendment was made to allow for the construction manager or general contractor to begin working with the owner at an earlier stage than what was originally in the bill. This was the original intent and would benefit the owner.**

Page 5; New Section 4; Subsection (c); Lines 15-19- delete "clerk"; deleted "in the official county newspaper"; added "in such appropriate manner as may be determined by the county." **Not every county has a county clerk so that language was removed. In the notice for request for qualifications, counties do not always make these notices in the county newspaper. Some use websites and other methods. Committee wants original language in and AGC would concur as they would too.**

Page 5; New Section 4; Subsection (d); Lines 22-23- delete "minimum of three but no more than five construction manager or general contractors"; added "short list." **There was concern that there might not be three to five general contractors qualified for a specific project. This**

was to be the same as the school bill language which reads as originally drafted. The changes only needed to be made to the following paragraph.

Page 5,6; New Section 4; Subsection (d)(2); Lines 42-43 on page 5, 1-7 on page 6- delete “*if three qualified proposers cannot be identified, the selection process shall cease*”; added “*If the board receives qualifications from less than four proposers, all proposers shall be invited to participate in Phase II of the selection process.*” **Like in the previous amendment, if the nature of the project was so specific that there are only one or two contractors with experience necessary, or in a more rural community where not as many contractors are available, the change was require the board to accept all proposers for the next phase (II) if under four proposals are received.**

Page 6; New Section 4; Subsection (d)(4)(A); Line 26- insert “presentation.” **This is a simple change clarifying the interview is a presentation from the company about their qualifications and the project.**

Page 6, 7; New Section 4; Subsection (d)(4)(B); Deleted lines 40-43 on page 6, 1-2 on page 7 and added new paragraph reads “*The contract to perform construction management at-risk services will typically be awarded in phases; preconstruction followed by one or more amendments for construction. The contract form will be a cost plus guaranteed maximum price contract, savings under the guaranteed maximum price may return to the county as defined in the request for proposal.*” **This amendment clarifies the CM at-risk process, noting that the CM at-risk services will be awarded in phases, first with preconstruction services, followed by contracts for the construction of the project. It also allows for the county to decide if saving are returned to the owner.**

Page 7; New Section 4; Subsection (d)(4)(E); Lines 3-6- delete “*the county clerk shall publish a construction services bid notice in the official county newspaper.*” Replace with “*the board and/or the construction manager at-risk, at the board’s discretion, shall publish a construction services bid notice as may be determined by the county*”. **This is the notice for subcontracts. AGC is split on whether this should be required, but our official position is that it should be in the official county newspaper.**

Page 7: New Section 4; Subsection (d)(4)(E); Lines 12-13- delete “*If a firm submitting a bid proposal fails to present such evidence, such firm shall be deemed unqualified for selection under this subsection.*” **At time of creating this explanation, AGC does not recall why this change was made. Please refer to counties for explanation.**

Page 7; New Section 4; Subsection (d)(4)(E); Lines 19-20- delete “*and make a public announcement of each firm selected in accordance with this subsection.*” Replaced with “*all bids will be available for public view.*” **This amendment helps maintain an open selection process by allowing the public to view all bids, but simplifies things for the counties.**

Page 7; New Section 5; Subsection (a); Line 24- insert ...design-build “*qualifications and*” proposals in... **Clarification – intent was to have read this way in the beginning.**

Page 7; New Section 5; Subsection (a); Lines 25- delete “*request for proposals.*” Replaced with “*county requirements.*” **This was a clarification.**

Page 7&8; New Section 5; Subsections (b-e); - delete sections (b) to (e) (page 7 lines 26-43 and page 8 lines 1-11) and replace with new section (b). **These next amendments are to restructure language in the design-build section of the bill which lays out the process a little**

more logically. The new sections 2-4 establish procedures for requests for qualifications in the official county newspaper (section 2); establish in the request for qualifications a time, place and other specific instructions for receipt of qualifications (section 3) and a request for qualifications shall be prepared for each building design-build contract containing at minimum the procedures to be followed for each of the three phases in the process, criteria for evaluation of proposals and relative weight and procedures for making awards (section 4).

The new section does require the notification in the official newspaper so it should meet the Committee's desire to insure public notice. AGC supports this new language as it clarifies the process.

Page 8; New Section 5; Subsection (e)(2)- **Lettering and numbering changes. Now becomes subsection (c) in section 5. This affects lettering and numbering of sections throughout rest of New Section 5.**

Page 8; New Section 5; Subsection (e)(2)(E)(3); Lines 38-39- delete "*proposal.*" Replaced with "*qualifications*"; Deleted "*Designers on the project shall be evaluated in accordance with the requirements set forth by the board.*" Replaced with "*A short list of the qualified...*" **These amendments are clarifications.**

Page 9; New Section 5; Subsection (e)(2)(E)(4); Lines 8-9- delete section. **Amendment deletes a sentence that is covered in other areas of the bill.**

Page 9; New Section 5; Subsection (e)(2)(E)(5); Lines 12-13. Delete last sentence of subsection and replace with new language "*If less than four proposers respond, all proposers shall be invited to participate in Phase II of the selection process.*" **This change made with same language as CM section regarding the short list of contractors.**

Page 9; New Section 5; Subsection (e)(2)(E)(5); Line 14- insert new section (f), Inserted (1) The remaining project requirements will be provided to the short listed proposer to include the following:

- (A) The terms and conditions for the building design-build contract.
- (B) The design criteria package.
- (C) A description of the drawings, specifications or other information to be submitted with the proposal, with guidance as to the form and level of completeness of the drawings, specifications or other information that will be acceptable
- (D) A schedule for planned commencement and completion of the building design-build contract.
- (E) Budget limits for the building design-build contract, if any.
- (F) Requirements, including any available ratings for performance bonds, payment bonds and insurance.
- (G) Any other information that the county at its discretion chooses to supply, including without limitation, surveys, soil reports, drawings of existing structures, environmental studies, photographs or references to public records.

These sections were added to clear up the explanation of the process.

Page 9; New Section 5; Subsection (e)(2)(E)(6)(A); Line 16- delete "*design*"; inserted "*technical.*" **This change was made to avoid confusion feeling it was more accurate to use the word technical versus design.**

Page 9; New Section 5; Subsection (e)(2)(E)(6)(B); Lines 19-21- delete this section and replace with New Section 3 below. **This section was deleted to make language less prescriptive, referring to section (D) that states “shall be evaluated in accordance with the requirements of the request for proposal.”**

Page 9; New Section 5; Subsection (e)(2)(E)(6)(C); Lines 22-23- delete “shall not contain any reference to the cost of the proposal.” Changed New Section (3) to read “*The technical proposal may contain certain limited reference to specific elements of the cost proposal.*” **This amendment was made for instances where cost might need to be a factor in the selection process.**

Page 9; New Section 5; Subsection (e)(2)(E)(6)(D); Line 24- Renumber section and delete “*design.*” Replaced with “*technical.*” **Keeping consistency with previous amendments.**

Page 9; New Section 5; Subsection (e)(2)(E)(7)(A); Line 27-29- insert “*design and*” **Clarifying that the proposal submitted in for design-build will include BOTH the costs for the design and construction.**

Page 9; New Section 5; Subsection (e)(2)(E)(7)(B); Line 31- delete “*shall*”; insert “*may.*”

Page 9; New Section 5; Subsection (e)(2)(E)(7)(B); Line 32-33- inserted “*In that event, the request for proposal shall establish the assignment of value of contract time in the selection process.*” **This allowed flexibility in the selection process of whether the proposal should include contact time in calendar days for completing a project by the proposer.**

Page 9; New Section 5; Subsection (e)(2)(E)(7)(C); Line 34- delete “*cost and schedule*”; inserted “*Phase III.*” **This amendment makes consistent with section relating to phase III of the selection process.**

Page 9; New Section 5; Subsection (e)(2)(E)(8); Line 39- delete “*design*”; insert “*technical.*” **Keeping consistent with previous changes.**

Page 10; New Section 5; Subsection (e)(2)(E)(9); Line 2- insert “*Phase III*”

Page 10; New Section 5; Subsection (e)(2)(E)(9); Lines 3-6- change paragraph to read “In evaluating the proposals *and determining the successful proposer*, each proposers’ score shall be determined *in a quantifiable and objective manner described in the request for proposal in combination of the points earned in both phase II and phase III.*”

This amendment changed language to allow flexibility in scoring for the board.

Page 10; New Section 5; Subsection (e)(2)(E)(9); Lines 7-8- insert “*successful*”; delete “*with the lowest total number of points.*” **This amendment was made to allow flexibility in the scoring system. What if the county awarded based on the highest number of points?**

Page 10; New Section 5; Subsection (e)(2)(E)(9); Line 10- delete “*lowest total number of points*”; insert “*successful and responsive.*” **Maintains consistency with changes above.**

Page 10; New Section 5; Subsection (e)(2)(E)(9); Lines 11-16- delete “in such event, all qualified proposers with the higher point totals”; insert “***If the determination to reject all proposals is made for the convenience of the board, the successful and responsive proposer shall receive twice the stipend pursuant to subsection (g)(8) of this section and amendments***”

there to, of this act, and **all other responsive proposers** shall receive an amount equal to such stipend. *If the determination is made to reject all proposals as a result of proposals exceeding the budget published in the request for proposals or otherwise not complying with the request for proposal, the board need not remit a stipend to the proposers.*”

This amendment makes the section consistent in relation to the language of “successful and responsive”

Page 10; New Section 6; Lines 27-31- delete “bid conforming to the terms of the advertisement, together with the name of the bidder, shall be recorded, and all such records with name of the successful bidder indicated thereon”; insert “*proposal received from each phase of procurement, including total scores and total rankings.*”

This clarifies that every proposal sent shall be available for public record.

Page 10; New Section 6; Lines 31-37- delete remaining lines in section starting with “the county clerk...” on line 31.



**Testimony Before the
Senate Ways & Means Committee**

In Support of Senate Bill 485

**Presented on Behalf of
The Board of County Commissioners
of Johnson County, Kansas**

**By Joe Waters
Director of Facilities**

March 11, 2008

*Senate Ways & Means
3-11-08
Attachment 10*



Good Morning, my name is Joe Waters. I am the Director of Facilities for Johnson County Government, and I am pleased to appear again before the Committee on behalf of the Board of County Commissioners of Johnson County to present testimony regarding Senate Bill 485.

At the request of the Committee after the hearing on February 12th, supporters and interested parties met at length via conference call to discuss revisions to the bill. A draft of the revisions was prepared and provided to the Revisers office on February 20th for your consideration.

We believe the proposed changes improve the bill significantly, making it more functional for people like me to really put to use. I understand that a separate explanation of edits to the bill has been provided which I hope proves helpful. While the changes may appear extensive, the majority of edits are clarifications on procedures such as removing remnants of state procedures that are not applicable, allowing public notification and advertising procedures that are already in place for counties rather than creating new procedures, etc. The bill is also edited in many areas to assure the selection processes are open and readily viewed by the public, and that the respondents have the information they need at each phase in order to compete on equal ground.

The edits to New Section 5 are more extensive because the design-build alternative is complex, taking into account qualifications, design, cost and schedule, yet the bill needs to be structured with the flexibility for the county to tailor the process to specific projects. The most significant editing in this section is a result of aligning clauses from the original bill in the appropriate phases of the procurement process. This change is important because it allows and requires the county to provide the pertinent information as the selection process progresses. As written originally, virtually all information is required to be provided to potential responders from the onset of the process, which will slow the selection process and encourage teams from the very early stages to invest unnecessary time in their phase I submittal – costing them money and discouraging competition.

We appreciate the opportunity to work with the other interested parties on these edits, we believe they have improved the bill a great deal and make it far more effective.

Having alternative delivery methods available to County Commissioners is an important tool, and is often the most important decision in assuring the primary goals in capital projects are met: delivering the highest quality projects, on time, within budget and meeting or exceeding the expectations of the public.

Thank you for your time and I will be happy to answer any questions you may have.

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