

MINUTES OF THE JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

The meeting was called to order by Chairman JoAnn Pottorff at Noon on March 2, 2009, in Room 143-N of the Capitol.

All members were present except Senator Emler, who was excused.

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes
Audrey Dunkel, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Dylan Dear, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Gary Deeter, Committee Secretary

Those attending:

See attached list.

Ed Hammond, President, Fort Hays State University, requested the Committee's approval for a new soccer facility estimated to cost \$2.1 million (Attachment 1). He said the project will be funded from private and university foundation sources. Responding to questions, he replied that the city of Hays has agreed to maintain the facility and that user fees will supplement maintenance. He stated that the soccer program will begin after the field is built. By motion of Representative Feuerborn, second by Senator Umbarger, and vote of the Committee the request was approved.

Staff Dylan Dear reviewed the FY 2009 capital improvement estimates of the Kansas Department of Labor (Attachment 2). He stated that the agency estimated expenditures of \$1.89 million, an amount with which the Governor concurred. For FY 2010 the agency requested \$559,518, an amount which received the Governor's concurrence. Answering a question, Bill Schafer, Chief Financial Officer for Fiscal Management, Kansas Department of Labor, said 30 new staff being added to the agency were funded with federal Reed Act dollars and housed by renovating existing facilities. He replied that the energy audit, which will effect considerable savings for the agency, has not been completed.

John Gist, Director of Facilities Planning, Office of the Vice President for Administration and Finance, Wichita State University (WSU), requested the Committee's approval for an FY 2009 budget amendment to build a facility to house the Advanced Education in General Dentistry Dental Clinic program; he noted that the Kansas Board of Regents (KBOR) had approved the project in December 2008 (Attachment 3). He commented that the \$6.4-million project will be funded by the WSU Foundation and maintained by student fees. A motion was made, seconded, and passed to approve the request. (Motion, Representative Feuerborn; second, Representative Brunk)

Warren Corman, University Architect, University of Kansas, requested approval for renovation of building

CONTINUATION SHEET

Minutes of the Joint Committee on State Building Construction at Noon on March 2, 2009, in Room 143-N of the Capitol.

#4 on the Edwards campus in Johnson County (Attachments 4 and 5). He said the project, estimated to cost \$24.9 million, will be funded by a 1/8-cent Johnson County sales tax. He noted that the Governor had recommended the project and the Board of Regents had approved the project in December 2008. A motion was made, seconded, and passed to approve the request. (Motion by Representative Feuerborn, seconded by Representative Grant)

Mr. Corman continued by requesting a budget amendment to continue renovation of the Jayhawk Towers, Building A, on the KU campus (Attachment 6). He explained that the estimated cost of \$6.9 million will be funded with revenue bonds issued by the Kansas Development Finance Authority (KDFA) and secured with a pledge from Housing System revenues. To a question Mr. Corman replied that the towers continue to be fully occupied. The request was approved by motion of Senator Francisco, seconded by Senator Kelly, and vote of the Committee.

Ed Phillips, Vice Chancellor for Administration, University of Kansas Medical Center (KUMC), requested a budget amendment to renovate an office building in Fairway, Kansas, to house its new clinical research center, one step in accommodating clinical trials to obtain a National Cancer Institute Cancer Center designation (Attachment 7). Noting that the project was recommended by the Governor and approved by KBOR, he said the \$25-million project will be funded by the 1/8-cent Johnson County sales tax. A motion was made, seconded, and passed to approve the request. (Motion, Senator Umbarger; seconded, Senator Francisco)

Mr. Phillips further requested the Committee approve a request for \$34 million to renovate Wahl Hall at KUMC to meet the Cancer Center's immediate needs (Attachment 8). He noted that the Kansas Bioscience Authority has pledged \$26.4 million over ten years to fund the project, and the KDFA has approved bonds for the project. The project will be considered for approval by the KBOR at its March meeting. The Committee approved the request. (Motion by Senator Francisco; seconded by Senator Kelly)

Abe Fattaey, Facilities Planning Director, Kansas State University (KSU), requested approval for a budget amendment to include a \$1.5-million sheep and meat goal facility (Attachment 9). Replying to questions, he said the project will be funded by fees from the sale of property, by private funds from the KSU Foundation, and by sale of meat. He stated that maintenance costs will be absorbed by the College of Agriculture. A motion was made, seconded, and passed to approve the request. (Motion, Representative Grant; seconded by Senator Kelly)

Staff Heather O'Hara reviewed the capital improvements budgets for Kansas Department of Wildlife and Parks (KDWP). She said the agency's FY 2009 estimate of \$17.9 million was reduced by the Governor to \$16.9 million. The FY 2010 request of \$12.3 million was decreased \$5.9 million by the Governor to \$6.4 million (Attachment 10). Answering questions, Mike Hayden, Secretary for KDWP, said that because the agency receives federal funds from the motorboat gasoline excise tax, it must expend certain funds to provide motorboat access to lakes and rivers. He explained that area landowners, including the Kaw River State Park, must pay a one-time assessment of \$187,314 to fund the Wanamaker traffic circle at 6th and Wanamaker in

CONTINUATION SHEET

Minutes of the Joint Committee on State Building Construction at Noon on March 2, 2009, in Room 143-N of the Capitol.

Topeka. He replied that, by not having funds to purchase minimum-pool storage at Webster Reservoir, since the reservoir is now full, any subsequent purchase will be more expensive.

Ms. O'Hara, commenting on the Kansas State Fair FY 2009 capital improvements estimate of \$1.3 million, said the Governor recommended \$857,064, part of the reduction reflecting the restructuring of debt service. Regarding the FY 2010 request of \$1.3 million, she said the Governor recommended expenditures of \$114,306. She noted that the Governor recommended suspension of the State General Fund (SGF) match paid to the State Fair Capital Improvements Fund. Denny Stoecklein, Manager of the State Fair, explained that the agency is obligated for annual debt service payments of \$400,000 through 2012; not having the SGF match up to \$300,00 has seriously diminished the Capital Improvements Fund. Replying to a question, he said that the Senate Ways and Means Committee is scheduled to hear the agency budget in two weeks.

Staff Cody Gorges presented details of the Kansas Department of Administration (DofA) capital improvements budget for FY 2009 and FY 2010. The FY 2009 agency estimate of \$16.9 million was selectively reduced by 2% at the request of the Governor, who then recommended a budget of \$15.3 million, which included an interest-only debt restructuring and a further 1% reduction in rehabilitation and repair. Mr. Gorges said that the FY 2010 agency request of \$31.2 million included specific projects for the capitol complex; the Governor did not recommend any of the projects and allocated \$3.1 million in her budget recommendations. Answering questions, Marilyn Jacobson, Director, Facilities Management Division, DofA, replied that the architectural fees for the Docking State Office Building were to compare demolition, replacement, and rehabilitation costs. She responded that the assessment by the city of Topeka was cost-sharing for widening MacVicar Street.

At the request of the Committee, Ms. Jacobson gave an update on the proposed tunnel project around the capitol complex, saying that the city still does not consider the project a public improvement project and will assign costs for relocation of utilities to the state. She said the city views the state as a private entity, even though the tunnel project fits the city code definition of a public project. She replied that presently the Division is attempting to ascertain the location of the three major utility companies, locations which the companies are unable to provide. She said the Division may reconsider rehabilitation of the existing tunnel.

Mr. Gorges also reviewed the nonreportable capital improvements budget for the DofA, stating that the Governor concurred with the FY 2009 agency estimate of \$535,353. For FY 2010 the agency requested \$585,353, which was pared to \$535,353 by the Governor.

Staff Mike Steiner reviewed the capital improvement budgets for the Kansas Department of Commerce, stating that the Governor concurred for both the FY 2009 budget estimate (\$200,000) and the FY 2010 budget request (\$155,000), all of which came from federal funds (Attachment 11).

The meeting was adjourned at 1:19 p.m. The next meeting is scheduled for Wednesday, March 18, at noon in 143-N.