

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

February 15, 2010
Room 144-S—Statehouse

Members Present

Senator Dwayne Umbarger, Chairperson
Senator Pat Apple
Senator Jay Emler
Senator Marci Francisco
Senator Laura Kelly

Members Absent

Representative Jo Ann Pottorff, Vice-chairperson
Representative Steve Brunk
Representative Bill Feuerborn
Representative Mitch Holmes
Representative Bob Grant

Staff

Audrey Dunkel, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Gary Deeter, Committee Secretary
Florence Deeter, Assistant

Conferees

Debra Prideaux, Executive Director, Alumni and Governmental Relations, Fort Hays State University

Other Attending

See attached sheet.

The Chairperson called the meeting to order at 12:15 p.m., thanked Ron Gaches and Associates for the lunch, and asked Audrey Dunkel, Kansas Legislative Research Department, to review the capital improvements budgets for the Regents universities.

Ms. Dunkel explained that because of Postsecondary Education Infrastructure (PEI) Grants and the Deferred Maintenance program, Regents capital improvements funding becomes a more labyrinthine process, which the Board of Regents is seeking to simplify ([Attachment 1](#)). Regarding the FY 2010 capital improvements budget requests, the Regents estimates system-wide totaled \$134.7 million, which includes \$1.4 million from the State General Fund (SGF). The estimates include \$51.3 million for rehabilitation and repair, \$46.2 million for deferred maintenance, and debt service principal payments of \$37.1 million. The Governor concurred with the FY 2010 request except for the funding coming from PEI bonds; he recommended \$5 million from the SGF for bond principal payments, whereas the Board of Regents requested payments from the special revenue funds. (Principal payments are made by the Regents; interest payments are made by the state.) Ms. Dunkel noted that the Regents received \$40 million from the ARRA (American Reinvestment and Recovery Act), one-third of which was distributed to institutions for operating expenses and two-thirds for deferred maintenance. She further noted that the ARRA funds applied only to the FY 2010 budget, not the FY 2011 budget.

For FY 2011, Ms. Dunkel reported that the Regents requested capital improvements expenditures of \$103.6 million, which includes \$33.9 million from the SGF. The request includes \$39.3 million for rehabilitation and repair, \$5.7 million for deferred maintenance, and debt services principal payments of \$43.6 million. The Governor pared the totals to \$71 million, reducing the impact on the SGF to \$8.7 million. The Governor's recommendation reduces all funds by 31.5 percent and SGF by 74.2 percent, the reductions reflecting enhancements being cut for deferred maintenance for the University of Kansas (\$21.1 million, all SGF) and from the University of Kansas Medical Center (\$9 million, all SGF). Further, the Governor recommended PEI bond principal payments from the SGF rather than from special revenue funds, with a moratorium on additional bond issuance, a savings of \$2.5 million. Ms. Dunkel noted that the state paid interest on the bonds for FY 2010 and eliminated the interest payments for FY 2011.

Ms. Dunkel referenced the status of the various state building funds ([Attachment 2](#)).

A Committee member noted that Fort Hays State University had no expenditures for deferred maintenance. Debra Prideaux, Executive Director, Alumni and Governmental Relations for the university, said the \$500,000 was inadvertently omitted and will be included in the report on Wednesday, February 17.

Lacking a quorum, the Committee was unable to approve the report.

The meeting was adjourned at 12:37 p.m. The next meeting is scheduled for Wednesday, February 17, at noon in Room 144-S of the Capitol.

Prepared by Gary Deeter
Edited by Audrey Dunkel

Approved by Committee on:

April 28, 2010

(Date)