Approved: <u>May 7, 2008</u>

Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 12, 2008 in Room 123-S of the Capitol.

All members were present except: Senator Steve Morris - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes Alan Conroy, Director, Kansas Legislative Research Department Kristen Clarke Kellems, Assistant Revisor of Statutes Kimbra Caywood McCarthy, Kansas Legislative Research Department Amy Deckard, Kansas Legislative Research Department Audrey Dunkel, Kansas Legislative Research Department Julian Efird, Kansas Legislative Research Department Cody Gorges, Kansas Legislative Research Department Reed Holwegner, Kansas Legislative Research Department Aaron Klaassen, Kansas Legislative Research Heather O'Hara, Kansas Legislative Research Department Leah Robinson, Kansas Legislative Research Department J. G. Scott, Kansas Legislative Research Department Michael Steiner, Kansas Legislative Research Department Amy VanHouse, 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:

Glenn Deck, Executive Director, Kansas Public Employees Retirement System Major Jim Woods, Sedgwick County Sheriff's Office Kenneth M. McGovern, Member of the Kansas Sheriff's Association Richard Kline, Director, Shawnee County Department of Corrections Pat Ayars, Key Construction Eric Stafford, Associated General Contractors of Kansas, Inc. Dan Morgan, The Builders' Association and Kansas City Chapter, AGC Joe Waters, Johnson County Board of County Commissioners Bob Totten, Kansas Contractors Association Steve Weatherford, President, Kansas Development Finance Authority

Others attending: See attached list.

Bill Introductions

Senator Emler moved, with a second by Senator Goodwin, to introduce a conceptual bill concerning Kansas Electric Transmission Act. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Steineger, to introduce a conceptual bill concerning food specification license fees regarding hotels, lodging and restaurants. Motion carried on a voice vote.

Senator Goodwin moved, with a second by Senator Emler, to introduce a conceptual bill concerning nurse shortages and colleges, scholarships and faculty. Motion carried on a voice vote.

Kansas Legislative Research Department Staff distributed copies of the Governor's FY 2009 State General Fund Profile - Adjusted for Federal Tax Change (<u>Attachment 1</u>).

The Chairman opened the public hearing on:

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SB 339--KPERS, affiliation by counties for county detention officers; normal retirement and associated costs

Staff briefed the committee on the bill.

Glenn Deck, Executive Director, Kansas Public Employees Retirement System, who presented information to the committee regarding $\underline{SB 339}$ (Attachment 2). Mr. Deck explained that the bill provides an option for local detention officers to reveive the same retirement age and early retirement options currently provided to state corrections officers. A legislative data sheet was attached to Mr. Deck's testimony. Mr. Deck did note that there would be a need for amendments to conform to the new plan's features for state corrections employees.

Major Jim Woods, Sedgwick County Sheriff's Office, testified in support of <u>SB 339</u> (<u>Attachment 3</u>). Major Woods explained that there are a lot of physical demands on county corrections officers which are similar to what law enforcement officers face every day and the bill would allow deputies to retire at an early age.

Kenneth M. McGovern, Member of the Kansas Sheriff's Association, the Kansas Jail Association and Sheriff of Douglas County, spoke in support of <u>SB 339</u> (Attachment 4). Sheriff McGovern explained that their corrections officers are professionals who are asked on a daily basis to interact with inmates, who unlike those who are incarcerated in state institutions, are behaviorally, physically, emotionally at their worse when they come to their jails. The bill would be a significant morale booster that would increase officer retention in the jails and continue to allow him to hire qualified individuals who will become valuable correction professionals.

Richard Kline, Director, Shawnee County Department of Corrections, testified in support of <u>SB 339</u> (<u>Attachment 5</u>). Mr. Kline mentioned that they are seeing more mental health problems that have become more difficult to manage and it is a challenge meeting this population. Their work has become more emotionally, physically and mentally challenging.

Written testimony was submitted by Judy A. Moler, General Counsel/Legislative Services Director, Kansas Association of Counties (<u>Attachment 6</u>) and Frank Denning, Johnson County Sheriff (<u>Attachment 7</u>).

The Chairman closed the public hearing on **<u>SB 339</u>**.

Chairman Umbarger opened the public hearing on:

SB 485--Counties; alternative building construction procurement

Revisor Mike Heim, Assistant Revisor, briefed the committee on the bill (<u>Attachment 8</u>).

The Chairman welcomed the following conferees:

Pat Ayars, Key Construction, testified in support of <u>SB 485</u>. Mr. Ayars submitted copies of letters from Dewey P. Newton, Vice President/General Manager, Turner Construction Company (<u>Attachment 9</u>) and Dennis E. Thompson, President, Kansas City Division, Walton Construction (<u>Attachment 10</u>). Mr. Ayars explained that in reading the letter from Walton Construction, Mr. Thompson noted that having reviewed <u>SB 485</u>, in his thirty years of building design and construction project delivery, this is a bill whose time has come in Kansas, or perhaps is overdue. Had legislation of this nature been in place previously, their company may have looked more favorably on pursuing the Sedgwick County Arena project. The bill would allow alternate methods of construction.

Eric Stafford, Associate Government Affairs Director, Associated General Contractors of Kansas, Inc., spoke in support of <u>SB 485</u> (Attachment 11). Mr. Stafford urged support of the bill as written and asks that it be reported favorably for passage. In closing, Mr. Stafford mentioned that as more counties consider the use of alternative project delivery methods, AGC feels that all counties should use a selection process that will

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maintain the public trust through an open and objective selection process.

Dan Morgan, Director of Governmental Affairs, The Builders' Association and Kansas City Chapter, AGC, testified in support of <u>SB 485</u> (<u>Attachment 12</u>). Mr. Morgan noted that the use of alternative delivery is not intended as a substitute for awarding public contracts to the lowest responsible bidder. Rather, it is meant to provide a good alternative in appropriate circumstances and only after a determination has been made that it is in the public interest to use an alternative method of delivery.

Joe Waters, Director of Facilities, Board of County Commissioners of Johnson County, spoke in support of <u>SB 485</u> (Attachment 13). Mr. Waters explained that while they are supportive of the intent of the bill, they believe the current version of SB 485 requires modifications. He noted that they believe the bill is too prescriptive, particularly as it relates to procedures, and requests that it be structured as enabling legislation leaving the details of procedure to the County Commissioners. Mr. Waters also included in his written testimony information regarding a number of modifications they believe are needed to make it more consistent and functional "on the ground."

Bob Totten, Public Affairs Director, Kansas Contractors Association, testified in a neutral position on <u>SB 485</u> (<u>Attachment 14</u>). Mr. Totten expressed caution that using a different bid process opens up the procurement situation to charges of favoritism. In closing, Mr. Totten mentioned that the Kansas Contractors Association does not oppose this measure as long as the bill remains in its present form.

Written testimony was submitted on $\underline{SB 485}$ by Randall Allen, Executive Director, Kansas Association of Counties (<u>Attachment 15</u>).

The Chairman closed the public hearing on **<u>SB 485</u>**.

Chairman Umbarger welcomed Steve Weatherford, President, Kansas Development Finance Authority, who presented a briefing on bonding (<u>Attachment 16</u>). Mr. Weatherford explained that he would be discussing three types of debt: user-fee supported debt; self-supporting debt (primary obligation of a legal entity other than the state and tax-supported debt). Tax-supported debt composes the majority of the State's debt. Mr. Weatherford explained that with this report, KDFA hopes to help advance the formalization of an annual debt study and provide relevant data to assist policymakers in making financing decisions for the State. Due to time constraints, Mr. Weatherford's presentation would be re-scheduled for another meeting.

The meeting adjourned at 12:00 p.m. The next meeting was scheduled for February 13, 2008.