

# State of Kansas



## Jim Denning Senate Majority Leader

February 7, 2018

Re: Proponent on Senate Bill 328

Dear Chairman Estes and committee members,

Thank you for allowing me to testify in support of **SB 328**. The subject of the bill is to prohibit the privatization of prisons in Kansas. We have worked with the Department of Corrections to accomplish this. They have proposed an amendment which we support as well. The background leading up to this bill was the result of all the work the Legislative Finance Council did on approving building a new prison in Lansing.

The legislative Finance Council did approve building a new prison in Lansing. The financing and some of the design concept was provided by a publicly traded company known as CoreCivic. CoreCivic has two business entities:

- The first entity manages prisons and jails in a privatized model.
- The second entity provides financing for facilities through a Real Estate Investment Trust.

The committee voted 5-3 to allow the prison to be build using the REIT for financing. The structure called for a 20-year lease-purchase agreement with the prison reverting back to the state at the end of the lease.

The committee was unanimously against having the Lansing prison security, including the supervision of inmates by corrections officers and the Warden being privatized.

The committee reviewed all 100 pages of the Lease-Purchase agreement. All edits proposed by the committee were accepted into the lease, including a provision not to privatize. The committee thought it prudent to codify that provision of the lease into statute. Thus, the result of SB328 with DOC amendment.

**The legislative intent is not to prohibit normal operating services to be contracted out to the private sector. Food service, consulting, medical, etc. Rather it narrowly prohibits Lansing prison security, including the supervision of inmates by corrections officers and the Warden from being privatized.**

There is also a companion bill working its way through the House. **HB 2551**

I'm ready to take questions at the appropriate time.