

Approved: April 5, 2000
Date

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 1:00 p.m. on March 29, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Lawrence, who was excused

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:
Thaine Hoffman, Director, Division of Architectural Services
Senator Janis Lee
Sheila Frahm, KS Association of Community Colleges Trustees
Jim Ploger, Energy Program Manager, KCC

Others attending: See attached list

HB 2017: State building construction, change orders, procedures for review prior to approval

Thaine Hoffman, Director of Architectural Services within the Department of Administration, appeared before the Committee in support of **HB 2017** and reviewed his written testimony (Attachment 1). He explained that the provisions of the bill would raise the threshold on change orders to \$75,000 and that amount could be adjusted to account for inflation or construction industry factors. **HB 2017** also establishes a procedure to allow the Secretary to proceed with the change with notification through the mail. Concern was expressed about giving the agency the authority to raise the threshold on change orders with inflation.

Senator Janis Lee distributed and reviewed copies of a balloon which she asked the Committee to consider (Attachment 2). She provided historical information about land in Mitchell County and noted that it had not been sold through the sealed bid process. She explained that her amendments to **HB 2017** described the tract of land which needed to be sold for economic development reasons and listed options that would allow the Secretary of Administration to get the best price for the land. In answer to a question, she told members that an out-of-state distribution company would like to locate on this land.

Senator Petty distributed copies of a balloon on **HB 2170** which she said the Department of Administration would like to have amended into **HB 2017** (Attachment 3). Joe Fritton, Acting Director of Facilities Management, told members that **HB 2170** with the proposed amendments establishes a procedure for disposing of surplus property across the state. He stated that under current law, the agency cannot maximize the sale price with the sealed bid procedure. He told members that **HB 2170** (as amended by the balloon) would encompass Senator Lee's proposal. Because Senator Lee expressed concern about selling the land as soon as possible, Mr. Fritton stated that he would proceed with selling it as soon as this bill passes.

Members discussed their reservations about subsection (f) which would credit the proceeds of the sales to a special revenue fund within the Department of Administration. Mr. Fritton noted that the cost of the sale would be borne by the Department and requested recovery of those costs.

In answer to a question about exempting KDOT property from this proposal, a member of the Research staff noted that KDOT has its own independent authority to dispose of property.

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

Senator Feleciano moved, Senator Jordan seconded, that **HB 2017** be amended by striking all the language from subsection (e) and subsection (f) which begins on page 2, line 33 and goes through line 17 on page 3 except “On the effective date of this act, the cost increase threshold established under this subsection is \$75,000.” The motion carried on a voice vote.

It was moved by Senator Feleciano and seconded by Senator Downey that **HB 2017** be further amended by the inclusion of **HB 2170** as amended by the balloon (Attachment 3). The motion carried on a voice vote.

Senator Feleciano moved, Senator Petty seconded, that **HB 2017** be further amended by providing that the proceeds from the sale of surplus real estate and any improvements thereon be credited to the SGF with the exception that the Department of Administration is given authority to recoup costs associated with the sale of the property.

Senator Feleciano offered a motion to recommend **HB 2017** as amended favorably for passage. The motion was seconded by Senator Downey and carried on a roll call vote.

HB 2996: Community colleges, determination of operating grants

Written testimony from Bill Docking, Chairman of the Board of Regents, was distributed to members (Attachment 4).

Sheila Frahm, Executive Director of Kansas Association of Community College Trustees, reviewed her written testimony in support of **HB 2996** (Attachment 5).

A motion was offered by Senator Salisbury and seconded by Senator Petty to recommend **HB 2996** favorably for passage. The motion carried on a roll call vote.

HB 2603: Financing energy conservation projects for state and municipal facilities

Jim Ploger, Energy Program Manager, Kansas Corporation Commission, distributed and reviewed copies of his written testimony in support of **HB 2603** (Attachment 6). Letters in support of **HB 2603** from Warren Corman, University Architect at the University of Kansas (Attachment 7) and Rodger Oroke, University Director for General Services at the University of Kansas (Attachment 8) were distributed to members.

The Committee discussed financing of the energy conservation projects, grants for engineering studies and energy conservation measures (identified in the fiscal note), limitations associated with the energy savings bond program of the universities, and amendments the House Committee made to **HB 2603**. It was noted that **HB 2603** clarifies that state agencies and local units of government have the authority to enter into contracts or lease purchase agreements with service providers for energy conservation measures and that the companies would be reimbursed through utility savings. Mr. Ploger added that if savings are not generated, the energy savings companies will pay the difference so there will be no cost to the agencies above what they're currently paying for utilities.

Senator Petty moved, Senator Feleciano seconded, that **HB 2603** be recommended favorably for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 2:10 p.m. The next meeting will be March 30, 2000.