

## MINUTES OF THE SENATE WAYS &amp; MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 20, 2000 in Room 123-S of the Capitol.

All members were present except:

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:  
Senator Dick Bond, President of the Senate

Others attending: See attached list

Chairman Kerr presented the Senate subcommittee report on **Capital Improvements** for FY 2000 and FY 2001 (Attachment 1). Projects for the following agencies were reviewed: **State Fair Board, Social and Rehabilitation Services, School for the Blind, School for the Deaf, Department of Corrections, Juvenile Justice Authority, Kansas State Historical Society, Insurance Department, Department of Administration, Department of Commerce and Housing, Fort Hays State University, Kansas State University, KSU Extension Systems and Agriculture Research Programs, Kansas State University Veterinary Medical Center, Emporia State University, Pittsburg State University, University of Kansas, University of Kansas Medical Center, Wichita State University, Kansas Department of Human Resources, Commission on Veterans Affairs (including the Soldiers' and Veterans' Homes), Kansas Bureau of Investigation, Kansas Highway Patrol, State Board of Regents, Adjutant General, and the Kansas Department of Transportation.** There was discussion of the following projects in their respective agencies:

**Department of Corrections:**

Item 5 (Attachment 1-14) – In answer to a question, it was stated that this recommendation provides that the Chemical Dependency recovery Program be administered by the Department of Corrections at Osawatomie State Hospital. Chairman Kerr noted that this is a program for inmate population (not hospital patients) and should be the responsibility of DOC. He added that both the Secretary of SRS and the Secretary of DOC have endorsed this recommendation. In answer to a question regarding the impact of this recommendation on security at Osawatomie, Secretary Simmons, DOC, stated that moving 15 minimum security inmates to Osawatomie should not affect security as the facility currently houses 80 minimum security inmates.

Senator Salisbury inquired about the recommended use of Violent Offender Incarceration/Truth In Sentencing (VOI/TIS) Funds, believing that they could be used only for bricks and mortar. Chairman Kerr read from a letter dated March 9, 2000 from a Grant Manager within the U.S. Department of Justice which provides the authority to use VOI/TIS monies for day reporting provided it is contracted to private entities (Attachment 2). Senator Salisbury commented that, with this information, perhaps the Committee should review funding during Omnibus for the juvenile corrections facilities. The Chairman stated that the Capital Improvements subcommittee under the Juvenile Justice Authority section recommends deletion of funding for the new facility because the issue is still being studied.

Senator Salmans commended the Chemical Dependence Recovery Program at Larned and inquired whether it would be more cost effective to move inmates from Larned to Osawatomie or

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to leave the CDRP program at its current location. Senator Salmans moved, Senator Lawrence seconded, that the subcommittee's recommendation regarding the transfer of the CDRP program to Osawatomie State Hospital be amended to request that the Secretary of SRS and the Secretary of DOC discuss the possibility of keeping the CDRP program at Larned in other available space. The motion carried on a voice vote.

**Commission on Veterans Affairs (Attachment 1-43)**

A summary of the construction costs for the Kansas Veterans Home was distributed to members (Attachment 3). It was noted that the state's commitment to the project has increased by \$2.8 million and half of that is associated with the unexpected sewer work. Staff indicated that the Commissioner is looking at change orders that the federal government may pay for, but that information is not available yet.

It was moved by Senator Morris and seconded by Senator Salmans that the subcommittee reports for Capital Improvements in FY 2000 and FY 2001 as amended be adopted. The motion carried on a voice vote.

**SB 660: Capitol Restoration Bonds**

Senate President Dick Bond appeared before the Committee in support of **SB 660** and provided information on the deteriorating condition of the Capitol Building. He stated that some of the issues which need to be addressed are the infrastructure, space utilization, technological improvements, exterior work, safety issues, and preservation. He reminded members that they had appropriated monies for the Historic Structure Study and that group has estimated costs of renovation between \$90 and \$120 million. He told members that **SB 660** provides funding in the amount of \$40 million. In answer to questions, he stated that

- renovation will probably be done a wing at a time because infrastructure runs vertically
- the estimated cost of renovation does not include work on the tunnel
- the renovation plan is not an extravagant one
- the ultimate responsibility for expenditures will be with the Secretary of the Department of Administration and the Legislative Coordinating Council.

Chairman Kerr reviewed the plan outlined in **SB 660** for financing \$40 million of the renovation projects. He told members that the State Treasurer has \$75 million in unclaimed property which currently earns 5.19% through the Pooled Money Investment Board. In addition, he said that the state takes in approximately \$10 million per year in unclaimed property, \$5 million of which is given back to claimants. He stated that the premise used in **SB 660** is to invest the \$75 million while it is still in the State General Fund with KPERS and use any additional earnings above the 5.19% to reimburse the SGF amount used to pay the debt service. He added that the bonds will be similar to floating bonds on prisons in that they will be "subject to annual appropriations by the state." Chairman Kerr stated that over time, the SGF will be held harmless. He pointed out that other options that could also be considered would be the growth in unclaimed property and federal unclaimed property. A letter from Linda Wood, Chief Financial Analyst for the Kansas Development Finance Authority, regarding financing projections for the Capitol Building Restoration Project was distributed to members (Attachment 4). In answer to a question, he stated that this recommendation does not affect ending balances in the SGF, but monies would not be available for cash flow purposes and makes the issuance of temporary certificates of indebtedness more likely.

It was noted that proposed amendments in the balloon were needed for clarity (Attachment 5). Senator Ranson moved, Senator Morris seconded, that SB 660 be amended with the balloon. In answer to a concern about the statement that the KDFA "would want to seek an opinion of counsel concerning the legality of placing the lien of the bonds on revenues generated from assets held in trust," it was stated that the no liens are placed on the \$75 million. The only security the bond holder has is that the state of Kansas will make those payments. The motion to amend carried on a voice vote.

A motion was offered by Senator Lawrence and seconded by Senator Salisbury that SB 660 as amended be recommended favorably for passage. Responding to an inquiry, the Executive Secretary of KPERS

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stated that the agency may impose a fee for the investment service. In answer to a question, it was stated that the arbitrage restrictions would apply unless the state meets spend down provisions. The motion carried on a roll call vote.

**SB 635: Municipal accounting training program abolished**

Copies of a proposed substitute for **SB 635** were distributed to members (Attachment 6). A member of the Revisors' Office explained that the bill requires the Secretary of Administration to fix fees to cover all costs of the training programs conducted for municipal government personnel. It was noted that the total cost of providing the service is \$246,000 and there is a shortfall of \$155,000 which this bill would propose to recover through fees.

Mr. Randy Allen, Executive Director of the Kansas Association of Counties, appeared before the Committee and suggested that funding for 1 unfilled FTE position within the Municipal Accounting Training Program be applied toward the \$155,000 and the balance be split between an increase in the fees and the state. Mr. Don Moler, Executive Director of the League of Kansas Municipalities, concurred with Mr. Allen's proposal. It was noted that the position may be open because of shrinkage applied to the agency. The Chairman inquired whether the conferees would still want the program if the state does not wish to share in the cost. In response, Mr. Allen expressed concern about the cost to small cities, townships, etc. and they would want to provide the service in a joint venture. He offered an amendment to the language in the original version of **SB 635** (Attachment 7), noting that it would require counties to file a copy of their budget with the Kansas Association of Counties and cities to file a copy of their budget with the League of Kansas Municipalities. Senator Salisbury moved, Senator Jordan seconded, that Sec. 15 (b) on page 15 of SB 635 be amended to include the language in Attachment 7. The motion carried on a voice vote.

A motion was made by Senator Salisbury and seconded by Senator Jordan that SB 635 as amended be recommended favorably for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 1:45 p.m. The next meeting will be March 21, 2000.

# SENATE WAYS & MEANS COMMITTEE GUEST LIST

DATE: March 20, 2000

NAME	REPRESENTING
Steve Woolington	KDOT
Bill Watts	KDOT
Dale Brunton	DoF A
MIKE TREANOR	TREANOR ARCHITECTS P.A.
Catrina Shirley	Do " "
Scott Alisoglu	JJA
JIM FRAZIER	JJA
Jim McKinley	LSA
Bob Jones	LSC
Jan Brest	LSC
<del>Ray Dalton</del>	<del>SRS</del>
Leslie Casson	KDFA
Albert Murray	JJA
John Feinberg	TREANOR ARCHITECTS
Kim Rivera	" "
Wayne Dollig	KCUA
STONEY WAGES	"
DONNA DECK	KCUA
Randy Scott	KCUA
Scott Bruner	DOB



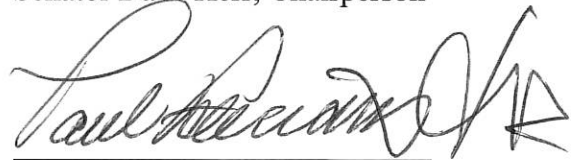


**REPORT OF THE  
SENATE SUBCOMMITTEE  
ON  
CAPITAL IMPROVEMENTS**

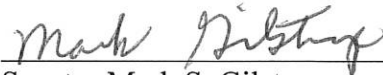
PROJECTS FOR FY 2000 AND 2001



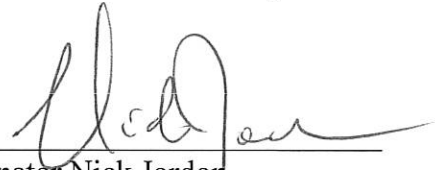
Senator Dave Kerr, Chairperson




Senator Paul Feleciano, Jr.



Senator Mark S. Gilstrap



Senator Nick Jordon



Senator Stephan R. Morris

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** State Fair Board

**Bill No.** 638

**Bill Sec.** 2

**Analyst:** Holwegner

**Analysis Pg No.** 749

**Budget Pg No.** 173

Project	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	Senate Subcommittee Adjustments
Supplemental: Repair Storm Damage	\$ 124,349	\$ 0	\$ 0	\$ 0
Repair & Rehabilitation	364,450	540,000	540,000	0
ADA, EPA & Fire Code Compliance	500,000	0	0	0
Air Conditioning for Encampment Building	29,000	0	0	0
Campground Full Hookups	100,000	60,000	60,000	0
New Ticket Booth (one per year)	11,000	0	0	0
Implementation of Facilities Master Plan	0	6,107,245 *	0	0
Capital Improvement Projects	0	0	100,000	0
<b>TOTAL</b>	<b>\$ 1,128,799</b>	<b>\$ 6,707,245</b>	<b>\$ 700,000</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund **	\$ 792,000	\$ 6,407,245	\$ 300,000	\$ 0
State Fair Capital Improvement Fund	336,799	300,000	300,000	0
Economic Development Initiatives Fund	0	0	100,000	0
<b>TOTAL</b>	<b>\$ 1,128,799</b>	<b>\$ 6,707,245</b>	<b>\$ 700,000</b>	<b>\$ 0</b>

\* Includes \$150,000 for code compliance projects.

\*\* Includes \$300,000 demand transfer from the State General Fund for each fiscal year.

**The State Fair Board requests \$6,707,235**, which includes \$6,407,245 (91.1 percent) from the State General Fund and \$300,000 (8.9 percent) from the State Fair Capital Improvement Fund. This is an increase of \$5,589,446 (500.0 percent) from the revised FY 2000 estimate.

**The Governor recommends \$700,000** which includes: \$300,000 (42.9 percent) from the State General Fund, \$300,000 (42.9 percent) from the State Fair Capital Improvement Fund, and \$100,000 (14.2 percent) from the Economic Development Initiatives Fund (EDIF). This is a decrease of \$428,799 (38.0 percent) from the FY 2000 recommendation and a decrease of \$6,007,245 (89.6 percent) from the agency's FY 2001 request. The Governor recommends \$100,000 from the EDIF for capital improvement projects.

**Repair and Rehabilitation**

The Fair Board requests \$540,000 for maintenance, an increase of \$175,550 (48.2 percent) from the revised FY 2000 estimate; this includes: \$415,220 for routine repairs, \$60,000 for camper sites, \$52,130 for a new wash rack, including plumbing and sewer, for the Beef Tie Barn, \$38,250 for a chain link fence along the south side of State Fair Road,

\$17,900 for windows, doors, and air conditioning in the two Lake Talbot Buildings, and \$16,500 for signs on the fairgrounds.

**The Governor concurs.**

### **Implementation of Master Plan**

The State Fair Board requests \$6,107,245 from the State General Fund for the first year of a six-year plan. This includes: \$1,170,000 for expansion of the Sunflower Building, \$1,500,000 for additional 300 unit recreational vehicle (RV) park, \$1,400,000 for renovation of the Industrial Building, \$1,091,735 for renovation of the infrastructure and landscaping, \$712,920 for contingency, architect and engineer fees, and \$150,000 for ADA, EPA, and fire code compliance.

The Governor does not recommend this request.

### **Retention of Interest**

The State Fair requests that the State Fair Capital Improvement Fund be allowed to collect interest for FY 2001. By proviso, the Legislature authorized this fund to collect interest in FY 2000. For FY 2001 this amount would be approximately \$30,000.

**The Governor concurs.**

### **EDIF—Capital Projects**

**The Governor recommends \$100,000** from the Economic Development Initiatives Fund for capital projects. The agency did not request financing from this fund for capital improvement projects.

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following adjustments, recommendations, and observations:

1. Abolish those funds which relate to the renovation of the grandstand. This project was completed in FY 1999, and the funds are no longer necessary.
2. The Subcommittee notes the State Fair Board's supplemental FY 2000 request of \$124,349 from the State General Fund for storm damage to the grandstand and other facilities. Under the state's self-insurance policy, damage to state facilities that is under \$2 million is covered by a state



appropriation. However, it is difficult to provide for this request during the state's current financial situation. The Subcommittee believes the state should pay for the repair costs when funds are available, and this project should not be overlooked in the future.

## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Department of Social and Rehabilitation Services

**Bill No.** 638

**Bill Sec.** 3

**Analyst:** Sparks

Analysis Pg No. 562

**Budget Pg No.** 400

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
<b>SIBF:</b>				
Institutional Rehab & Repair	\$ 3,338,605	\$ 5,996,977	\$ 3,987,897	\$ 0
Sex Predator New Construction Planning	<u>7,885</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SIBF	\$ 3,346,490	\$ 5,996,977	\$ 3,987,897	\$ 0
<b>Other State Fee Funds:</b>				
Institutional Rehab. & Repair	<u>\$ 166,000</u>	<u>\$ 166,000</u>	<u>\$ 166,000</u>	<u>\$ 0</u>
TOTAL	\$ 3,512,490	\$ 6,162,977	\$ 4,153,897	\$ 0

For **FY2000** the agency estimates rehabilitation and repair expenditures of \$3.3 million the State Institutions Building Fund (SIBF)). According to the agency, for the State Hospitals, funds provided (\$3.3 million) are adequate to meet emergency needs and maintain hospital facilities at a minimal level but no gains will be made on continuing decline in facility condition or compliance with ADA requirements. Expenditures will be incurred due to the planning associated with the expansion of the Sexual Predator Treatment Program. For the Chanute Area Office, the budget authorized \$3.14 per square foot surcharge on rent for rehabilitation and repair.

**The Governor** concurs.

For **FY 2001** the agency requests a total of \$6.0 million for required repairs, rehabilitation and ADA compliance to be achieved. According to the agency, this level of funding will result in the continuing decline of the conditions of the various facilities due to age and lack of an aggressive program. In order to address the need for an aggressive program, the agency requests an **enhancement package**, priority 17/17, of \$2.0 million SIBF to address the back log of rehabilitation repair projects. In addition, according to the agency, funding of \$166,000 for the SRS Chanute Area Office will meet minimum requirements, but fall short of currently identified needs.

**The Governor** concurs with the current services request; however, the enhancement package for additional rehabilitation projects is not recommended.

## **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustment:

1. As a portion of the Subcommittee's strategy to reduce prison overcrowding, add \$750,000 from the SIBF in FY 2000 for renovation or simple, secure construction at Larned State Hospital to relocate the sexual predators currently housed in the Larned Correctional Mental Health Facility.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** School for the Blind

**Bill No.** 638

**Bill Sec.** 4

**Analyst:** Holwegner

**Analysis Pg No.** 264

**Budget Pg No.** 93

Project	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	Senate Subcommittee Adjustments
Rehabilitation and Repair	\$ 451,615	\$ 58,270	\$ 58,270	\$ 0
Upgrade Fire Alarms	0	0	0	78,390
Construct and Equip Student Residences	193,132	0	0	0
Student Residences Project Contingency	33,489	0	0	0
Replacement of Carpet	1,137	0	0	0
Bleacher Construction	50,000	0	0	0
<b>TOTAL</b>	<b>\$ 729,373</b>	<b>\$ 58,270</b>	<b>\$ 58,270</b>	<b>\$ 78,390</b>

**Financing**

State Institutions Building Fund	\$ 729,373	\$ 58,270	\$ 58,270	\$ 78,390
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**The School requests \$58,270** from the State Institutions Building Fund for FY 2001 for rehabilitation and repair. **The Governor concurs.**

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following adjustments, recommendations, and observations:

- Add \$78,390** from the State Institutions Building Fund for the upgrade of fire alarms. This will allow the School's personnel to be aware of a fire anywhere on the campus.



## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** School for the Deaf

**Bill No.** 638

**Bill Sec.** 5

**Analyst:** Holwegner

**Analysis Pg. No.** 284

**Budget Pg. No.** 145

Project	Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	Senate Subcommittee Adjustments
Asbestos Removal	\$ 3,226	\$ 0	\$ 0	\$ 0
Rehabilitation and Repair	578,782	404,450	388,000	0
Handicapped Accessibility	209	0	0	0
Construction/Elementary School/Site				
Impr./Emery Demolition	47,885	0	0	0
Air Conditioning (Roth & Roberts Buildings)	74,495	0	0	0
Steam Tunnel Repair	2,040	0	0	0
Roberts Renovation to Code & Exterior				
Repair	450,000	391,200	0	271,200
Start 6-year Roth Dormitory Renovation	0	248,600	0	0
<b>TOTAL</b>	<u>\$ 1,156,637</u>	<u>\$ 1,044,250</u>	<u>\$ 388,000</u>	<u>\$ 271,200</u>

**Financing**

State Institutions Building Fund (SIBF)	\$ 1,156,637	\$ 1,044,250	\$ 388,000	\$ 271,200
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**The School requests \$1,044,250** from the State Institution Building Fund (SIBF) for FY 2001. This a decrease of \$112,387 (9.7 percent) from the FY 2000 estimate.

**The Governor recommends \$388,000** from the State Institution Building Fund for rehabilitation and repair. This a decrease of \$768,637 (66.5 percent) from the FY 2000 recommendation and a decrease of \$656,250 (62.8 percent) from the agency's FY 2001 estimate.

**Rehabilitation and Renovation**

The School requests \$404,450 which includes: \$110,000 for general maintenance, \$199,850 for roof projects, and \$94,600 for air conditioning in the dormitories.

The Governor recommends \$388,000 for rehabilitation and repair. This includes: \$100,000 for general maintenance, \$200,000 for roof projects, and \$88,000 for air conditioning in the dormitories.

### **Roberts Classroom Building Renovation**

The School requests \$391,200 for the 1st floor and basement renovations. The work would include a sprinkler system and visual fire alarms; at the same time the ceiling would be replaced and the lighting improved to ADA standards. The second and third floors would be made wheelchair accessible. This is the second year's request for financing.

The Governor does not recommend this request.

### **Roth Dormitory Renovation**

The School requests \$248,600 for renovations which includes: a sprinkler system and visual fire alarms, more privacy in dorm rooms and in bathrooms. The School plans this to be the first year of a 6-year project.

The Governor does not recommend this request.

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following adjustments, recommendations, and observations:

1. **Add \$271,200** from the State Institutions Building Fund for the renovation of the Roberts Classroom Building. This amount includes fire alarms, sprinkler systems, wiring, and lighting for the first floor and basement. At the same time the ceiling on the first floor will be replaced.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Department of Corrections

**Bill No.** 638

**Bill Sec.** 6

**Analyst:** Little

**Analysis Pg No.** 872

**Budget Pg No.** 141

Project	Revised Gov. Rec. FY 2000	Agency Req. FY 2001	Gov. Rec. FY 2001	Senate Subcommittee Adjustments
Rehabilitation and Repair at Facilities	\$ 4,550,818	\$ 5,004,010	\$ 4,004,010	\$ 0
<b>New Construction</b>				
Construct New Housing Units at El Dorado (256/512 beds)	0	14,032,358	7,323,133	(5,613,133)
Renovate J Cellhouse, Topeka (150 female beds)	0	1,070,000	*	0
West Unit Expansion, Larned (104 beds)	0	613,330	0	0
Debt-Financed Construction Projects**	0	0	0	0
Correctional Industry Projects	841,625	0	0	0
<b>Enhancements</b>				
Affordable Housing Project	0	233,400	0	0
Construct Industries Building at Topeka	0	597,928	0	0
<b>Debt Service</b>				
Debt Service Principal—Reception and Diagnostic Unit	0	360,000	360,000	0
Debt Service Principal—Revenue Refinanc- ing				
Bond (El Dorado and Larned)	5,045,000	5,245,000	5,245,000	0
Debt Service Principal—Ellsworth	975,000	1,020,000	1,020,000	0
Debt Service Principal—El Dorado Utilities	1,090,000	1,130,000	1,130,000	0
Debt Service Principal—Wichita Work Rel.	115,000	125,000	125,000	0
TOTAL	<u>\$ 12,617,443</u>	<u>\$ 29,431,026</u>	<u>\$ 19,207,143</u>	<u>\$ (5,613,133)</u>
<b>Financing:</b>				
State General Fund	\$ 6,765,000	\$ 23,297,016	\$ 5,750,000	\$ 0
Correctional Institutions Building Fund***	4,950,818	5,004,010	5,004,010	0
Kansas Correctional Industries Fund	841,625	0	0	0
Federal Violent Offender Incarceration Grant	0	0	7,323,133	(5,613,133)
Bond Revenue	60,000	1,130,000	1,130,000	0
TOTAL	<u>\$ 12,617,443</u>	<u>\$ 29,431,026</u>	<u>\$ 19,207,143</u>	<u>\$ (5,613,133)</u>

\* The Governor's FY 2001 capital improvements' budget funds the project with bonds along with the El Dorado Correctional Facility construction. No payments are due until FY 2002.

\*\* See special bonding proposal below.

\*\*\* Correctional Institutions Building Fund ending balance June 30, 2001 will be \$705,990.

**FY 2001 Agency Request – Governor's Recommendation in Bold**

1. \$29,431,026 (\$23,297,016 SGF) for capital improvements
  - a. \$5,004,010 (Correctional Institutions Building Fund) rehabilitation and repair for correctional facilities
  - b. Includes \$6,745,000 SGF debt service payments, including new reception and diagnostic unit funding

2. **Construct New Housing Units at El Dorado (256/512 beds)**
  - a. **Construction of two 128-cell units to be single-celled maximum custody (256 beds) or double-celled medium custody (512 beds)**
  - b. **\$14,032,358 SGF requested, although bonding is a likely funding mechanism**
  - c. **Request based on Sentencing Commission projections of exceeding current capacity before the end of FY 2000**
  - d. Currently constructing two 128-cell units related to the transfer of the reception and diagnostic unit from Topeka to El Dorado for \$15,877,000
  - e. No estimate of operating costs
  - f. Alternative Package Request. In the absence of support for the construction of two new units at El Dorado, the agency would propose the following
    - i. \$6,740,405 for 100 cells (100 maximum custody/200 medium custody) at Hutchinson East Unit
    - ii. \$6,327,517 for 100 cells (100 maximum custody/200 medium custody) at Ellsworth
3. **Renovate J Cellhouse, Topeka (150 female beds)**
  - a. **Requests \$1,070,000 SGF (as well as \$1,070,000 SGF in FY 2002) to remodel the J-Cellhouse, the current reception and diagnostic unit at Topeka Correctional Facility**
  - b. **Would provide 150 medium custody dormitory style space**
  - c. **A net gain of 70 beds because 80 female offenders at Topeka State Hospital would be removed**
  - d. Staff Note: Agency will not move out male offenders until the Spring of 2001, and expenditure potential may be limited until building is vacated
  - e. No estimate of operating costs
4. **West Unit Expansion, Larned (104 beds)**
  - a. \$613,330 from unspecified source for construction of a 6,000 sq. ft. metal building for programming, storage, visitation, etc.
  - b. New building would free space for 104 beds in the Jenkins building (current capacity is 218)
  - c. Costs are for new storage building, not the construction of cells
  - d. Operating cost estimates will include 16.0 FTE
5. **\*Debt-Financed Construction Projects.**
  - a. Proposal to fund nine projects with a total cost of \$5,756,428 at various facilities, although no debt service financing will be required until FY 2002
  - b. Funded through the issuance of K DFA bonds. Ten-year amortization with first year payments of \$562,000 and \$780,000 thereafter
  - c. Funded through dedication of Correctional Institutions Building Fund currently used for rehabilitation and repair
  - d. Potential projects include:
    - i. **\$2,140,000 to renovate J Cellhouse (old RDU) at Topeka**



- ii. **\$764,600 to construct new laundry at Topeka (will lose laundry at Topeka State Hospital)**
- iii. **\$386,175 to construct new staff development building at Topeka**
- iv. \$621,817 to construct new warehouse and maintenance building at Norton
- v. \$543,546 to construct new warehouse at Hutchinson
- vi. \$46,238 to construct new toxic waste storage building at El Dorado
- vii. \$583,040 to construct new maintenance building at Lansing
- viii. \$203,708 to construct new warehouse at Larned
- ix. \$467,304 to construct new dining area at Norton

### **Governor's Recommendation Expansion Recommendation**

The Governor's FY 2001 capital improvements budget includes expansion plans at El Dorado Correctional Facility, where two new housing units would be constructed. If double-celled, 512 medium custody beds would be available and if single-celled, 256 maximum custody beds would be available. Cost for the project is estimated at \$14,032,358. Annual operating cost estimates are \$7.6 million for 512 beds and \$5.5 million for 256 beds. Two housing units are currently under construction at El Dorado to handle the shift of the Reception and Diagnostic Unit from Topeka, which is scheduled to occur during the Spring of 2001.

The Governor also seeks to remodel the "J-Cellhouse," and construct a new laundry and staff development building at the Topeka Correctional Facility in FY 2001 for \$3,290,775. "J-Cellhouse" is the current Reception and Diagnostic Unit housing facility. Funding for the project is included in the El Dorado project's bonding authority.

The Governor intends to fund construction with bonds totaling \$10.0 million (with the first payments not due until FY 2002) and includes \$7,323,133 in FY 2001 from the federal Violent Offender Incarceration/Truth in Sentencing Grant funds. All \$7,323,133 has been placed for expenditure in the El Dorado budget.

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation, with the following adjustments and comments.

The Subcommittee is addressing the agency's capital improvements needs though a number of factors which, if implemented, will reduce immediate and long-term demand on correctional facility bed space and reduce future funding required to construct and operate prisons. If the subcommittee's recommendations are not implemented in some form, the state will have to build new prison cells. The following adjustments to the Governor's budget are coupled with a number of legislative actions and budgetary adjustments outside the scope of the capital improvements budget. In general, the Subcommittee's proposal targets low-level offenders, usually non-violent offenders who have violated a conditional

requirement of their probation or postrelease agreements. The proposal establishes some more cost-efficient community-based punishments and adjusts supervision lengths to save costly prison bed space for violent criminals. No part of this proposal adjusts Sentencing Guidelines to reduce the length of time any offender must spend in prison. When the Ways and Means Committee takes action on the appropriations bills, a number of recommendations in the Subcommittee's plan will be amended into the Department of Corrections' operations budget as well as the budget of the Department of Social and Rehabilitation Services.

It is the Subcommittee's intention to address the adult male prison bed space needs with the following components which are spelled out in greater detail in **Attachment A**.

1. Passage of Senate Bill 491. Targets probation, parole, and postrelease supervision condition violators. Senate Bill 491 has passed the Senate and is scheduled for hearings in the House Judiciary Committee, Monday, March 20.
2. Passage of a new bill targeting probation conditional violators and make one adjustment to the criminal history.
3. Transfer the sexual predator population currently housed in the Larned Correctional Mental Health Facility to the Larned State Hospital and use the 30 maximum custody beds for mentally ill offenders.
4. Day Reporting Centers. The agency will issue a request for proposal for the private operation of three day reporting centers supervising conditional violators who would otherwise be revoked and occupy a prison bed through in-person reporting, drug testing, and electronic monitoring.

The statutory adjustments in items 1-2 are the results of the recommendations from the Kansas Sentencing Commission. The Subcommittee reviewed these and a great number of other options and concluded that items 1 and 2 provided for substantial savings in prison beds which are reflected in **Attachment A**.

The statutory adjustments embodied in the S.B. 491 and the other bill will proceed on their legislative path, and the Subcommittee endorses their final passage. The following budgetary actions are required to implement the balance of the Subcommittee's recommendations.

1. Delete \$7,323,133 in federal Violent Offender Incarceration/Truth In Sentencing (VOI/TIS) Funds for new housing unit construction at El Dorado Correctional Facility.
2. Delete bonding authority for the construction of new housing units at El Dorado Correctional Facility.

3. The following recommendation will be reflected in the operating budget of the Department of Corrections. Add the following funds with expenditure limitations not to exceed the following amounts: \$1,900,000 (\$1,710,000 VOI/TIS and \$190,000 SGF) in FY 2001 and \$3,800,000 VOI/TIS in FY 2002 for the contracted operation of day reporting centers in Shawnee, Wyandotte or Johnson, and Sedgwick Counties for an average daily population of approximately 220 offenders. The agency has approval from the U.S. Department of Justice, Office of Justice Programs to use VOI/TIS funds for day reporting centers because they will make available prison bed space for violent offenders, provided the centers are operated by a private company. The state is required to provide a 10.0 percent match. The FY 2001 appropriation of \$1.9 million will fund one-half year of operations and \$3.8 million in FY 2002 will commit the state to funding the first full year of operations.
  
4. The following recommendation will be reflected in the budget of the Department of Social and Rehabilitation Services. Add \$750,000 in FY 2000 with reappropriation of the balance from the State Institutions Building Fund to the capital improvements budget for renovation of existing space or the construction of new space of a simple and secure nature to facilitate the transfer of the sexual predator population out of the Larned Correctional Mental Health Facility. The current reported proposal between KDOC and SRS includes the following chain of events to move the sexual predators:
  - a. transfer the Chemical Dependence Recovery Program for prisoners currently run by the hospital out of the Jung Building and transfer the program and offenders to Osawatomie State Hospital;
  - b. shift current Larned State Hospital patients from the secured Dillon Building into the Jung Building;
  - c. shift the sexual predator population out of the correctional facility to the Dillon building.

Exact cost and time-frame estimates are not finalized, but \$750,000 will provide substantial, if not total funding for the transition.

5. The following recommendation will be reflected in the operating budget of the Department of Social and Rehabilitation Services and the Department of Corrections. Reduce \$568,596 SGF from the state mental health hospital operations and add \$568,596 SGF to the Department of Corrections budget for programming and operating costs related to the transfer

of the Chemical Dependency Recovery Program from Larned State Hospital to Osawatomie State Hospital. The Department of Corrections reports SRS has agreed to turn over the operation of the program.

6. Add bonding authority in the amount of \$4,400,000 for three projects at Topeka Correctional Facility; renovation of J Cellhouse, the current male reception and diagnostic unit (\$2,140,000), construction of a new laundry facility (\$764,600), and a new staff training building (\$386,175). Included in the bonding authority is \$1.1 million for the reconstruction, renovation, and equipping of the Lansing Correctional Facility maintenance, vocational education, and correctional industries facilities destroyed in the fire of November 1999.

The three Topeka projects address two particular points. First, the agency is transitioning off the West Complex, on the grounds of the former Topeka State Hospital. Both staff training and facility laundry occurs on the West Complex. The new construction will remove the corrections presence from the property and facilitate disposition of the property. Additionally, renovation of the J Cellhouse will provide housing for 150 medium custody female offender (a net gain of approximately 90 beds due to the loss of beds at the West Complex). The addition of the beds will provide sufficient female prison beds for the next decade.

7. The Subcommittee notes the recommended solutions have short term impacts, although their effects continue for the next decade. Nonetheless, some long-term issues such as the impact of criminal history and the stacking effect warrant additional review by the Legislature. The Subcommittee endorses the Department of Corrections Subcommittee recommendation for a thorough review of Sentencing Guidelines as an interim topic.

# Attachment A

## Plan Components

**1. Passage of Senate Bill 491.** The bill's main provisions; a.) extends the length of time from 30 to 120 days an offender can stay in county jail serving as a condition of probation; b.) requires certain probation condition violators or those with suspended sentence who are revoked, excluding those determined to be a public safety threats, must be sent to community corrections; c.) reduces lengths of postrelease supervision by one-half for all severity levels except for most serious non-drug crimes, levels 1-4 and drug crime levels 1-2. Has passed the Senate and is scheduled for hearings in House Judiciary on Monday, March 20.

**2. New Bill.** Passage of new bill with the following four features: a.) probation conditional violators on nondrug levels 9 and 10 could not be revoked to serve their underlying sentence in a correctional facility; b.) conditional probation violators revoked to prison to serve their underlying sentence would return to probation or community corrections upon their release, not to postrelease supervision; c.) the bill would graduate the period of probation supervision for all presumptive nonprison severity levels. Currently all severity levels receive 24 months probation; d.) the bill will combine criminal history categories I & H and define category as "no criminal history or prior misdemeanor."

**3. Larned Sex Predator Move.** Remove the sexual predators from Larned Correctional Mental Health Facility to Larned State Hospital. A total 30 maximum or 60 medium custody beds will be free for mentally ill offenders. Programming space already exists; only the construction or renovation of a simple but secure housing unit is required.

**4. Day Reporting Centers.** Establish day reporting centers as proposed by the Department of Corrections in Wichita, Topeka, and Kansas City. Day reporting is a community based sanction with structured supervision for conditional violators on parole and postrelease who would otherwise return to the prison system. Offenders live at home with electronic monitoring and continue to work and pay a portion of the cost of supervision, and maintain family bonds while reporting daily to the center. A projected average daily population of 220, utilized by an estimated 1,800 offenders on 45 day lengths of stay is anticipated





## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Juvenile Justice Authority

**Bill No.** 638

**Bill Sec.** 7

**Analyst:** Chapman

**Analysis Pg No.** 1023

**Budget Pg No.** 290

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
<b>Juv. Corr. Fac. Rehab. &amp; Repair Projects:</b>	\$ 1,307,123	\$ 1,327,473	\$ 1,000,000	\$ 0
<b>New Facility Construction:</b>				
Proposed New Maximum Security Facility	0	15,000,000	10,000,000	(10,000,000)
Proposed New Larned Facility	1,257,878	5,000,000	0	0
Debt Service - Max. and Larned Facilities	0	1,400,000	0	0
Topeka JCF New Buildings	256,844	0	0	0
Reopen Beloit JCF Morningview Cottage	56,000	0	0	0
<b>Subtotal</b>	<u>\$ 1,570,722</u>	<u>\$ 21,400,000</u>	<u>\$ 10,000,000</u>	<u>\$ (10,000,000)</u>
<b>TOTAL</b>	<u>\$ 5,061,852</u>	<u>\$ 22,727,473</u>	<u>\$ 11,000,000</u>	<u>\$ (10,000,000)</u>
<b>Plan for Financing:</b>				
Capital Fac. Planning & Projects - SIBF	123,416	0	0	0
Cap. Imp. R & R of JCFs - SIBF	1,338,436	1,327,474	1,000,000	0
Debt Serv. - Max and Larned Fac. - SIBF	0	1,410,000	0	0
SIBF - Larned JCF - Design and Planning	100,000	0	0	0
SIBF - Juvenile Facility Planning Needs	3,500,000	0	4,500,000	(4,500,000)
KEYF - Max. Facility Construction	0	10,000,000	0	0
VOI/TIS - Max. Facility Construction	0	10,000,000	5,500,000	(5,500,000)
<b>TOTAL</b>	<u>\$ 5,061,852</u>	<u>\$ 22,737,474</u>	<u>\$ 11,000,000</u>	<u>\$ (10,000,000)</u>

\* The Rehab. and Repair projects for Larned JCF are included in the Larned State Hospital request.

### Agency Request/Governor's Recommendation

The agency requests \$22,737,473 in FY 2001 for capital improvements. The agency's request is composed of: \$1,327,473 (SIBF) for rehabilitation and repair items at the facilities; \$20,000,000 (KEYF and VOI/TIS) to finance the portion of new facility construction not covered by the issuance of debt; and, \$1,410,000 for debt service principal payments from the State Institutions Building Fund.

**The Governor** recommends \$11,000,000 for capital improvements, which includes: \$1,000,000 (SIBF) for rehabilitation and repair projects; \$10,000,000, comprised of \$4,500,000 (SIBF) and \$5,500,000 (VOI/TIS), for juvenile facility construction projects. The Governor also recommends that 20-year bonds be issued for \$50.0 million in FY 2001 with the first debt service payment in FY 2002. Debt service on the bonds would be paid from the SIBF and total facility construction cost would not exceed \$60.0 million.



## **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor, with the following adjustment:

1. Delete \$10,000,000 for new facility construction projects, pending further review.

# SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Kansas State Historical Society

**Bill No.** 638

**Bill Sec.** 8

**Analyst:** Nogle

**Analysis Pg. No.** 309

**Budget Page No.** 229

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Rehabilitation and Repair Projects	\$ 290,196	\$ 100,000	\$ 0	\$ 0
Construct Storage Bay 3	2,493,710	0	0	0
Center for Historical Research				
Roof Repair	0	0	0	0
Fire Lane Repair	0	0	0	0
Historic Sites Rehabilitation and				
Development	0	600,479	0	0
Museum Roof Repair	0	55,000	0	0
Fort Hays Blockhouse Repair and				
Reinterpretation EDIF Fund	0	0	0	0
First Territorial Capital ADA Renovation				
and Reinterpretation EDIF Fund	0	0	0	0
Kaw Mission Reinterpretation EDIF				
Fund	100,000	0	0	0
<b>TOTAL</b>	<u>\$ 2,883,906</u>	<u>\$ 755,479</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Financing:</b>				
State General Fund	\$ 2,783,906	\$ 755,479	\$ 0	\$ 0
EDIF Cyclical Maintenance Projects				
Fund	0	0	0	0
EDIF First Territorial Capitol Renovation				
Project Fund	0	0	0	0
EDIF Completion of Historic Sites	100,000	0	0	0
<b>TOTAL</b>	<u>\$ 2,883,906</u>	<u>\$ 755,479</u>	<u>\$ 0</u>	<u>\$ 0</u>

## Rehabilitation and Repair Projects

The agency requests \$100,000 from the State General Fund (SGF) for rehabilitation and repair projects for emergencies and to maintain over 40 buildings and structures at the Kansas History Center and the State Historic Sites.

The Governor does not recommend funding this request.

## Historic Sites Rehabilitation and Development

The agency requests \$600,479 SGF for preservation and development of the State Historic Sites. This request represent the first of a three year plan to improve the sites. The total cost of the project is \$2,926,235 SGF.

The Governor does not recommend funding this request.

### Museum Roof Repair

The agency requests \$55,000 SGF to repair the roof at the Kansas Museum of History. The flashing along the parapet walls of the museum has deteriorated causing the rubber membrane on the roof to leak. The agency indicates that repair of the flashing will increase the life of the roof an estimated 10 to 15 years.

The Governor does not recommend funding this request.

### Senate Capital Improvements Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following comments and observations:

1. The Subcommittee recommends that the agency work within its existing budget for capital improvements and suggests the following capital improvements projects be given priority consideration:

#### FY 2000

● First Territorial Capitol (Accessible restrooms, paths, and parking; exhibits)	\$ 71,000
● Hollenberg Pony Express Station (20% match for ISTEPA funds to restore station and site work)	\$ 28,406
● Shawnee Indian Mission (Replace wood shingle roofs and rebuild chimneys on three buildings)	\$ 20,000
● Constitution Hall (Reglaze windows, repaint exterior using inmate labor)	<u>\$ 2,200</u>
TOTAL	<u><u>\$121,606</u></u>

#### FY 2001

● Fort Hays Blockhouse (Interior rehabilitation, exterior repairs, and exhibits)	\$ 50,000
● Native American Heritage Museum (Install security system to protect additional Native American artifacts)	<u>\$ 3,200</u>
TOTAL	<u><u>\$ 53,200</u></u>

The total for the recommended capital improvements projects is \$174,806 SGF. The agency indicates that it has \$164,799 available in capital improvements money. The Subcommittee recommends the agency finance the remaining \$10,007 from operating expenditures.

The Subcommittee recommendation would alter the recommendation of the Subcommittee on the Kansas State Historical Society and Ways and Means Committee.

# SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Insurance Department **Bill No.** 638

**Bill Sec.** 9

**Analyst:** Severn

Analysis Pg No. 1542

**Budget Pg No.** 263

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
Building Rehab. and Repair	\$ 142,000	\$ 28,500	\$ 28,500	\$ 0
Debt Service Principal	105,000	115,000	115,000	0
Debt Service Interest*	73,265	66,948	66,948	0
<b>TOTAL</b>	<u><u>\$ 320,265</u></u>	<u><u>\$ 210,448</u></u>	<u><u>\$ 210,448</u></u>	<u><u>\$ 0</u></u>

**Financing:\*\***

Ins. Dept. Rehab. and Repair Fd	\$ 142,000	\$ 28,500	\$ 28,500	\$ 0
Ins. Bldg Principal & Interest Fd	178,265	181,948	181,948	0
<b>TOTAL</b>	<u><u>\$ 320,265</u></u>	<u><u>\$ 210,448</u></u>	<u><u>\$ 210,448</u></u>	<u><u>\$ 0</u></u>

\* Debt service interest is included in the state operations portion of the budget.

\*\* Actual receipts to pay for the expenditures would come from the agency's various fee funds by way of transfers to the funds listed above.

## Building Rehabilitation and Repair Projects

The agency requests \$28,500 from the Educational Building Fund: \$15,000 for contingent building repairs; and \$13,500 for carpet replacement. The request is a decrease of \$113,500 from the amount authorized for the current year.

**The Governor** concurs.

## Debt Service—Insurance Building Purchase Bonds

The agency requests \$178,265 in the current year and \$181,948 in FY 2001 from the Insurance Building Principal and Interest Fund for debt service payments. The principal portion of the payment is \$105,000 in FY 2000 and \$115,000 in FY 2001.

**The Governor** concurs with the amounts requested for debt service in both years.

## Senate Subcommittee Recommendation

**The Senate Subcommittee** concurs with the Governor's recommendation.

## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Department of Administration

**Bill No.** 638

**Bill Sec.** 10

**Analyst:** West

**Analysis Pg No.** 1,432

**Budget Pg No.** 14

### REPORTABLE BUDGET CAPITAL IMPROVEMENTS

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
Debt Service Principal	\$ 2,100,000	\$ 1,989,864	\$ 1,989,864	\$ 0
Rehabilitation and Repair	673,382	0	0	0
Statehouse Roof Repair	50,000	0	0	0
Cedar Crest Renovations	4,882	0	0	0
Judicial Center Carpet	100,400	64,000	0	0
Historic Structures Report	200,000	0	0	0
Statehouse Remodeling	400,000	760,000	0	0
Judicial Center Remodel	95,000	515,000	0	0
Dillon House Remodel	0	175,000	0	0
Statehouse Fire Alarm	211,235	0	0	0
Memorial Hall Security	190,000	0	0	0
Landon Statehouse Tunnel	0	175,000	0	0
Statehouse Improvements	825,000	2,055,000	0	0
Judicial Center Improvements	0	855,000	0	0
Docking/Landon Adaptive Use	0	3,708,000	0	0
<b>TOTAL</b>	<b><u>\$ 4,849,899</u></b>	<b><u>\$ 10,296,864</u></b>	<b><u>\$ 1,989,864</u></b>	<b><u>\$ 0</u></b>
<b>Financing:</b>				
State General Fund	\$ 4,187,217	\$ 10,282,000	\$ 1,975,000	\$ 0
Other Funds	662,682	14,864	14,864	0
<b>TOTAL</b>	<b><u>\$ 4,849,899</u></b>	<b><u>\$ 10,296,864</u></b>	<b><u>\$ 1,989,864</u></b>	<b><u>\$ 0</u></b>

### Reportable Budget

**FY 2000.** The agency requests \$4.9 million for current year capital improvements, including \$2.1 million for debt service principal payments and \$2.8 for renovations and repairs. The current year estimate is financed by \$4.3 million from the State General Fund and \$0.6 million from other funds. **The Governor concurs**, with a minor adjustment to debt service.

**FY 2001.** The agency requests \$10.3 million from the State General Fund and \$14,864 from other funds for capital improvements in FY 2001. The request includes \$2.0 million for debt service principal payments and \$8.3 million for renovation and repair projects. **The Governor** recommends \$2.0 million for FY 2001 debt service payments. No funding for renovation or repair projects is recommended.

**NONREPORTABLE BUDGET CAPITAL IMPROVEMENTS**

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
Debt Service Principal	\$ 1,483,637	\$ 1,537,050	\$ 1,537,050	\$ 0
Rehabilitation and Repair	280,604	200,000	100,000	0
Docking Roof Drain Replacement	190,500	0	0	0
Switching Gear Replacement	18,786	0	0	0
Forbes #740 Reroof	125,900	0	0	0
Statehouse Steam Tunnel and Walkway	138,400	345,500	345,500	0
Landon South Economizer Installation	94,200	0	0	0
Memorial Hall Steam Tunnel & Walkway	276,350	0	0	0
Docking Fire Suppression System	700,000	300,000	300,000	0
Landon Fire Suppression System	592,500	250,000	250,000	0
Landon Security Improvements	110,000	110,000	110,000	0
Docking HVAC Repairs	275,000	250,000	250,000	0
Chiller Conversion	583,983	0	0	0
Landon Failsafe Power Supply	1,050,000	0	0	0
Capitol Complex Sidewalk Repairs	0	90,000	0	0
Landon Power System Study	0	130,000	130,000	0
<b>TOTAL</b>	<b>\$ 5,919,860</b>	<b>\$ 3,212,550</b>	<b>\$ 3,022,550</b>	<b>\$ 0</b>

**Nonreportable Budget**

**FY 2000.** The agency requests \$5.9 million for current year nonreportable capital improvements, including \$1.5 million for debt service principal payments and \$4.4 million for renovations and repairs. **The Governor concurs.**



**FY 2001. The agency** requests \$3.2 million for nonreportable capital improvements in FY 2001. The request includes \$1.5 million for debt service principal payments and \$1.7 million for renovation and repair projects. **The Governor** recommends \$3.0 million for FY 2001 nonreportable capital improvements. The recommendation includes \$1.5 million for debt service principal payments as requested and \$1.5 million for renovation and repair projects.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Department of Commerce  
and Housing

**Bill No.** 638

**Bill Sec.** 11

**Analyst:** Davis

**Analysis Pg No.** 1274

**Budget Pg No.** 97

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
TIC Repair and Rehabilitation	\$ 15,000	\$ 88,650	\$ 88,650	\$ 0
Parking Lot Repair, Olathe TIC*	0	40,000	0	0
Construction of Goodland TIC*	0	220,000	200,000	(100,000)
<b>TOTAL</b>	<u>\$ 15,000</u>	<u>\$ 348,650</u>	<u>\$ 288,650</u>	<u>\$ (100,000)</u>
<b>Financing:</b>				
EDIF	\$ 15,000	\$ 348,650	\$ 188,650	\$ (100,000)
Publication and Other Sales	0	0	100,000	0
<b>TOTAL</b>	<u>\$ 15,000</u>	<u>\$ 348,650</u>	<u>\$ 288,650</u>	<u>\$ (100,000)</u>

**Goodland Travel Information Center.** The Department is requesting \$220,000 from the EDIF to construct a new Travel Information Center near Goodland to replace the existing center. This represents 20 percent of anticipated construction costs with the Department of Transportation providing the other 80 percent. Construction of the center will fulfill the Department's efforts over the last few years to bring all the travel information centers up to date.

**The Governor** recommends \$200,000 including \$100,000 EDIF and \$100,000 from the Publication and Other Sales Fund.

**Parking Lot Repair, Olathe Travel Information Center.** The Department is requesting \$40,000 from the EDIF to repair the deteriorating parking lot at the Travel Information Center near Olathe. For the past several months, the parking lot has continued to disintegrate in one particular area resulting from ground settling and asphalt deteriorating. The total cost of the repairs would be nearly \$100,000, with the remainder coming from carry-forward Travel Information Center repair account dollars.

**The Governor** does not recommend this enhancement.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following modifications:

1. The Subcommittee recommends that the Department investigate disposing of the current Travel Information Center in Olathe and looking further south for a better location. This recommendation is not intended to override the consolidation of the Kansas City area Travel Information Centers being considered at the NASCAR location in Wyandotte County, however, the Subcommittee is concerned that the current Olathe location does not meet the goals of the Department and the property should be sold.
2. The Subcommittee concurs with the recommendation of the Subcommittee on the Department of Commerce and Housing and the full Committee to shift the \$100,000 (EDIF) recommended for construction of the Goodland Travel Information Center from FY 2001 to FY 2002.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Fort Hays State University

**Bill No.** 638

**Bill Sec.** 12

**Analyst:** West

**Analysis Pg No.** 98

**Budget Pg No.** 177

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Parking Lot Improvements	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0
Debt Service Principal	200,000	205,000	205,000	0
Rehabilitation and Repair	725,494	0	0	0
McCartney Hall Renovation	0	330,000	0	0
<b>TOTAL</b>	<b>\$ 1,225,494</b>	<b>\$ 835,000</b>	<b>\$ 505,000</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
Educational Building Fund	725,494	330,000	0	0
Restricted Fees	200,000	205,000	205,000	0
Parking Fee Fund	300,000	300,000	300,000	0
<b>TOTAL</b>	<b>\$ 1,225,494</b>	<b>\$ 835,000</b>	<b>\$ 505,000</b>	<b>\$ 0</b>

**McCartney Hall Renovation.** The University requests \$330,000 from the Educational Building Fund for the first phase of a \$4.0 million renovation of McCartney Hall for use by the College of Business.

**The Governor** does not recommend funding for this project.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

## Senate Subcommittee on Capital Improvements

**Agency:** Kansas State University

**Bill No.** 638

**Bill Sec.** 13

**Analyst:** Robinson

**Analysis Pg No.** 114

**Budget Pg No.** 315

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Lease Payment—Aeronautical Center	\$ 189,446	\$ 189,446	\$ 189,446	\$ 0
Mem. Stadium Classroom/Office Renovation	0	250,000	0	0
Rehabilitation and Repair	3,431,511	0	0	0
Food Service and Research	0	2,243,074	0	0
Debt Service Principal	2,202,804	2,265,843	2,265,843	0
<b>TOTAL</b>	<u>\$ 5,823,761</u>	<u>\$ 4,948,363</u>	<u>\$ 2,455,289</u>	<u>\$ 0</u>
<b>Financing:</b>				
State General Fund	\$ 189,446	\$ 439,446	\$ 189,446	\$ 0
Educational Building Fund	3,431,511	0	0	0
Other Funds	2,202,804	4,508,917	2,265,843	0
<b>TOTAL</b>	<u>\$ 5,823,761</u>	<u>\$ 4,948,363</u>	<u>\$ 2,455,289</u>	<u>\$ 0</u>

**Aeronautical Center Lease Payment.** The University requests a total of \$189,446 from the State General Fund in FY 2001 for the tenth payment (of 20 payments) in a lease-purchase agreement with the Salina Airport Authority. **The Governor concurs.**

**Memorial Stadium Classroom/Office Renovation.** The University requests \$250,000 from the State General Fund in FY 2001 for the first year of a three-year, \$6.2 million project to renovate the east and west sides of Memorial Stadium into modern academic and administrative facilities. **The Governor does not recommend this item.**

**Food Safety and Security Research Facility.** The University requests \$2,243,074 in FY 2001 from federal funds for the first year of a five-year, \$82.2 million project to construct a new research facility on the Manhattan campus. **The Governor does not recommend this item.**

**Debt Service.** The University requests \$2,265,843 from restricted funds for principal payments on various projects funded through revenue bonds, including housing projects, parking lot projects, and the Student Union renovation project. **The Governor concurs.**

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

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**Senate Subcommittee on Capital Improvements**

**Agency:** KSU Extension Systems and Agriculture Research Programs      **Bill No.** 638

**Bill Sec.** 14

**Analyst:** Robinson

**Analysis Pg No.** 130

**Budget Pg No.** 317

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Eastern Kansas Horticulture Research Center	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 0
Grain Science Center	10,000,000	5,000,000	5,000,000	0
<b>TOTAL</b>	<u>\$ 11,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>0</u>
<b>Financing:</b>				
Restricted Fees	\$ 11,000,000	\$ 6,000,000	\$ 6,000,000	\$ 0

**Eastern Kansas Horticulture Research Center.** The University requests \$1,000,000 from gift funds and restricted fees in FY 2001 for the second year of a three year, \$2.25 million project to construct a center to house the eastern Kansas Horticulture Research Center at the former Sunflower Army Ammunition Plant. **The Governor concurs.**

**Grain Science Center.** The University requests \$5,000,000 from private gifts and restricted fee funds in FY 2001 to continue a \$15.5 million project first approved by the 1999 Legislature to construct five buildings for the Grain Science Center Complex. The buildings will be constructed in four phases and will include a feed mill, flour mill, space for the International Grains Program and the Biological and Industrial Value-Added Program. **The Governor concurs.**

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendations of the Governor.

## Senate Subcommittee on Capital Improvements

**Agency:** Kansas State University  
Veterinary Medical Center

**Bill No.** 638

**Bill Sec.** 15

**Analyst:** Robinson

**Analysis Pg No.** 143

**Budget Pg No.** 319

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Greyhound Research Facility Expansion	\$ 20,589	\$ 0	\$ 0	\$ 0
Rehabilitation and Repair Projects	98,438	0	0	0
<b>TOTAL</b>	<u>119,027</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Financing:</b>				
Educational Building Fund	\$ 98,438	\$ 0	\$ 0	\$ 0
Restricted Fees	20,589	0	0	0
<b>TOTAL</b>	<u>\$ 119,027</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The University requests no capital improvements projects for FY 2001. (Senate Bill 638 includes provisions for continuation of FY 2000 projects). **The Governor** concurs.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.



## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Emporia State University

**Bill No.** 638

**Bill Sec.** 16

**Analyst:** West

**Analysis Pg No.** 81

**Budget Pg No.** 171

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
Anderson Library Addition	\$ 0	\$ 325,000	\$ 0	\$ 0
Rehab. and Repair Projects	694,331	0	0	0
Student Recreation Center	135,000	2,865,000	0	0
Parking Lot Improvements	65,000	90,000	90,000	0
Debt Service - Principal	411,000	336,000	336,000	0
<b>TOTAL</b>	<u>\$ 1,305,331</u>	<u>\$ 3,616,000</u>	<u>\$ 426,000</u>	<u>\$ 0</u>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 325,000	\$ 0	\$ 0
Educational Building Fund	687,524	0	0	0
Equipment Reserve Fund	6,807	0	0	0
Restricted Fees	611,000	3,291,000	426,000	0
<b>TOTAL</b>	<u>\$ 1,305,331</u>	<u>\$ 3,616,000</u>	<u>\$ 426,000</u>	<u>\$ 0</u>

**Anderson Library Addition.** ESU requests \$325,000 from the State General Fund in FY 2001 for the first year of a 3 year project to construct a 20,000 GSF addition to the William Allen White Library. Total project costs over the 3 year period are anticipated to be \$4.1 million. The addition would serve as the home of the School of Library and Information Management, currently housed in the library. Phase II of the project would provide remodeling of the current space for expanded library activities at an estimates cost of \$2.6 million.

**The Governor** does not recommend funding for this project.

**Student Recreation Center.** The budget as submitted by ESU includes \$2.9 million from restricted use fees for construction of a new student recreation center. Total project cost of the 48,000 GSF facility is estimated to be \$3.0 million. **(Staff note:** Subsequent to the submission of the budget, ESU proposed the issuance of \$3.0 million in bonds to construct the facility. The bonds would be retired by increased student fees which were approved by the student body in an election in March, 1999.)

**The Governor** concurs with the agency's request. Consistent with state budget practices, the expenditure of bond proceeds is considered a nonreportable budget item. Future debt service payments to retire the bonds would be included in the reportable budget.

## **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Pittsburg State University

**Bill No.** 638

**Bill Sec.** 17

**Analyst:** West

**Analysis Pg No.** 158

**Budget Pg No.** 353

Project	Gov. Rec. FY 2000	Agency Request FY 2001	Gov. Rec. FY 2001	Senate Subcommittee Adjustments
Natl. Guard Armory/ Classrooms/Student Rec. Ctr.	\$ 0	\$ 545,000	\$ 0	\$ 0
Rehabilitation and Repair	817,343	0	0	0
Parking Lot Improvements	175,000	200,000	200,000	0
Student Health Improvements	20,000	20,000	20,000	0
Housing System Maintenance	780,000	560,000	560,000	0
Debt Service	200,000	305,000	305,000	0
<b>TOTAL</b>	<b>\$ 1,992,343</b>	<b>\$ 1,630,000</b>	<b>\$ 1,085,000</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 410,000	\$ 0	\$ 0
Educational Building Fund	817,343	0	0	0
Federal Funds	0	135,000	0	0
Restricted Fees	1,175,000	1,085,000	1,085,000	0
<b>TOTAL</b>	<b>\$ 1,992,343</b>	<b>\$ 1,630,000</b>	<b>\$ 1,085,000</b>	<b>\$ 0</b>

**Armory/Recreation Center.** The University requests \$545,000, including \$410,000 from the State General Fund and \$135,000 in federal funds, for planning of a \$9.0 million facility to serve as a combined National Guard armory, student recreation center, and classroom space. The total project cost anticipates \$4.4 million from state resources, \$2.2 million in federal funds, and \$2.4 million from private gifts or student fees.

**The Governor** does not recommend funding for this project.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** University of Kansas

**Bill No.** 638

**Bill Sec.** 18

**Analyst:** Robinson

**Analysis Pg No.** 173

**Budget Pg No.** 463

Project	Governor's Rec. FY 00	Agency Request FY 01	Governor's Rec. FY 01	Senate Subcommittee Adjustments
Electrical Distribution Impr.	\$ 0	\$ 1,225,000	\$ 0	\$ 0
Parking Lot Improvements	400,000	600,000	600,000	0
Law Enf. Training Ctr. Impr.	215,563	260,000	260,000	0
Dole Institute	5,534,752	0	0	0
Rehabilitation and Repair	3,943,553	0	0	0
Lewis Hall Renovation	214,402	0	0	0
Templin Hall Renovation	210,773	0	0	0
Child Care Facility	307,626	0	0	0
Housing Improvements	1,435,965	0	0	0
Athletic Facilities Improvements	815,446	0	0	0
Watkins Health Center Improvements	244,139	0	0	0
Budig Hall Completion	2,442,243	0	0	0
Sunflower Rem. Groundwater Testing	4,736	0	0	0
Debt Service Principal	1,315,000	2,045,000	2,045,000	0
<b>TOTAL</b>	<b>\$ 17,084,198</b>	<b>\$ 4,130,000</b>	<b>\$ 2,905,000</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 1,225,000	\$ 0	\$ 0
Educational Building Fund	3,943,553	0	0	0
Other Funds	13,140,645	2,905,000	2,905,000	0
<b>TOTAL</b>	<b>\$ 17,084,198</b>	<b>\$ 4,130,000</b>	<b>\$ 2,905,000</b>	<b>\$ 0</b>

**Electrical Distribution System Improvements.** The University requests \$1,225,000 from the State General Fund in FY 2001 to provide for the first year of a three-year, \$6.4 million project to make various utility improvements. **The Governor** does not recommend this item.

**Parking Improvements.** The University requests \$600,000 from parking fees in FY 2001 for the completion of various parking improvements on the campus. **The Governor concurs.**

**Law Enforcement Training Center Improvements.** The University requests \$260,000 in FY 2001 for improvements to parking areas at the Law Enforcement Training Center. The improvements are funded from the docket fee put in place to support the facility. **The Governor concurs.**

**Debt Service.** The University requests \$2,045,000 from restricted funds for principal payments on various projects funded through revenue bonds. The projects include housing projects, parking lot projects, the Regents Center, Student Union renovations, and the Watkins Health Center. **The Governor concurs.**

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendations of the Governor, with the following observation:

1. The University presented two additional requests for projects to the Subcommittee: construction of a Student Recreation and Fitness Center, and renovation of a portion of Strong Hall to house the administrative offices of the College of Liberal Arts and Sciences. The projects were approved by the Board of Regents after submission of the agency's budget request. The Subcommittee was informed that the University had requested a Governor's Budget Amendment for the projects and recommends that the items be considered at Omnibus.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Univ. of Kansas Medical Center      **Bill No.** 638      **Bill Sec.** 19

**Analyst:** West      **Analysis Pg No.** 189      **Budget Pg No.** 465

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Parking Lot Maintenance	\$ 50,000	\$ 300,000	\$ 300,000	\$ 0
Rehabilitation and Repair Center on Aging <sup>(a)</sup>	2,527,721	0	0	0
Research Support Bldg. Addition <sup>(a)</sup>	0	168,109	168,109	0
Nurse Education Facility <sup>(a)</sup>	4,199,929	450,000	450,000	0
Construct Research Building <sup>(a)</sup>	1,600,000	0	0	0
North Campus Power Plant	623,687	0	0	0
Debt Service Principal	0	300,000	0	0
	<u>1,775,343</u>	<u>284,000</u>	<u>284,000</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 10,776,680</u></b>	<b><u>\$ 1,502,109</u></b>	<b><u>\$ 1,202,109</u></b>	<b><u>\$ 0</u></b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 300,000	\$ 0	\$ 0
Educational Building Fund	3,151,408	0	0	0
Other Restricted Use Funds	7,625,272	1,202,109	1,202,109	0
<b>TOTAL</b>	<b><u>\$ 10,776,680</u></b>	<b><u>\$ 1,502,109</u></b>	<b><u>\$ 1,202,109</u></b>	<b><u>\$ 0</u></b>

a) Previously approved project financed by grants, gifts, and/or bond financing.

**North Campus Power Plant.** The University requests \$300,000 from the State General Fund for the first phase of a \$6.0 million project to construct a new power plant on the north portion of the University campus. The new energy center is reported to be required to relieve critical utility capacity for present and future facilities.

**The Governor** does not recommend funding for this project.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation, with the following observation:

1. The University presented an additional project request to the Subcommittee, renovation of the Wahl East Laboratory. The project was approved by

the Board of Regents after the budget was submitted. The Subcommittee was informed that the University has requested a Governor's Budget Amendment for the project and recommends that the item be considered at Omnibus.



**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Wichita State University

**Bill No.** 638

**Bill Sec.** 20

**Analyst:** Robinson

**Analysis Pg No.** 211

**Budget Pg No.** 483

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Rehabilitation and Repair	\$ 1,814,007	\$ 975,000	\$ 0	\$ 0
Housing System Improvements	0	315,000	315,000	0
Debt Service Principal	300,000	300,000	300,000	0
3-D Art and Graduate Painting Bldg.	0	465,000	0	0
<b>TOTAL</b>	<b>\$ 2,114,007</b>	<b>\$ 2,055,000</b>	<b>\$ 615,000</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 465,000	\$ 0	\$ 0
Educational Building Fund	1,814,007	975,000	0	0
Other Funds	300,000	615,000	615,000	0
<b>TOTAL</b>	<b>\$ 2,114,007</b>	<b>\$ 2,055,000</b>	<b>\$ 615,000</b>	<b>\$ 0</b>

**Rehabilitation and Repair Projects.** The University requests \$975,000 from the Educational Building Fund (EBF) in FY 2001 for campus rehabilitation and repair projects. **The Governor** does not recommend this item, and in keeping with traditional policy, recommends the appropriation of FY 2001 funding from the EBF to the Board of Regents for distribution to the individual campuses.

**3-D Art and Graduate Painting Building.** The University requests \$465,000 from the State General Fund in FY 2001 for funding for the first year of a three-year, \$7.2 million project to construct a new facility for the sculpture, ceramics and graduate painting programs. **The Governor** does not recommend this item.

**Housing System Improvements.** The University requests \$315,000 in FY 2001 for rehabilitation and repair of university housing. Funding for the projects comes from fees charged to housing residents. **The Governor concurs.**

**Debt Service.** The University requests \$300,000 in FY 2001 for payment of the principal portion of a bonded project to renovate campus parking. **The Governor concurs.**

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendations of the Governor.

## Senate Subcommittee on Capital Improvements

**Agency:** Kansas Department of Human Resources      **Bill No.** 638

**Bill Sec.** 21

**Analyst:** Nogle

**Analysis Pg No.** 536

**Budget Pg No.** 231

Project	Governor's Rec. FY 2000	Agency Req. FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustment
Exterior Finish—Wichita (312 N. Topeka)	\$ 25,000	\$ 0	\$ 0	\$ 0
Purchase of Buildings as a unit—Topeka (414, 416, 417, and 420 SW Jackson)	250,000	0	0	0
Mudjacking—Pittsburg	25,000	0	0	0
HVAC—Leavenworth	25,000	0	0	0
Building Renovation—Topeka (401 SW Topeka)	50,000	248,707	248,707	0
Rehabilitation and Repair—Various Buildings	50,000	50,000	50,000	0
HVAC—Hayes	0	25,000	25,000	0
<b>TOTAL</b>	<b>\$ 425,000</b>	<b>\$ 323,707</b>	<b>\$ 323,707</b>	<b>\$ 0</b>

**Financing:**

Penalty and Interest Fund	\$ 150,000	\$ 0	\$ 0	\$ 0
Employment Security Administration	50,000	25,000	25,000	0
Reed Act Fund	125,000	50,000	50,000	0
Property Sale Fund	100,000	0	0	0
KDFA Bonds	0	248,707	248,707	0
<b>TOTAL</b>	<b>\$ 425,000</b>	<b>\$ 323,707</b>	<b>\$ 323,707</b>	<b>\$ 0</b>

### Building Renovation—Topeka (401 SW Topeka)

The agency requests \$248,707 from other funds for debt service on KDFA bonds to renovate the building at 401 SW Topeka. The main improvements include a new HVAC system, replacement of the electrical service entrance and distribution to the building, extensive plumbing work and improvements to the elevator.

The Governor concurs with the agency request.

### Rehabilitation and Repair—Various Buildings

The agency requests \$25,000 from the Employment Security Administration Fund and \$25,000 in Reed Act funds for general repair work at various buildings. This includes roofing, overlaying of parking lots, mudjacking or replacing sidewalks, painting, carpeting and caulking.

The Governor concurs with the agency request.

## **HVAC—Hays**

The agency requests \$25,000 in Reed Act funds to replace the HVAC system at the Hays office.

The Governor concurs with the agency request.

## **Senate Capital Improvements Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation, with the following comments and observations:

1. The Subcommittee concurs with the Governor's Budget Amendment No. 1 changing the debt service on the bonds for the renovation project at 401 SW Topeka, Topeka, from \$1,905,000 to \$248,707.

## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Commission on Veterans Affairs      **Bill No.** 638  
 (Including the Soldiers' and Veterans' Homes)

**Bill Sec.** 22

**Analyst:** Davis

Analysis Pg No. 519

Budget Pg No. 471

Project	Gov. Rec. FY 00	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
<b>State Veterans Cemeteries System</b>				
Planning	\$ 100,000	\$ 50,000	\$ 0	\$ 0
Expansion Grant	588,269	600,000	600,000	0
Subtotal—Veterans Cemeteries System	<u>\$ 688,269</u>	<u>\$ 650,000</u>	<u>\$ 600,000</u>	<u>\$ 0</u>
<b>Kansas Soldiers' Home:</b>				
Facilities conservation Improvement Program	\$ 915,250	\$ 0	\$ 0	\$ 0
Repair and Rehabilitation	183,395	100,000	100,000	0
Water System Upgrade Study	10,000	0	0	0
Subtotal—Kansas Soldiers' Home	<u>\$ 1,108,645</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
<b>Kansas Veterans Home:</b>				
Construction of Winfield Veterans Home	\$ 1,372,876	\$ 0	\$ 0	\$ 0
Treatment Building Roof Repair	52,000	0	0	0
Repair and Rehabilitation	89,269	121,960	80,000	0
Subtotal—Kansas Veterans Home	<u>\$ 1,514,145</u>	<u>\$ 121,960</u>	<u>\$ 80,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 3,311,059</u></u>	<u><u>\$ 993,920</u></u>	<u><u>\$ 780,000</u></u>	<u><u>\$ 0</u></u>
<b>Financing:</b>				
State Institutions Building Fund	\$ 1,601,490	\$ 393,920	\$ 180,000	\$ 0
Federal Grants	588,269	600,000	600,000	0
Local Funding	1,121,300	0	0	0
TOTAL	<u><u>\$ 3,311,059</u></u>	<u><u>\$ 993,920</u></u>	<u><u>\$ 780,000</u></u>	<u><u>\$ 0</u></u>

### State Veterans Cemeteries System

The Commission requests \$650,000 for planning and construction of state veterans cemeteries in FY 2001. The request includes \$600,000 from a federal grant for construction of the Fort Riley cemetery and \$50,000 (SIBF) for planning (\$25,000 each for the Winfield and WaKeeney cemeteries). The planning costs would be reimbursed by the federal government once construction at those sites begins.

**The Governor** recommends \$600,000 for construction of the Fort Riley cemetery.

### **Kansas Soldiers' Home**

The Commission requests \$100,000 (SIBF) for repair and rehabilitation at the Fort Dodge Soldiers' Home in FY 2001.

**The Governor concurs.**

### **Kansas Veterans' Home**

The Commission requests \$121,960 (SIBF) for rehabilitation and repair at the Winfield Veterans' Home.

**The Governor recommends \$80,000 (SIBF).**

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following modification:

1. Add \$142,871 (SIBF) to the repair and rehabilitation account in FY 2000 for contingency costs for construction of the Winfield Veterans' Home.

## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Kansas Bureau of Investigation

**Bill No.** 638

**Bill Sec.** 23

**Analyst:** Robert Waller

**Analysis Pg No.** 1157

**Budget Pg No.** 302

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Debt Service Principal -- Headquarters <sup>(a)</sup>	\$ 170,000	\$ 180,000	\$ 180,000	\$ 0
Rehabilitation and Repair	15,000	30,000	15,000	0
Remodeling 2nd floor of the Great Bend Laboratory	0	254,000	0	0
Remodeling 4th floor of KBI Headquarters	0	300,000	0	0
Replacing the carpet within KBI Headquarters	0	20,420	0	0
Remodeling the break room at KBI Headquarters	0	13,987	0	0
<b>TOTAL</b>	<u>\$ 185,000</u>	<u>\$ 798,407</u>	<u>\$ 195,000</u>	<u>\$ 0</u>
<b>Financing:</b>				
State General Fund	\$ 185,000	\$ 798,407	\$ 195,000	\$ 0
All Other Funds	0	0	0	0
<b>TOTAL</b>	<u>\$ 185,000</u>	<u>\$ 798,407</u>	<u>\$ 195,000</u>	<u>\$ 0</u>

**The agency requests a capital improvement enhancement package of \$588,407.** The package includes: \$254,000 to remodel the 2nd floor of the Great Bend Laboratory; \$300,000 to remodel the 4th floor of KBI Headquarters, \$20,420 to replace the carpet in KBI Headquarters; and \$13,987 to remodel the break room of KBI Headquarters. **The Governor did not recommend** these enhancements.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following observations:

1. The Senate Subcommittee notes that an additional \$231,000 is requested in FY 2000 by the agency to complete the Kansas City Kansas satellite laboratory. During the 1999 Legislative session \$240,000 was appropriated to cover costs associated with remodeling the laboratory on the campus of Kansas City Kansas Community College. However, the original costs have increased by \$48 per square foot from \$80 to \$128 per square foot. Therefore, the agency requests \$144,000 for remodeling funds. In addition, \$87,000 is requested to finance the purchasing of equipment for the firearms section because federal funds which had been anticipated

were not available. Therefore, the Subcommittee flags this item for Omnibus consideration.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Kansas Highway Patrol

**Bill No.** 638

**Bill Sec.** 24

**Analyst:** Robert Waller

**Analysis Pg No.** 1215

**Budget Pg No.** 228

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Debt Service—Highway Patrol Training Center— Principal	\$ 305,000	\$ 325,000	\$ 325,000	\$ 0
Motor Carrier Inspection Facilities— Rehabilitation and Repair	160,000	572,228	222,228	0
Highway Patrol Training Center—Rehabilitation and Repair	50,000	50,000	50,000	0
Construction of Vehicle Storage Facility	0	3,238,625	0	0
<b>TOTAL</b>	<b>\$ 515,000</b>	<b>\$ 4,185,853</b>	<b>\$ 597,228</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 1,295,450	\$ 0	\$ 0
Highway Patrol Training Center Fund— KDFA Bonds	305,000	325,000	325,000	0
Motor Carrier Inspection Fund	160,000	1,543,815	222,228	0
Highway Patrol Training Center Fund	50,000	50,000	50,000	0
Federal Forfeiture Fund	0	971,588	0	0
<b>TOTAL</b>	<b>\$ 515,000</b>	<b>\$ 4,185,853</b>	<b>\$ 597,228</b>	<b>\$ 0</b>

\* In addition to the principal payment of \$305,000 in FY 2000, there will be an interest payment of \$244,350 for a debt service and financing total of \$544,421.

\*\* In addition to the principal payment of \$325,000 in FY 2001, there will be an interest payment of \$227,645 for a debt service and financing \$552,645.

The agency requests \$3,238,625 (\$1,295,450 from the State General Fund) to fund the construction of a new vehicle storage facility to combine the selling, storage, and maintenance of vehicles in one location. **The Governor does not recommend this enhancement.**

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.



## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** Wildlife and Parks

**Bill No.** 638

**Bill Sec.** 25

**Analyst:** Little

**Analysis Pg No.** 828

**Budget Pg No.** 497

Project	Gov. Rec. for FY 00**	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Combined ADA, Maintenance, Repair*	\$ 1,410,283	\$ 0	\$ 659,198	\$ 0
ADA Renovation Projects	0	85,500	0	0
Major Maintenance/Development	0	700,000	0	0
Flood Repair	343,768	0	0	0
Angler Facility Improvement	771,250	0	0	0
State Fishing Lake Dam Repair	2,841,709	160,000	160,000	0
Wetlands Acquisition/Development	693,042	450,000	450,000	0
Wetlands Project/Milford	340,609	0	0	0
Access Roads Maintenance	1,502,748	1,500,000	1,500,000	0
Fed. Mandated Boating Access	710,828	845,200	845,200	0
Land Acquisition	723,904	500,000	500,000	0
Bridge Maintenance	400,000	200,000	200,000	0
River Access	0	75,000	0	0
Shooting Range	49,501	0	0	0
Playa Lakes	132,747	0	0	0
Great Plains Nature Center Parks	21,566	0	0	0
Capital Improvement Initiative	5,774,872	0	0	0
Prairie Spirit Phase II Federal	27,562	0	0	0
Other Projects (Great Plains Nature)	810,308	0	0	0
Renovate State Fishing Lakes	755,059	0	0	0
Renovate Cheyenne Bottoms	9,496	0	0	0
Boat Access/Development	266,927	0	0	0
Pratt Museum Renovation	468	0	0	0
Trail Access	0	0	20,000	0
<b>TOTAL</b>	<b>\$ 17,586,647</b>	<b>\$ 4,515,700</b>	<b>\$ 4,334,398</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 557,150	\$ 198,000	\$ 0	\$ 0
Wildlife Fee Fund	4,055,469	1,403,700	1,403,700	0
Wildlife Conservation Fund	3,696,219	1,010,000	1,010,000	0
State Highway Fund	0	1,500,000	1,500,000	0
State Water Plan Fund	0	75,000	0	0
Migratory Waterfowl Fund	152,364	100,000	100,000	0
Private Gifts and Donations Fund	0	0	0	0
Other Federal Funds	872,164	20,000	20,000	0
State Budget Stabilization Fund	5,774,872	0	0	0
Boat Fee Fund	266,927	0	0	0
Park Fee Fund	2,765	9,000	100,698	0
Land and Water Conservation Fund	305,969	0	0	0
Bridge Maintenance Fund	400,000	200,000	200,000	0
Road Maintenance	1,502,748	0	0	0
<b>TOTAL</b>	<b>\$ 17,586,647</b>	<b>\$ 4,515,700</b>	<b>\$ 4,334,398</b>	<b>\$ 0</b>

\* The Governor's Capital Improvements recommendation for FY 2000 lumps together boating, ADA, repair, and maintenance.

\*\* State Budget Stabilization expenditures as recommended by the Governor for FY 2000 includes \$58,313 for flood repair in funds removed in SB 39. The table reflects the corrected funding figures.

## **Agency Request**

The agency request is contained in the table above. The FY 2000 recommendation includes continued funding of the Parks 2000. The 1998 Legislature approved a capital improvement initiative for state parks, providing \$10.0 million from the State Budget Stabilization Fund (SBSF). The funding will address the needs of Kansas' 30-year-plus state park infrastructure by restoring, preserving, and enhancing the state's park system. The project reflects the recommendations of a Task Force on Outdoor Kansas. The Task Force was created by the Commission on Wildlife and Parks, consisting of fourteen members and included representation from the Kansas Legislature and the public. The Task Force identified a need for more than \$10.0 million to renovate state park infrastructure and provide modern facilities that meet ADA standards. In FY 1999, \$4,225,128 SBSF was spent on agency-identified capital improvement projects. The FY 2000 capital improvement budget includes requested expenditures of \$5,774,872 SBSF. The SBSF funding of the full \$10.0 million will continue to be spent for projects through FY 2001.

## **Governor's Recommendation**

The Governor recommends \$17,586,647 all funds in FY 2000 and \$4,334,398 all funds in FY 2001. The Governor will continue the Parks 2000 project as requested, as well as land acquisition (\$500,000), wetlands acquisition and development (\$450,000), and includes general repair and maintenance at facilities, structures, roads, and bridges.

## **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation, with the following modification.

1. Add proviso to continue prior years limitations on the acquisition of wetland. The proviso will limit the purchase of any wetlands to lands which are within 1.1 miles of state-owned properties. The Governor's budget includes \$450,000 (\$350,000 Wildlife Conservation Fund and \$100,000 duck stamp funds)

## SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS

**Agency:** State Board of Regents

**Bill No.** 638

**Bill Sec.** 26

**Analyst:** West

**Analysis Pg No.** 226

**Budget Pg No.** 359

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Systemwide Rehab. and Repair	\$ 0	\$ 8,000,000	\$ 8,000,000	\$ 0
Debt Service Principal	8,110,000	8,465,000	8,465,000	0
Debt Service Interest*	6,890,000	6,535,000	6,535,000	0
TOTAL	<u>\$ 15,000,000</u>	<u>\$ 23,000,000</u>	<u>\$ 23,000,000</u>	<u>\$ 0</u>

**Financing:**

Educational Building Fund	\$ 15,000,000	\$ 23,000,000	\$ 23,000,000	\$ 0
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\* Debt service interest is included in the state operations portion of the budget.

### Systemwide Rehabilitation and Repair Projects

The Board of Regents request \$8,000,000 from the Educational Building Fund for systemwide rehabilitation and repair projects in FY 2001. Traditionally, the Legislature has appropriated funds to the Board Office which are then transferred to the individual institutions. The request is an increase of \$500,000 from the amount authorized for the current year and an increase of \$3,000,000 above the amount approved for FY 2001 by the 1996 Legislature. **The Governor** concurs.

### Debt Service—Crumbling Classrooms Bond Issue

The Board of Regents request \$15.0 million from the Educational Building Fund for debt service payments for the Crumbling Classrooms program in FYs 2000 and 2001. The principal portion of the payment is estimated to be \$8.1 million in FY 2000 and \$8.5 million in FY 2001. **The Governor** concurs with the amounts requested for debt service in both years.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Adjutant General

**Bill No.** 638

**Bill Sec.**

**Analyst:** Robert Waller

**Analysis Pg No.** 1139

**Budget Pg No.** 12

Project	Governor's Rec. FY 2000	Agency Request FY 2001	Governor's Rec. FY 2001	Senate Subcommittee Adjustments
Reroof—Armories	\$ 765,380	\$ 765,380	\$ 0	\$ 0
Rehabilitation and Repair	5,055	5,055	0	0
<b>TOTAL</b>	<u>\$ 770,435</u>	<u>\$ 770,435</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Financing:</b>				
State General Fund*	\$ 387,745	\$ 387,745	\$ 0	\$ 0
Military Fees Fund	382,690	382,690	0	0
<b>TOTAL</b>	<u>770,435</u>	<u>770,435</u>	<u>\$ 0</u>	<u>\$ 0</u>

\* Funds for FY 2000 include \$5,055 of funding reappropriated from FY 1999. A total of \$72,110 was appropriated during FY 1999, with the agency spending \$67,055 of that amount.

**Staff Note:** The Adjutant General does not include funding for capital improvements within its FY 2001 operating budget request. The agency will, however, seek authority to issue five series of 15-year bonds, issued in three consecutive years, beginning in July 2000, to provide a total of \$22,000,000 (including interest \$34,000,000) to cover all costs associated with rehabilitation, repair, and upgrade of the state's armories (S.B. 592)

<b>Phases of Issuance</b>		<b>Financing</b>		
Year	Amount	Year	Re-payment	Method
FY 2001	\$2,000,000	FY 2001	\$0	
FY 2002	\$2,000,000	FY 2002	\$351,000	From existing funds
FY 2003	\$6,000,000	FY 2003	\$778,000	From existing fund and possible federal fund
FY 2004	\$6,000,000	FY 2004 though FY 2019	Average SGF payment \$2.1 million or approximately \$1.7 with federal match	
FY 2005	\$6,000,000			

The agency cannot estimate the amount of federal funds that will be available to offset State General Fund dollars used to finance the payment of the bonds. However, if the current trends continue, federal funds will be available which in turn, will reduce the amount of bonds accordingly.

**The Governor does not recommend** the issuance of bonds to fund the agency's capital improvement request.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following observations:

1. The Senate Subcommittee directs attention to S.B. 592, which would authorize the agency to issue bonds to finance the rehabilitation and repair of armories statewide.

**SENATE SUBCOMMITTEE ON CAPITAL IMPROVEMENTS**

**Agency:** Kansas Department Of Transportation    **Bill No. 639**                      **Bill Sec. 68**

**Analyst:** Efirid                                      **Analysis Pg. No. 1388**                      **Budget Page No. 307**

Project	Agency Req./		Gov. Rec. FY 2001	Senate Subcommittee Adjustments
	Gov. Rec. FY 2000 <sup>a</sup>	Agency Req. FY 2001		
Purchase Land for Radio Tower Sites	\$ 360,000	\$ 0	\$ 0	\$ 0
Reroof Various Buildings	1,403,604	511,118	511,118	0
Reroof Chanute Shop	219,433	0	0	0
Relocate Hays KHP Office	1,225,000	0	0	0
Construct Subarea Wash Bays	1,273,005	424,389	424,389	0
Relocate El Dorado Subarea Shop	2,671,242	0	0	0
Relocate Dighton Subarea Shop	950,000	0	0	0
Relocate Fort Scott Subarea Shop	950,000	0	0	0
Replace Chemical Storage Buildings	831,491	182,757	182,757	0
Remodel/Add Chanute KHP Facility	300,000	0	0	0
Waterproof Chanute Materials Lab	75,000	0	0	0
Construct Equipment Storage Sheds	270,000	288,900	288,900	0
Replace HVAC Garden City	233,237	0	0	0
Purchase Land for Erie Mixing Site	12,000	0	0	0
Design Goodland Tourist Info Center	110,000	0	0	0
Replace Topeka HVAC	0	135,873	135,873	0
Remodel Clay Center Area Office	0	83,365	83,365	0
Tuck Point District 2 Salina Office	0	56,406	56,406	0
Relocate Liberal Subarea	0	1,441,587	1,441,587	0
Purchase Salina Subarea Site	0	100,000	0	0
Relocate Salina Subarea	0	1,344,281	0	0
Add Remote Chemical Bunkers	0	366,347	0	0
Construct Garden City Facility	0	1,910,144	0	0
Renovate Independence Shop	0	440,330	0	0
Renovate Garnett Shop	0	440,330	0	0
Renovate Ulysses Shop	0	440,330	0	0
Purchase Concordia Subarea Site	0	100,000	0	0
Purchase Sublette Subarea Site	0	20,000	0	0
Construct Garden City KHP Office	0	1,020,000	0	0
<b>TOTAL<sup>a</sup></b>	<b>\$ 10,884,012</b>	<b>\$ 9,306,157</b>	<b>\$ 3,124,395</b>	<b>\$ 0</b>

**Financing:**

State Highway Fund                                      \$ 10,884,012    \$ 9,306,157    \$ 3,124,395    \$ 0

a) Revisions submitted by KDOT March 13, 2000.

## **Agency Request/Governor's Recommendation**

The agency's revised FY 2000 projects and requested FY 2001 projects are presented in the table. The Governor's recommended funding of projects also is presented in the table.

## **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendations and notes the FY 2000 revisions submitted by KDOT on March 13, 2000 as follows:

**FY 2000 CAPITAL IMPROVEMENT PROGRAM**  
**Kansas Department of Transportation**

Radio Communication Tower Sites	360,000
Reroof Buildings	1,071,107
Construct Subarea Wash Bays	408,959
Relocate Subarea-El Dorado	1,871,242
Replace Chemical Storage Buildings	634,757
Equipment Storage Sheds	270,000
Replace HVAC at KHP Hdqtrs/KDOT Const Office-Garden City	233,237
Purchase Land for Mixing Strip-Erie	12,000
Design Tourist Information Center-Goodland**	110,000
Ashland Land Purchase*	16,500
Ness City Land Purchase*	56,000
Garden City Land purchase*	286,000
Sedan Land Purchase*	28,000
Great Bend Land Purchase*	30,000
<b>Total Approved</b>	<b>\$ 5,387,802</b>
<b>FY 99 Carryover</b>	<b>\$ 5,496,210</b>
<b>Grand Total</b>	<b>\$10,884,012</b>

\*Made possible by deferring two wash bays and two chemical storage buildings.

\*\*Will now be funded with Federal Transportation Enhancement funds. This money will be used to fund a washbay that was deferred for the land purchases.





## U.S. Department of Justice

Office of Justice Programs

Corrections Program Office

March 9, 2000

Washington, D.C. 20531

Ms. Jan Johnson  
Kansas Department of Correction ;  
Office of the Secretary  
4<sup>th</sup> Floor Landon State Office Building  
Topeka, Kansas 68612

Ms. Johnson,

This letter is in response to your correspondence dated March 3, 2000. In this correspondence, you stated that Kansas is experiencing an increase in inmate population such that your Governor has recommended the construction of additional prison capacity.

According to your letter, one of the options for increasing capacity that is under consideration is a three-day, day reporting center where inmates, who are parole-condition violators, would be placed as an alternative to placement in a residential correctional facility. In your letter you sought guidance as to whether Violent Offender Incarceration and Truth-in-Sentencing Formula Grant (VOI/TIS) funds could be used to pay for the operating costs of this facility.

The situation as described is not an allowable use of VOI/TIS funds. VOI/TIS funds may not be used to pay the operating costs of a state correctional facility (as outlined in the grant legislation). However, VOI/TIS funds may be used to support the operation of this facility if the facility is privatized, meaning that VOI/TIS funds may be applied to this facility if the responsibility for operating this facility is contracted to an outside provider.

In addition, the use of VOI/TIS funds for the day reporting center is allowable only if the day reporting center will be freeing bed-space for violent offenders. In other words, the State must be able to provide documentation that the beds that would normally have been occupied by those inmates who would be assigned to the day reporting center will then be used as violent offenders bed-space (violent offender as defined under the VOI/TIS grant).

Please advise as to what course of action the State of Kansas will take and let me know if I can be of any assistance.

Sincerely,

Renee L. Giger  
Grant Manager

Senate Ways and Means Committee

Date *March 20, 2000*Attachment # *2*

## Construction Costs for Kansas Veterans Home

Senate Ways and Means Committee  
 Date *March 20, 2000*  
 Attachment # *3*

	Federal Construction Grant	State Funds	City of Winfield, Arkansas City and Cowley County	Total Construction Project
<u>Original Estimates</u>				
Division of Budget projections from fiscal note for SB 318, does not include \$2.5 million for purchase of buildings	\$4,511,118	\$2,429,064 SIBF		\$6,940,182
Jones-Gillam study, used in pre-application for VA Grant, commissioned by City of Winfield	\$6,314,286	\$3,339,999		\$9,714,285
<hr/>				
<b>Currently approved project</b>	<b>\$10,641,428</b>	\$2,500,000 SGF for building purchase \$1,701,793 SIBF \$1,080,000 SIBF for sewer project* \$52,000 SIBF for Treatment Building roof replacement* \$169,268 SIBF for general repair and rehabilitation (includes \$69,269 approved in 2000 SB 39 for emergency air conditioner repair) * <b>\$5,503,061 TOTAL</b>	<b>\$1,250,000</b>	<b>\$17,394,489</b>

\* Additional state money added during the course of the project (\$2.029 million)



# KANSAS

KANSAS DEVELOPMENT FINANCE AUTHORITY

## MEMORANDUM

Hand Delivery

**TO:** Senator Dave Kerr, Chairman  
Senate Ways and Means Committee

**FROM:** Linda Wood, Chief Financial Analyst *Linda*

**DATE:** March 8, 2000

**RE:** Financing Projections for Capitol Building Restoration Project

Enclosed are three pages of financing projections, based on your recent conversation with Kansas Development Finance Authority ("K DFA") President Ken Frahm. These projections reflect a possible issue date in July 2000, with the first coupon interest payment due November 1, 2000, and the first principal payment due May 1, 2001.

In these projections, the following assumptions were used:

- ◆ The project will be gross funded (*i.e.*, bond proceeds are deposited into the Project Fund upon issuance and any investment earnings on unexpended Project Fund monies would be used to pay debt service on the bonds).
- ◆ The average annual coupon interest rate used as a base rate is developed using the current market interest rates for "A" rated General Obligation Municipal Bonds, as of market close 03/01/00.
- ◆ For each projected level of revenues available for debt service, six different possible financing projections are presented, using the base rate described above and either adding or subtracting basis points from that base rate, ranging from an additional fifty basis points (.5%) to a negative ten basis points (-.1%).
- ◆ Each page contemplates a different amount of annual revenues available for debt service: \$3.25 million, \$3.5 million, and \$3.75 million.

Based on the preceding assumptions, your review of the enclosed projections will show the following ranges of bond proceeds available to spend on the project, depending on the two variables of 1) annual revenues available for debt service, and 2) the projected average annual interest cost on the bonds.

Senate Ways and Means Committee

Date *March 20, 2000*

Attachment # *4*

Senator Dave Kerr  
 Capitol Restoration Project  
 March 8, 2000  
 Page 2

<b>Annual Revenues Available for Debt Service</b>	<b>Range of Project Costs Provided by Bond Proceeds</b>	<b>Range of Average Annual Interest Cost of the Bonds</b>
\$3,250,000	\$35,744,605 to \$37,535,260	6.25% to 5.65%
\$3,500,000	\$38,807,310 to \$40,421,835	6.25% to 5.65%
\$3,750,000	\$41,248,667 to \$43,308,410	6.25% to 5.65%

It is KDFA's understanding that it is proposed that investment earnings from assets in the Unclaimed Property Fund of the State Treasury would be the revenue stream securing the payment of any bonds issued for this project. If that is the case, KDFA would want to seek an opinion of counsel concerning the legality of placing the lien of the bonds on revenues generated from assets held in trust. KDFA also would seek the advice of other finance professionals concerning the marketability of bonds secured by projected investment earnings on assets not owned by the State of Kansas.

Once you have an opportunity to review the enclosed projections, please do not hesitate to contact me if you have questions or comments, or if you would like for KDFA to generate more detailed projections using one scenario or another.

**Kansas Development Finance  
Authority - State of Kansas  
Department of Administration Capitol  
Restoration Project  
Financing Projections**

**\$3.25 Million Annual Debt Service - 20-Year Amortization**

Parameters:	Current Tax-Exempt Interest Rates Base, Plus Basis Points Shown:					
	50	40	30	25	None	-10
Term in years	20	20	20	20	20	20
Average coupon interest rate	6.250%	6.150%	6.050%	6.000%	5.750%	5.650%
Total revenues available (1)	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000
Actual coverage ratio desired	1.00	1.00	1.00	1.00	1.00	1.00
Revenues available for debt service (1)	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000
<b>Bond Issue Summary:</b>						
Project costs payable from bond proceeds	\$35,744,605	\$36,038,155	\$36,326,812	\$36,473,587	\$37,227,032	\$37,535,260
Costs of issuance	785,395.00	791,845.00	798,188.00	801,413.00	817,968.00	824,740.00
Bond reserve	0.00	0.00	0.00	0.00	0.00	0.00
	<u>\$36,530,000</u>	<u>\$36,830,000</u>	<u>\$37,125,000</u>	<u>\$37,275,000</u>	<u>\$38,045,000</u>	<u>\$38,360,000</u>
<b>Debt Service:</b>						
Gross annual debt service	\$3,237,362	\$3,237,837	\$3,237,552	\$3,237,507	\$3,237,794	\$3,237,929
Bond reserve earnings	0.00	0.00	0.00	0.00	0.00	0.00
Net annual debt service	<u>\$3,237,362</u>	<u>\$3,237,837</u>	<u>\$3,237,552</u>	<u>\$3,237,507</u>	<u>\$3,237,794</u>	<u>\$3,237,929</u>
<b>Statistics:</b>						
Effective interest rate (2)	6.202%	6.103%	6.003%	5.953%	5.704%	5.605%
All-in bond yield (3)	6.474%	6.373%	6.272%	6.222%	5.970%	5.870%
Issuance costs as a % of total issue	2.150%	2.150%	2.150%	2.150%	2.150%	2.150%
Dated date	07/01/00	07/01/00	07/01/00	07/01/00	07/01/00	07/01/00
Settlement / Closing date	07/21/00	07/21/00	07/21/00	07/21/00	07/21/00	07/21/00
First interest only payment date	11/01/00	11/01/00	11/01/00	11/01/00	11/01/00	11/01/00
First principal and interest payment date	05/01/01	05/01/01	05/01/01	05/01/01	05/01/01	05/01/01
Final maturity date	05/01/20	05/01/20	05/01/20	05/01/20	05/01/20	05/01/20

**Kansas Development Finance  
 Authority - State of Kansas  
 Department of Administration Capitol  
 Restoration Project  
 Financing Projections**

**\$3.50 Million Annual Debt Service - 20-Year Amortization**

<u>Parameters:</u>	<u>Current Tax-Exempt Interest Rates Base, Plus Basis Points Shown:</u>					
	<u>50</u>	<u>40</u>	<u>30</u>	<u>25</u>	<u>None</u>	<u>-10</u>
Term in years	20	20	20	20	20	20
Average coupon interest rate	6.250%	6.150%	6.050%	6.000%	5.750%	5.650%
Total revenues available (1)	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
Actual coverage ratio desired	1.00	1.00	1.00	1.00	1.00	1.00
Revenues available for debt service (1)	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
<u>Bond Issue Summary:</u>						
Project costs payable from bond proceeds	\$38,499,082	\$38,807,310	\$39,120,430	\$39,281,882	\$40,089,145	\$40,421,835
Costs of issuance	845,918.00	852,690.00	859,570.00	863,118.00	880,855.00	888,165.00
Bond reserve	0.00	0.00	0.00	0.00	0.00	0.00
	<u>\$39,345,000</u>	<u>\$39,660,000</u>	<u>\$39,980,000</u>	<u>\$40,145,000</u>	<u>\$40,970,000</u>	<u>\$41,310,000</u>
<u>Debt Service:</u>						
Gross annual debt service	\$3,486,833	\$3,486,632	\$3,486,527	\$3,486,780	\$3,486,724	\$3,486,935
Bond reserve earnings	0.00	0.00	0.00	0.00	0.00	0.00
Net annual debt service	<u>\$3,486,833</u>	<u>\$3,486,632</u>	<u>\$3,486,527</u>	<u>\$3,486,780</u>	<u>\$3,486,724</u>	<u>\$3,486,935</u>
<u>Statistics:</u>						
Effective interest rate (2)	6.202%	6.103%	6.003%	5.953%	5.704%	5.605%
All-in bond yield (3)	6.474%	6.373%	6.272%	6.222%	5.970%	5.870%
Issuance costs as a % of total issue	2.150%	2.150%	2.150%	2.150%	2.150%	2.150%
Dated date	07/01/00	07/01/00	07/01/00	07/01/00	07/01/00	07/01/00
Settlement / Closing date	07/21/00	07/21/00	07/21/00	07/21/00	07/21/00	07/21/00
First interest only payment date	11/01/00	11/01/00	11/01/00	11/01/00	11/01/00	11/01/00
First principal and interest payment date	05/01/01	05/01/01	05/01/01	05/01/01	05/01/01	05/01/01
Final maturity date	05/01/20	05/01/20	05/01/20	05/01/20	05/01/20	05/01/20

**Kansas Development Finance  
Authority - State of Kansas  
Department of Administration Capitol  
Restoration Project  
Financing Projections**

**\$3.75 Million Annual Debt Service - 20-Year Amortization**

**Current Tax-Exempt Interest Rates Base, Plus Basis Points Shown:**

<u>Parameters:</u>	<u>50</u>	<u>40</u>	<u>30</u>	<u>25</u>	<u>None</u>	<u>-10</u>
Term in years	20	20	20	20	20	20
Average coupon interest rate	6.250%	6.150%	6.050%	6.000%	5.750%	5.650%
Total revenues available (1)	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000
Actual coverage ratio desired	1.00	1.00	1.00	1.00	1.00	1.00
Revenues available for debt service (1)	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000	\$3,750,000
<u>Bond Issue Summary:</u>						
Project costs payable from bond proceeds	\$41,248,667	\$41,581,357	\$41,918,940	\$42,085,285	\$42,956,150	\$43,308,410
Costs of issuance	906,333.00	913,643.00	921,060.00	924,715.00	943,850.00	951,590.00
Bond reserve	0.00	0.00	0.00	0.00	0.00	0.00
	<u>\$42,155,000</u>	<u>\$42,495,000</u>	<u>\$42,840,000</u>	<u>\$43,010,000</u>	<u>\$43,900,000</u>	<u>\$44,260,000</u>
<u>Debt Service:</u>						
Gross annual debt service	\$3,735,861	\$3,735,865	\$3,735,939	\$3,735,619	\$3,736,079	\$3,735,942
Bond reserve earnings	0.00	0.00	0.00	0.00	0.00	0.00
Net annual debt service	<u>\$3,735,861</u>	<u>\$3,735,865</u>	<u>\$3,735,939</u>	<u>\$3,735,619</u>	<u>\$3,736,079</u>	<u>\$3,735,942</u>
<u>Statistics:</u>						
Effective interest rate (2)	6.202%	6.103%	6.003%	5.953%	5.704%	5.605%
All-in bond yield (3)	6.474%	6.373%	6.272%	6.222%	5.970%	5.870%
Issuance costs as a % of total issue	2.150%	2.150%	2.150%	2.150%	2.150%	2.150%
Dated date	07/01/00	07/01/00	07/01/00	07/01/00	07/01/00	07/01/00
Settlement / Closing date	07/21/00	07/21/00	07/21/00	07/21/00	07/21/00	07/21/00
First interest only payment date	11/01/00	11/01/00	11/01/00	11/01/00	11/01/00	11/01/00
First principal and interest payment date	05/01/01	05/01/01	05/01/01	05/01/01	05/01/01	05/01/01
Final maturity date	05/01/20	05/01/20	05/01/20	05/01/20	05/01/20	05/01/20

Proposed Amendments to SB 660

AN ACT concerning capitol restoration; relating to the construction, equipping, furnishing, renovation, reconstruction and repair of the state capitol; financing.

Be it enacted by the Legislature of the State of Kansas:

Section 1. The secretary of administration jointly with the legislative coordinating council may make expenditures from money available therefor for the construction, equipping, furnishing, renovation, reconstruction and repair of the state capitol. The capital improvement project for the construction, equipping, furnishing, renovation, reconstruction and repair of the state capitol is hereby approved for the secretary of administration jointly with the legislative coordinating council for the purpose of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with the statute. Expenditures authorized by this section for this capital improvement project shall not exceed \$40,000,000 plus all amounts required for costs of any bond issuance, costs of interest on any bond issued or obtained for such capital improvement project and any required reserves for payment of principal and interest on any bond. Bonds issued under this section shall be financed by appropriations from the state general fund.

Sec. 2. (a) On and after the effective date of this act, the board of trustees is responsible for the management and

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investment of ~~the--unclaimed-property-claims-fund~~ moneys in the state general fund certified by the state treasurer to the board of trustees as being equivalent to the aggregate net receipts from unclaimed property and shall discharge the board's duties with respect to ~~the-fund~~ such moneys solely in the interests of the state general fund and shall invest and reinvest such moneys ~~in--the--fund~~ and acquire, retain, manage, including the exercise of any voting rights and disposal of investments of ~~the-fund~~ such moneys within the limitations and according to the powers, duties and purposes as prescribed by this section.

(b) Moneys ~~in-the-fund~~ specified in subsection (a) shall be invested and reinvested to achieve the investment objective which is preservation of ~~the-fund~~ such moneys and accordingly providing that the moneys are as productive as possible, subject to the standards set forth in this act. No such moneys ~~in-the-fund~~ shall be invested or reinvested if the sole or primary investment objective is for economic development or social purposes or objectives.

(c) In investing and reinvesting moneys ~~in---the---fund~~ specified in subsection (a) and in acquiring, retaining, managing and disposing of investments of the fund moneys, the board of trustees shall exercise the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by

diversifying the investments of the fund moneys so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and not in regard to speculation but in regard to the permanent disposition of similar funds moneys, considering the probable income as well as the probable safety of their capital.

(d) In the discharge of such management and investment responsibilities the board of trustees may contract for the services of one or more professional investment advisors or other consultants in the management and investment of such moneys in the--fund and otherwise in the performance of the duties of the board of trustees under this act.

(e) The board of trustees shall require that each person contracted with under subsection (d) to provide services shall obtain commercial insurance which provides for errors and omissions coverage for such person in an amount to be specified by the board of trustees. The amount of such coverage specified by the board of trustees shall be at least the greater of \$500,000 or 1% of the funds entrusted to such person up to a maximum of \$10,000,000. The board of trustees shall require a person contracted with under subsection (d) to provide services to give a fidelity bond in a penal sum as may be fixed by law or, if not so fixed, as may be fixed by the board of trustees, with corporate surety authorized to do business in this state. Such persons contracted with the board of trustees pursuant to subsection (d) and any persons contracted with such persons to

perform the functions specified in subsection (b) shall be deemed to be fiduciary agents of the board of trustees in the performance of contractual obligations.

(f) (1) Subject to the objective set forth in subsection (b) and the standards set forth in subsection (c), the board of trustees shall formulate and adopt policies and objectives for the investment and reinvestment of such moneys ~~in-the-fund~~ and the acquisition, retention, management and disposition of investments of the fund moneys. Such policies and objectives shall be in writing and shall include:

(A) Specific asset allocation standards and objectives;

(B) establishment of criteria for evaluating the risk versus the potential return on a particular investment; and

(C) a requirement that all investment advisors, and any managers or others with similar duties and responsibilities as investment advisors, shall immediately report all instances of default on investments to the board of trustees and provide such board of trustees with recommendations and options, including, but not limited to, curing the default or withdrawal from the investment.

(2) The board of trustees shall review such policies and objectives, make changes considered necessary or desirable and readopt such policies and objectives on an annual basis.

(g) ~~(±)~~ Except as provided in subsection (d) and this subsection, the custody of ~~money-and-securities-of-the-fund~~ such moneys shall remain in the custody of the state treasurer, except

that the board of trustees may arrange for the custody of such money and securities as it considers advisable with one or more member banks or trust companies of the federal reserve system or with one or more banks in the state of Kansas, or both, to be held in safekeeping by the banks or trust companies for the collection of the principal and interest or other income or of the proceeds of sale. All such moneys shall be considered moneys in the state treasury for purposes of K.S.A. 75-6704 and amendments thereto.

~~(2) The state treasurer and the board of trustees shall collect the principal and interest or other income of investments or the proceeds of sale of securities of the fund in the custody of the state treasurer and shall pay the portion of such moneys constituting principal when so collected into the state treasury. The portion of such money constituting principal shall be credited to the fund, and the portion of such money constituting interest shall be credited to the state general fund.~~

~~(3) The principal and interest or other income or the proceeds of sale of securities of the fund as provided in paragraph (1) of this subsection shall be reported to the state treasurer and the board of trustees. The portion of such money constituting principal shall be credited to the fund, and the portion of such money constituting interest shall be credited to the state general fund.~~

(h) All interest or other income of the investments of the moneys in the fund invested under this section, after payment of

any management fees, shall be deposited in the state treasury to the credit of the state general fund.

(i) As used in this section:

(1) "Board of trustees" means the board of trustees of the Kansas public employees retirement system established by K.S.A. 74-4905 and amendments thereto.

(2) "Fiduciary" means a person who, with respect to the fund moneys invested under this section, is a person who:

(A) Exercises any discretionary authority with respect to administration of the fund moneys;

(B) exercises any authority to invest or manage ~~assets--of the-fund~~ such moneys or has any authority or responsibility to do so;

(C) provides investment advice for a fee or other direct or indirect compensation with respect to ~~the-assets-of-the-fund~~ such moneys or has any authority or responsibility to do so;

(D) provides actuarial, accounting, auditing, consulting, legal or other professional services for a fee or other direct or indirect compensation with respect to ~~the-fund~~ such moneys or has any authority or responsibility to do so; or

(E) is a member of the board of trustees or of the staff of the board of trustees.

~~{3}--"Fund"--means-the-unclaimed-property-claims-fund-~~

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

## PROPOSED SUBSTITUTE for SENATE BILL NO. 635

For consideration  
By Senate Committee on Ways and Means

AN ACT concerning municipal accounting.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) The secretary of administration shall adopt rules and regulations to fix, charge and collect fees for providing general ledger, payroll reporting, utility billing, data processing and accounting services to municipalities and for training programs conducted for municipal government personnel, including official hospitality. Such fees shall be fixed in order to recover all of the operating expenses incurred in providing such services and programs, including official hospitality. The secretary of administration, to the extent practicable, shall fix such fees in the amount equal to reimburse the department of administration for the actual operating expenditures required to provide each such service or training program to municipalities.

(b) The municipal accounting and training services recovery fund of the division of accounts and reports of the department of administration which was established in the state treasury pursuant to appropriation acts is hereby continued in existence and shall be administered by the department of administration. All moneys received by or for the department of administration from fees collected under this section shall be deposited in the state treasury and credited to such fund.

(c) Moneys deposited in the municipal accounting and training services recovery fund of the department of administration shall be expended only for operating expenditures for the department of administration to provide general ledger, payroll reporting, utility billing, data processing and accounting services to municipalities and for training programs conducted for municipal government personnel, including official hospitality.

(d) All expenditures from the municipal accounting and

training services recovery fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of administration or the secretary's designee.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

**SB 635**

**Section 15 (b) - on page 15**

Amend to read:

(b) The county clerk shall make any reductions to the ad valorem tax to be levied, compute the tax levy rates based on the final equalized assessed valuation, and enter such on the budget certificate before attesting the budget. *A copy of all county budgets, properly attested, shall be filed with the Kansas Association of Counties, along with a copy of the tax levy rate summary required of the county treasurer by K.S.A. 79-2002, and amendments thereto. A copy of all city budgets, properly attested, shall be filed with the League of Kansas Municipalities, along with a copy of the tax levy rate summary required of the county treasurer by K.S.A. 79-2002, and amendments thereto.*

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Date *March 20, 2000*

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