Kansas Department of

Social and Rehabilitation Services

Gary Daniels, Secretary

February 21, 2006

House Appropriations Committee

Gary Daniels, Secretary 785.296.3773

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House Bill 2954

Chairman Neufeld and members of the committee, I am Gary Daniels, Secretary of the Kansas Department of Social and Rehabilitation Services (SRS). I appreciate the opportunity to share testimony on HB 2954, which concerns the conveyance of property currently held by the state of Kansas as part of the Osawatomie State Hospital.

The bill requires the conveyance of approximately 338 acres of land to the City of Osawatomie for purposes of economic development. SRS has identified the land in the bill as surplus property. In the past, the agency has been involved in conversations that may affect the usage of property held by state hospitals.

In this instance, the agency's leadership has not had direct communication with the city of Osawatomie or its representatives regarding acquiring this property for economic development purposes. While SRS is not opposed to entering into a partnership where this land transfer could occur, the agency learned of the bill on Friday and has not had sufficient time to gather information regarding the specifics of the property outlined in the bill nor the intended use of the property other than what is outlined in the bill. In the past, SRS has deeded small amounts of property to cities and other entities believing it is important to support the economic development pursuits of the cities in which its property resides. Two processes exist for us to accomplish the action contained within this bill. The first process would involve a discussion with local authorities, the state agency and the Kansas Department of Administration. After building consensus through those discussions, the parties could return to the Legislature for approval of the proposed plan. A second process would allow the Legislature to pass legislation instructing the state agency to dispose of state property in a prescribed manner. SRS stands ready to participate in either option.

In addition, portions of the property are currently under lease to a private citizen for crop and grazing land. Those leases expire March 31, 2008. Any agreement reached between the city of Osawatomie and the state of Kansas would need to deal appropriately with this current use of the property.

Thank you for this opportunity to address the committee. I will stand for any questions.