

## **MINUTES**

### **JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION**

February 4, 2010  
Room 144-S—Statehouse

#### **Members Present**

Senator Dwayne Umbarger, Chairperson  
Representative Jo Ann Pottorff, Vice-chairperson  
Senator Pat Apple  
Senator Marci Francisco  
Senator Laura Kelly  
Representative Bill Feuerborn  
Representative Bob Grant  
Representative Mitch Holmes

#### **Members Absent**

Senator Jay Emler  
Representative Steve Brunk

#### **Staff**

Audrey Dunkel, Kansas Legislative Research Department  
Aaron Klaassen, Kansas Legislative Research Department  
Heather O'Hara, Kansas Legislative Research Department  
Matt Sterling, Office of the Revisor of Statutes  
Gary Deeter, Committee Secretary  
Florence Deeter, Assistant

#### **Conferees**

Denny Stoecklein, General Manager, Kansas State Fair  
Janice Harper, Comptroller, Kansas Adjutant General's Office  
Mike Hayden, Secretary, Kansas Department of Wildlife and Parks

#### **Other Attending**

See attached list.

The Chairperson called the meeting to order at 12:15 p.m., thanked Kathy Damron and the University of Kansas for the lunch, and announced the review of agency capital improvement requests for FY 2010 and FY 2011 (Attachment 1).

Heather O'Hara, Kansas Legislative Research Department, reviewed the capital improvements budget for the Kansas State Fair, saying that the FY 2010 expenditures of \$261,896, all from the agency's special revenue funds, is a decrease of \$765,766 from the FY 2009 actual expenditures (Attachment 2). She explained that at least 5 percent of the Fair's revenues by statute must be transferred into the State Fair Capital Improvements Fund and an additional amount up to \$300,000 must be transferred annually into the Fund from the State General Fund (SGF). In FY 2002, FY 2004, FY 2005, and FY 2010, the Legislature suspended this SGF match. The Fair's supplemental FY 2010 request for \$200,000 was not authorized by the Legislature, resulting in the State Fair Capital Improvements Fund being \$18,250 short for making a required \$700,000 bond payment on April 1, 2010. The Governor did not recommend the supplemental request, but instead recommended that the Fair make an early withdrawal from the State Fair Fee Fund to meet the required bond payment.

Ms. O'Hara said the Fair's FY 2011 budget request for capital improvements of \$1.4 million (\$1.3 million SGF for debt service) is an increase of \$1.1 million above the FY 2010 revised estimate, an amount with which the Governor concurs. She also noted that an \$843,000 transfer from the SGF to the Capital Improvements Fund is an attempt to begin replacing the \$1.1 million deficit caused by the failure of the Legislature to meet its statutory obligations. The Governor recommends adding \$50,000 to the \$300,000 statutory cap of \$300,000 to be transferred from the State Fair Fee Fund to the Capital Improvements Fund, at least part of the transfer being made early enough to meet the required bond payment.

Denny Stoecklein, General Manager, Kansas State Fair, appeared before the Committee to encourage members to support the Fair's request for the Legislature to fulfill its obligation towards repayment of the bonds (Attachment 3). He noted that further depletion of the Fair Fee Fund will truncate future plans for the State Fair, and he reiterated the importance of the state match for meeting the bond payments.

Answering a question, he said that the current bond payment arrangement includes funds from the City of Hutchinson and Reno County, making any bond refinancing too complex for the Kansas Development Finance Authority to support. A motion was made by Senator Umberger, seconded by Representative Feuerborn, and passed unanimously to recommend to the Legislature that the State Fair's FY 2011 budget request be granted. Staff note: A quorum was present at this time.

Reporting on the capital improvement budget requests for the Kansas Highway Patrol, Aaron Klaassen, Kansas Legislative Research Department, said that the Governor concurred on the Patrol's FY 2010 expenditures of \$557,800, all from special revenue funds, an amount which includes \$290,000 for debt service on the Fleet Center and Vehicle Identification Number Facility. Regarding the FY 2011 budget request, Mr. Klaassen said that the \$1.2 million request, all from special revenue funds, was pared by the Governor to \$451,560, an amount which includes \$305,000 for debt service principal and transferring rehabilitation and replacement funds to the Operations Fund to be used for salaries and wages.

Lacking a quorum, the Committee took no action on the report.

Reviewing the Adjutant General's capital improvement budget requests, Mr. Klaassen reported that for FY 2010 the agency expenditure estimates totaled \$6.6 million, \$788,687 of that

amount from the SGF for debt service and an addition to the Kansas National Guard Museum. Other funding sources for capital improvements totaled \$5.8 million, with a supplemental request for \$3 million in bonds for armory renovation. The Governor concurred with the agency request except for the \$488,687 enhancement for the National Guard Museum. For FY 2011, the agency requested \$74.9 million, of which \$9.5 million from the SGF will fund debt service principal (\$1.8 million), and addition to the Kansas National Guard Museum (\$459,357), and the creation of the Great Plains Regional Training Center Site (\$6.8 million). The Governor did not recommend the enhancements, but did recommend a total of \$67 million for capital improvements, including \$1.8 million from the SGF for debt service.

Answering a question regarding the 18 closed armories, Janice Harper, Comptroller for the Adjutant General, replied that the bonded indebtedness for those armories totaled \$6.2 million.

Lacking a quorum, the Committee took no action on the report.

Ms. O'Hara, reviewing the FY 2010 capital improvements budget for the Kansas Department of Wildlife and Parks, said the agency requested expenditures totaling \$14.5 million, \$461,049 of which comes from the SGF. She noted that an increase of \$6.5 million beyond the FY 2009 expenditures was attributed to projects spanning several fiscal years before being completed. The Governor concurred with the agency request except recommending a reduction of \$50,000 from the Cabin Revenue Fund. Regarding the FY 2011 requests, the total expenditures (\$8.9 million, with \$1.5 million from the SGF) represent a decrease of \$5.7 million. The Governor recommends a total of \$6.5 million, with \$6.3 million coming from the SGF. The Governor does not recommend the \$1.5 million enhancement and recommends suspending a transfer of \$1.1 million from the State Highway Fund to the agency's Department Access Roads Fund.

Mike Hayden, Secretary, Kansas Department of Wildlife and Parks, commented on the Governor's recommendations for the agency's FY 2011 budget, providing details on various budgetary items (Attachment 4). He commented on the success of the cabin project, explaining that cabins constructed in the state prisons were popular additions (75 presently in use) to state parks; recently the agency contracted with a business in Arkansas City to construct additional cabins. He also commented on the acquisition of 3000 acres of federal land from the Parsons Army Ammunition Plant; 1,000 acres will be purchased directly from the Department of Defense, and the other 2,000 acres will be obtained from the Great Plains Development Authority. Approval already has been obtained from the federal government, which will reimburse 75 percent of the purchase price.

Lacking a quorum, no action was taken on the report.

Staff provided further information to the Committee on the status of state building projects (Attachment 5).

The meeting was adjourned at 12:45 p.m. The next meeting is scheduled for Wednesday, February 10, 2010, at noon in Room 144-S.

Prepared by Gary Deeter  
Edited by Audrey Dunkel

Approved by Committee on:

April 28, 2010

(Date)