

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR
SENATE BILL NO. 434**

As Recommended by House Committee on
Appropriations

Brief*

House Sub. for SB 434 would grant the Department of Corrections the authority to purchase the Saint Francis Boys' Home in Ellsworth, KS. The bill would require an independent appraisal of the value of the property.

The bill also would allow the Department of Corrections to sell a parcel of land near the Hutchinson Correctional Facility to Reno County for the purpose of building a county jail. The bill would adjust the distribution of the proceeds from this and future sales of surplus state property and direct funds that currently are deposited in the State General Fund to the Kansas Public Employee Retirement (KPERs) Fund. Twenty percent of the proceeds of the sale would be deposited in a fee fund within the Department of Corrections and the remaining funds would be deposited in the KPERs Fund.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill as introduced was requested by the Joint Committee on State Building Construction after hearing testimony that the Department of Corrections intended to purchase the property and operate it as a 95-bed minimum security satellite facility as part of the Ellsworth Correctional

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Facility. The appraisal required by statute was completed February 17 and determined an appraised value of \$368,000.

During discussion on the appropriations bill, both the House and Senate approved an additional 15.0 FTE positions to staff the satellite facility, contingent upon passage of the bill.

The fiscal note for the bill indicates there would be no additional cost to the state because the property would be purchased and operated in FY 2013 using existing funds.

The House Committee added the contents of House Sub. for Sub. for SB 39 to the bill, which would allow the Department of Corrections to sell property to Reno County. The House Committee had previously replaced the contents of Sub. SB 39 with the contents of HB 2790. As introduced, the fiscal note for HB 2790 estimated the bill would generate \$69,000 in revenue, including \$55,200 credited to the State General Fund and \$13,800 credited to the Department of Corrections. The House Committee amended the bill to include language from HB 2194 that would direct 80 percent of revenue generated from the sale of surplus state real estate to the KPERS Fund. The bill as amended would credit \$13,800 to the Department of Corrections and \$55,200 to the KPERS Fund to be applied to the payment of the unfunded actuarial liability.

Secretary of Corrections Ray Roberts testified as a proponent. There were no opponents to the bill.