

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

February 23, 2011
Room 144-S, State Capitol

Members Present

Representative Jo Ann Pottorff, Chairperson
Senator Dwayne Umbarger, Vice-chairperson
Senator Pat Apple
Senator Laura Kelly
Representative Steve Brunk
Representative Bill Feuerborn
Representative Bob Grant

Members Absent

Senator Marci Francisco
Senator Carolyn McGinn
Representative Kay Wolf

Staff

Audrey Dunkel, Kansas Legislative Research Department
Ryan Weir, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Shirley Morrow, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Gary Deeter, Committee Secretary

Conferees

Eric King, Director of Facilities, Kansas Board of Regents

Others Attending

See attached list.

Chairperson Pottorff called the meeting to order at 12:14 p.m. and asked Shirley Morrow, Kansas Legislative Research Department, to review two items from the previous meeting. *Citing safety issues, by motion of Senator Kelly and second by Senator Umbarger, the Committee recommended restoring \$50,000 for lighting-fixtures replacement for the Kansas Historical Society's Topeka building. The motion passed.*

Representative Grant moved and Representative Feuerborn seconded to concur with the Senate Subcommittee report that deleted \$77,400 for roof repair from the Kansas Department of Labor's 2012 budget request, since the agency stated that the repair was not needed. The motion passed.

The February 16, 2011, JCSBC minutes were approved. (Motion by Representative Grant; seconded by Senator Kelly)

Audrey Dunkel, Kansas Legislative Research Department, reviewed the capital improvements budget requests for the Postsecondary Education System (Attachment 1). For FY 2011, she stated that the budget of \$149.2 million includes \$3.6 million from the State General Fund (SGF), \$35.2 million for debt service principal payments, and \$48.6 million for deferred maintenance. She referenced Attachment 2, explaining that some capital improvements items were submitted after the deadline for the Governor's budget. She also explained that some items appearing in the budget, even though funded entirely with private moneys, must be reported if the construction or renovation occurs on state property. She noted that Sponsored Research Overhead funds may be used for operational expenses. She commented that the lease-purchase agreement for a new Grain Science Center Feed Mill (Item #10) was employed when Kansas State University did not receive anticipated National Bio-Agro Defense Authority Facility (NBAF) funding, so the NBAF time line could not be met. The Governor concurred with the budget request.

A member requested more information regarding the new Kansas State University-funded building in Parsons—specifically, information related to possible consolidation with the extension office in Chanute (Item #5). Sue Peterson, Director of Governmental Relations, Kansas State University, replied that she would provide further information at the Thursday meeting.

Regarding the FY 2012 capital improvements budget, Ms. Dunkel reported an expenditure request of \$89.1 million, an amount which includes \$20.4 million from the SGF. The total amount represents a reduction from FY 2011 of \$59.4 million in all funds (because of an absence of the American Recovery and Reinvestment Act funds) and an increase of \$16.8 million in SGF; the SGF increase reflects an enhancement of \$15.0 million for deferred maintenance to restore funds not transferred from the SGF to the Infrastructure Maintenance Fund in FY 2011. The Governor concurs with the request except for the \$15.0 million enhancement.

Ms. Dunkel, noting that the Pittsburg State University's President's House is inadequate for social events, commented that one of the Senate Subcommittee's recommended enhancements is \$1.5 million from special revenue funds to raze the present structure and build a University House suitable for entertaining dignitaries (Attachment 3). She also commented that Old Chemical Waste Landfill at Kansas State University is releasing hazardous material into an aquifer (Item #4); the Senate Subcommittee recommends \$3.7 million from special revenue funds to remove the landfill.

Jarod Waltner, Kansas Legislative Research Department, reported on the capital improvements budgets for the Kansas Department of Corrections. For FY 2011, a total of \$9.8 million was requested, with \$3.4 million from the SGF for debt service principal, and the remainder from the Correctional Industries Fund and the Correctional Institutions Building Fund. The Governor did not recommend the agency's supplemental request, reducing the SGF by \$185,000 and other funds by \$924,471. For FY 2012 the agency's request of \$18.0 million includes \$12.3 million from the SGF for debt service principal and a \$9.3 million enhancement for renovation of the Labette County conservation camps and a new visitors' center at the Hutchinson Correctional Facility. The Governor did not recommend the enhancements. He also recommended a decrease of \$836,000 in the Correctional Industries Fund by moving the fund off-budget. Members expressed concern regarding expenditures being moved to non-reportable status and requested further information about agencies' off-budget items.

Dylan Dear, Kansas Legislative Research Department, briefed the Committee on the reportable capital improvements budget requests from the Kansas Department of Administration (DA). For FY 2011, he stated the agency has no major ongoing projects and requested \$18.2 million, all from the SGF, for rehabilitation and repair and for debt service principal payments. Mr. Dear also noted a request of \$690,000 for non-reportable capital improvements, all from special revenue funds for FY 2011 and FY 2012. The Governor concurred with the request. Responding to questions, Mr. Dear said some items are off-budget (e.g., the printing plant) to avoid a double count, since the services are charged to agencies and appear in agency budgets. Members continued to express concern for the off-budget process and requested information on all off-budget items in the DA budget for the next day's meeting and all agencies' off-budget funding at a later meeting. Mr. Dear continued, saying that the DA FY 2012 capital improvements budget request of \$28.8 million, all from SGF, includes rehabilitation and repair, debt service principal payments, and special projects. The Governor did not recommend the enhancement projects.

Mr. Dear outlined the FY 2012 capital improvements budget for the Judicial Branch, a total of \$199,499 from the SGF to construct a judicial suite for the 14th Court of Appeals judge and staff. He explained that the request for funds for the suite has been made, but not funded for several years. To date, concurrence for the request has been given by the Governor and by the Senate Ways and Means Committee.

Eric King, Director of Facilities, Kansas Board of Regents, appeared before the Committee to give the fourth-quarter 2010 report on the State Educational Institution Long-Term Infrastructure Maintenance Program ([Attachment 4](#)). He gave a brief background, saying that the 2007 Legislature addressed deferred maintenance of the Regents institutions by providing the institutions, over a five-year period, with direct payments from interest earnings, up to \$100 million in interest-free bonding authority, and state-funded tax credits. He reported that no new projects were undertaken during the quarter and that \$64.5 million had been expended on current projects.

The meeting was adjourned at 1:00 p.m. The next meeting is scheduled for 12:00 noon on Thursday, February 24, 2011, in Room 144-S, Statehouse.

Prepared by Gary Deeter
Edited by Ryan Weir

Approved by the Committee on:

June 1, 2011
(Date)