

## MINUTES

### JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

February 16, 2007  
Room 123-S—Statehouse

#### Members Present

Representative Joe Humerickhouse, Chairman  
Senator Dwayne Umbarger, Vice-Chairman  
Senator Pat Apple  
Senator Greta Goodwin  
Senator Stephen Morris  
Representative Steve Brunk  
Representative Bill Feuerborn  
Representative Bob Grant

#### Members Absent

Senator Jim Barone  
Representative Jo Ann Pottorff

#### Staff Present

Audrey Dunkel, Legislative Research Department  
Reagan Cussimano, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Susan Kannarr, Legislative Research Department  
Heather O'Hara, Legislative Research Department  
Helen Abramson, Committee Secretary

#### Conferees

Richard Gaito, Department of Administration

#### Others Attending

See attached list.

The meeting was called to order by Chairperson Joe Humerickhouse at 12:15 p.m. on February 16, 2007 in Room 123-S of the Statehouse.

Chairman Humerickhouse opened the meeting and remarked that staff distributed to Committee members information received from Marilyn Jacobson, Director, Facilities Management, Department of Administration, pertaining to the Capital Complex Buildings to help the Committee make a recommendation as to the priority order for the repairs needed to the buildings.

Staff presented FY 2007 and FY 2008 capital improvement requests and the Governor's recommendation for the Postsecondary Education System (Attachment 1).

For FY 2007, the current year, the systemwide estimate of expenditures is \$69.9 million, including \$3.1 million from the State General Fund for capital improvements. The estimate of \$36.2 million from the Educational Building Fund includes \$11.5 million for Crumbling Classrooms debt service principal payments and \$24.7 million for systemwide rehabilitation and repair projects.

The estimate includes a supplemental request for \$450,000 from the State General Fund for utility tunnel improvements at the University of Kansas.

The Governor recommends \$74.8 million, including \$2.6 million from the State General Fund.

The Governor does not recommend the supplemental request of \$450,000 from the State General Fund for utility tunnel improvements at the University of Kansas (KU). However, the Governor's recommendation does include an additional \$5.4 million in federal funds for storm damage repairs at KU.

For FY 2008, the budget year, the systemwide estimate for capital improvement expenditures is \$90.6 million, including \$20.2 million from the State General Fund. The estimate of \$27.0 million from the Educational Building Fund includes \$12.0 million for Crumbling Classrooms debt service and \$15.0 million for systemwide rehabilitation and repair projects. The systemwide request includes enhancements of \$5.1 million for utility tunnel improvement at the University Kansas, \$7.2 million for Applegate Energy Center at KU Medical Center, \$515,000 for classroom/office renovation at Memorial Stadium at Kansas State University, \$425,036 for the addition to the William Allen White Library at Emporia State University, \$400,000 to renovate Picken Hall at Fort Hays State University, and \$3.7 million for McCray Hall renovations at Pittsburg State University.

For FY 2008, the budget year, the Governor recommends \$75.1 million, including \$2.8 million from the State General Fund for FY 2008 Regents systemwide capital improvements. The recommendation of \$27.0 million from the Educational Building Fund includes \$12.0 million for Crumbling Classrooms debt service and \$15.0 million for systemwide rehabilitation and repair projects. The Governor does not recommend the requested enhancements, however, the Governor adds \$2.0 million from special revenue funds for expansion to the Hilltop Child Care Center at the University of Kansas.

The University of Kansas requests \$22,362,476 and the Governor recommend \$27,335,023. The difference being that the Governor did not recommend \$450,000 for the utility tunnel improvements, but did recommend \$5,422,544 for Storm Damage Repair which the agency had not included in their request. However, the funding was recommended after submitting its request for \$5,422,544 which are federal dollars.

For FY 2008, the University of Kansas requests \$5,100,000, all from the State General Fund, for utility tunnel repairs. The Governor did not recommend this item. The agency did not request funding for the Additional to Child Care Facility, but the Governor added \$2.0 million from Special Revenue Funds. The reason the agency did not include this item in its request was because it had not yet been approved by the Board of Regents when the budget was presented.

For FY 2007, the Kansas University Medical Center (KUMC) requests \$2,337,795 and the Governor concurs with the agency's request.

For FY 2008, the KUMC requests \$9,542,721 and the Governor recommended \$2,309,721. The difference is that the agency requested \$7,233,000 for Applegate Energy Center and the Governor did not recommend this item and asked the agency to find some other revenue source for this item.

For FY 2007, Kansas State University (KSU) requests \$12,337,958 for capital improvements. The Governor concurred with the agency's request.

For FY 2008, KSU requests \$14,675,109 and the Governor recommended \$14,160,109 as she did not recommend the agency's request for \$515,000 for classroom/office renovation at Memorial Stadium.

For FY 2008, for KSU Veterinary Medical Center the agency requests \$538,719 for debt service principal. The Governor concurred with the agency's request.

For FY 2007, KSU-ESARP requests \$1,350,000 for Grain Science Center Debt Service Principal, and the Governor concurs.

For FY 2008, KSU-ESARP requests \$951,345 for rehabilitation and repair and \$1,000,000 for the Grain Science Center Debt Service Principal, and the Governor concurs.

For FY 2007, Wichita State University (WSU), requests \$5,257,742 for rehabilitation and repair and debt service principal. The Governor concurs.

For FY 2008, WSU's only request was \$2,684,637 for debt service principal and the Governor concurs.

For FY 2007, Emporia State University (ESU) requests \$2,239,913 for rehabilitation and repair, parking lot improvements and debt service principal. The Governor concurs.

For FY 2008, ESU requests \$649,627 for rehabilitation and repair (other funding), \$425,036 for the William Allen White Library Addition, \$90,000 for parking lot improvements, and \$662,700 for debt service principal. The Governor did not recommend the William Allen White Library project and suggested that the University find other resources for this item, but concurred with the other agency's request.

For FY 2007 Fort Hays State University (FHSU) requests \$2,003,688 and the Governor concurs.

For FY 2008, FHSU requests \$400,000 for Picken Hall Renovation, \$1,675,000 for McMIndes Hall HVAC improvements, \$400,000 for parking lot maintenance, and \$698,931 for debt service. The Governor did not recommend the \$400,000 for Pickens Hall HVAC improvements, but concurred with the University's other requests. The estimated total cost of the renovation to Picken Hall would be about \$4.7 million. The Governor recommended that the University find other funding sources.

For FY 2007, Pittsburg State University (PSU) requests \$4,527,441 for capital improvement projects and debt service principal. The Governor concurred.

For FY 2008, PSU requests \$10,664,359 for capital improvement projects and debt service principal. The Governor recommend only \$6,934,359. The difference being that the Governor did not recommend \$3,730,000 for the McCray Hall Renovation and recommended that the agency find other revenue sources.

Staff remarked about resources available to universities since the Legislature has allowed them to keep their tuition and fees interest. In FY 2008 legislators will start seeing that money. About

\$8.5 million is estimated to be available systemwide for institutions. While statutorily they are allowed to spend that money however they might choose, the understanding was that they would spend that money on some of their deferred maintenance needs for the next five years. The Board of Regents had not completed its review when the budget was presented. It pitched to the Governor that it would like to have a \$200 million down payment. The Governor has presented an option to try to address deferred maintenance over a five or six year period, but as far as having a solution to deferred maintenance, that is being left up to the Legislature.

Committee discussing followed concerning what funds will pay for the Addition to the Child Care Facility at the University of Kansas.

*Representative Feuerborn moved the Committee's recommendation to concur with the Governor's recommendation for Post-secondary Education System for FY 2007 and FY 2008. Representative Grant seconded the motion. Motion carried.*

Staff presented FY 2007 and FY 2008 capital improvement requests for the Commission on Veterans' Affairs (Attachment 2).

For 2007, the current year, the agency estimates \$4,422,700 for capital improvement projects. This includes \$1,745,219 from the State Institutions Building Fund and \$2,677,482 from federal funds. Of this amount, \$445,000 is for the Veterans Cemetery Program, \$809,061 is for rehabilitation and repair at all locations, \$1,863,890 is for the Kansas Soldiers' Home, \$1,197,644 is for the Kansas Veterans' Home, and \$107,105 remains for miscellaneous capital improvement projects. The agency's estimate is a decrease of \$3,955,298, or 47.2 percent, below the 2006 Legislature approved amount of \$8,377,998. The decrease is the result of the shift in funding for the Fort Riley Cemetery from FY 2007 to FY 2008.

For FY 2007, the Governor recommends \$4,644,700 for capital improvements projects. As compared to the agency's estimate, the Governor recommends increasing funding by \$31,230 for the Veterans Cemetery Program, \$106,695 for the Kansas Soldiers' Home, and \$336,934 for the Kansas Veterans' Home. The Governor recommends a decreases of \$145,844 for rehabilitation and repair, and \$107,105 for miscellaneous capital improvement projects.

For FY 2008, the agency requests \$7,667,614 for capital improvement projects. Of this amount, \$5,773,974 is for the Veterans Cemetery Program, \$601,655 is for rehabilitation and repair, \$32,500 is for the Kansas Soldiers' Home, and \$1,259,485 is for the Kansas Veterans' Home. Funding for the agency's request includes \$1,082,775 from the State Institutions Building Fund and \$6,584,839 from federal funds. The Governor concurs with the agency's FY 2008 request.

*Senator Morris moved for the Committee's recommendation to concur with the Governor's recommendation for FY 2007 and FY 2008 for the Commission on Veterans' Affairs. Representative Feuerborn seconded the motion. Motion carried.*

Staff presented FY 2007 and FY 2008 capital improvement requests for the Department of Commerce (Attachment 3).

The Department of Commerce requests \$463,500 for capital improvement projects and debt service for FY 2007. The Governor concurs with the agency's request. The largest item is for an HVAC replacement of \$238,500.

The agency requests \$250,000 for FY 2008, the majority of which is federally funded but the debt service principal is from Special Revenue Funds. The Governor concurs with the agency's request.

*Senator Morris moved for the Committee's recommendation to concur with the Governor's recommendation for the Department of Commerce for FY 2007 and FY 2008. Representative Grant seconded the motion. Motion carried.*

Staff presented capital improvement projects for FY 2007 and FY 2008, listing various projects for the Department of Corrections including each correctional facility (Attachment 4).

For FY 2007 the agency requests \$10,338,244 for capital improvements, including \$2,946,659 from the State General Fund, \$6,412,585 from the Correctional Institutions Building Fund, and \$979,000 from the Correctional Industries Fund for Kansas Correctional Industries. Included in the amount is \$5,701,905 for rehabilitation and repair. Debt service principal of \$4,636,356 includes \$1,180,356 from the State General Fund for the Facilities Conservation Improvement Program.

For FY 2007, the Governor recommends capital improvement expenditures of \$10,338,529 including \$2,946,659 from the State General Fund, \$6,412,870 from the Correctional Institutions Building Fund (CIBF) and \$979,000 from the Correctional Industries Fund for Kansas Correctional Industries. Included in the amount is \$5,702,173 for rehabilitation and repair. The recommendation is an increase of \$285.00 above the agency FY 2007 estimate.

For FY 2008 the agency requests capital improvements of \$11,289,262, including \$3,717,313 from the State General Fund, \$4,935,867 from the Correctional Institutions Building Fund, \$80,000 from the Correctional Industries Fund for Kansas Correctional Industries and \$2,556,082 in construction defects recovery from the proceeds of the El Dorado site utilities lawsuit. The request is an increase of \$951,018 above the agency's FY 2007 capital improvement estimate. The increase includes \$5,882,252 for rehabilitation and repair, an increase of \$180,364, or 3.2 percent, above the FY 2007 estimate. The increase includes debt service principal of \$5,407,010, an increase of \$770,654 above the FY 2007 estimate. Based on the established debt service schedules for current bond issues, the estimated payments for principal and interest costs remaining after FY 2008 are as follows:

Ellsworth Correctional Facility - A - 2 Bonds	\$ 1,620,000
Revenue Refunding Bond Issue - A - 1 Bonds	12,494,000
Labette Correctional Conservation Camps - A - 2 Bond	471,000
El Dorado Correctional Facility - RDU Project - H - Bonds	<u>19,648,000</u>
TOTAL	<u>\$ 34,233,000</u>

The agency requests bonding authority of \$19.3 million, including expenditures of \$2.6 million from the proceeds of the El Dorado site utilities lawsuit to finance the following projects:

Replace locking system at Hutchinson Correctional Facility	\$ 4,333,440
Replace water treatment plant at Norton Correctional Facility	3,975,000
Change current medium security dining hall from 2 <sup>nd</sup> floor to ground level at Norton Correctional Facility	696,935
Upgrade utilities tunnel at Norton Correctional Facility	1,700,000
Replace security perimeter detection at Hutchinson Correctional Facility	869,300
Replace fire alarm systems at multiple facilities	1,500,000
Replace locking system at Ellsworth Correctional Facility	470,000
Add new clinic and infirmary at Lansing Correctional Facility	6,007,000
Bring multiple facilities into ADA compliance	750,000
Install security cameras and other equipment at facilities	<u>1,500,000</u>
TOTAL	<u>\$ 21,801,675</u>

Financing: Bond Proceeds \$19,245,593 and construction defects Recovery Fund \$2,556,082.

For FY 2008, the Governor recommends capital improvements expenditures of \$11,274,395 including \$3,717,313 from the State General Fund, \$4,921,000 from the Correctional Institutions Building Fund, \$80,000 from the Correctional Industries Fund for Kansas Correctional Industries, and \$2,556,082 in construction defects recovery from the proceeds of the El Dorado site utilities lawsuit. The recommendation is a decrease of \$14,867 below the agency's FY 2008 request and an increase of \$935,866 above the FY 2007 recommendation. The Governor concurs with the agency request for bonding authority of \$19.3 million and also recommends up to \$39,525,000 in bonding authority to the Department of Corrections to expand prison capacity.

Staff informed the Committee that the agency is not able to get replacement parts for the locking system at Ellsworth.

Mike Gaito, Architect, Division of Facilities Management, Department of Corrections, informed the Committee that currently the locks are still being manufactured for sliding doors at El Dorado Correctional Facility, but the parts for the locking system at Ellsworth and Hutchinson are no longer available.

Committee discussion followed concerning looking at bidding procedures since services are generally poor from low bidders as well as from companies that do not stay in business.

Mr. Gaito remarked that in the bidding process, if the bid is from a qualified bidder, the agency has to accept the lowest bid.

Committee discussion followed concerning the use of more specifications in the bidding process in order to secure better services. Longevity of businesses also should be considered.

Mr. Gaito said in order to increase the quality of the lowest bidder, the agency could put in qualification for response time to service calls, how many spare parts are in their inventory, and the distance to the nearest service office.

Senator Umbarger suggested that the agency take a lock to a metal works company to see if it has the capability to make spare parts and what the cost would be. At the same time, the original company winning the bid would be given the chance to bid on making spare parts.

Discussion followed concerning the possibility that statutes may need changing to allow enhancements of specification for the purpose of securing better service and products from bidding companies.

The Committee requested that the agency should look into the bidding process restrictions and guidelines to see if there are ways for the Committee to recommend statutorily changes that would allow the agency to do its job better.

Mr. Gaito said that sometimes the agency pre-selects bidders on sensitive components.

*Representative Feuerborn moved the Committee's recommendation to concur with the Governor's recommendation for FY 2007 and FY 2008 for the Department of Corrections. Senator Apple seconded the motion. Motion carried.*

Staff presented Social and Rehabilitation Services FY 2007 and FY 2008 capital improvement requests (Attachment 5).

For FY 2007 the agency requests \$5,569,177 for capital improvement projects and the Governor concurred with the agency's request.

For FY 2008 the agency requests \$4,941,714 for capital improvement projects. Of this amount \$2,995,000 is being requested to service the bonds issued for construction and rehabilitation and repair. The amount needed to service the bonds issued for the new State Security Program building is \$1,765,000. Another \$1,230,000 is for debt service for bonds issued for rehabilitation and repair. The work using the rehabilitation and repair bonds is scheduled to be completed in FY 2007.

Also included in this request is \$1,413,100 for rehabilitation and repair at the state hospitals for the highest priority critical projects such as: replacing deteriorating water mains at Osawatomie State Hospital; adding observation and seclusion rooms, motion detectors, and or modifying a medications room at Rainbow Mental Health Facility; replacement fan coil units and risers and re-roof Cedar Cottage at Parson State Hospital and Training Center; and upgrade and replace sewer lines at Kansas Neurological Institute.

The agency requests \$300,000 to complete the window replacement projects and to start the program to upgrade lighting, power, and replace ceilings at Chanute Service Center.

Parsons State Hospital and Training Center requests expenditures of \$113,614, including \$60,714 from the State General Fund for bond principle payments to the Department of Administration for the agency's participation in the state's energy conservation improvement project.

Kansas Neurological Institute requests expenditures of \$120,000, including \$55,534 from the State General Fund for bond principal payments to the Department of Administration for the agency's participation in the state's energy conservation improvement project.

For FY 2008, the Governor recommends \$4,608,100 for capital improvements and debt service for the Department of Social and Rehabilitation Services. The Governor concurs with the agency request for bond principal payments but recommends \$200,000 for the repairs at the Chanute Service Center, a decrease of \$100,000 below the agency request.

The Governor concurs with the requested capital improvements expenditures for Parsons State Hospital and Training Center and the Kansas Neurological Institute.

Committee discussion followed concerning the need for additional mental health beds. The Senate subcommittee recommended that the agency work with local hospital for contractual services.

The agency is requesting 30 additional beds for Osawatomie State Hospital, but this request is being put off until Omnibus.

Staff informed the Committee that the annual operating expenditures for that unit would be \$3.5 million and, in addition, \$2.7 million would be needed to rehabilitate the building to reopen it. A caveat to that, is that the agency indicates that it currently is being used as a staging for all of the other projects that are going at Osawatomie but the earliest those beds would be available would be in 2009.

Discussion followed concerning hiring private beds.

The agency reported that they are looking for 20 beds for children, which Rainbow Mental Health Facility could handle.

*Senator Morris moved the Committee's recommendation to look at construction of additional beds at Osawatomie at Omnibus. Representative Feuerborn seconded the motion. Motion carried.*

*Representative Feuerborn moved the Committee's recommendation to concur with the Governor's recommendation for the Department of Social and Rehabilitation Service for FY 2007 and FY 2008. Senator Umbarger seconded the motion. Motion carried.*

Staff indicated the tentative dates of the next few Committee meeting.

Chairman Humerickhouse noted that Kyle Smith, Assistant Director, Kansas Bureau of Investigation will route an email regarding the breakout of the agency's \$100,000 HVAC system.

Chairman Humerickhouse adjourned the meeting at 12:40 p.m.

Prepared by Helen Abramson  
Edited by Audrey Dunkel

Approved by Committee on:

May 22, 2007

Date