

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 14, 2003, in Room 514-S of the Capitol.

All members were present except: Representative Larry Campbell, Excused  
Representative Dean Newton, Excused

Committee staff present: Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Melissa Calderwood, Legislative Research Department  
Martha Dorsey, Legislative Research Department  
Nicoletta Buonasera, Legislative Research Department  
Carolyn Rampey, Legislative Research Department  
Robert Waller, Legislative Research Department  
Paul West, Legislative Research Department  
Leah Robinson, Legislative Research Department  
Amy VanHouse, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Analyst  
Sue Fowler, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached

Representative Bethell moved for reintroduction of HB 2307 which eliminates requirement of one judge per county; with reassignment based on caseload as determined by the judicial branch. Motion was seconded by Representative Huebert. Motion carried.

**Hearing on HB 2426 – Appropriation for the fiscal years ending June 30, 2004, and June 30, 2005, capital improvement projects**

Paul West, Legislative Research Department, presented an overview (Attachment 1) on **HB 2426**, regarding capital improvement projects (Attachment 2). State agencies requested a total of \$284.0 million for improvements to state facilities in FY 2004. The request includes \$48.9 million from the State General Fund, \$33.3 million from the Kansas Educational Building Fund (EBF), \$18.9 million from the State Institutions Building Fund (SIBF), \$5.0 million from the Correctional Institutions Building Fund (CIBF), \$33.6 million from the State Board of Regents restricted use funds, and \$25.3 million from other special revenue funds. An additional \$2.5 million is requested for projects in the Department of Administration's non-reportable budget. One new bond issue which would be supported by state tax revenues is requested. The Department of Social and Rehabilitation Services (SRS) requests bonding authority of \$49.2 million for repairs and other deferred maintenance issues at the state hospitals. Debt service on the bonds would begin in FY 2005 and would be financed by the SIBF at an annual cost of \$3.8 million.

The Governor recommends \$102.4 million for improvements to state facilities in FY 2004. State General Fund financing of \$11.7 million is recommended for debt service principal and lease purchase payments (\$11.6 million), renovations to the Judicial Center (\$114,400) and repairs at state historic sites (\$46,550). Other recommendations include \$25.0 million from the EBF, \$13.5 million from the SIBF, \$5.0 million from the CIBF, \$33.6 million from Regents restricted use funds, and \$22.5 million from other special revenue funds. An additional \$2.5 million is recommended for projects in the Department of Administration's non-reportable budget. The Governor does not recommend the new bonding authority requested by the Department of Social and Rehabilitation Services.

The Building Committee has reviewed the projects and concurs with the Governor with two adjustments:

CONTINUATION SHEET


MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on March 14, 2003, in Room 514-S of the Capitol.

- For the State Board of Regents, the Joint Committee recommends an additional \$3.0 million from the EBF for systemwide rehabilitation and repair project at the state universities for a total of \$13 million in FY 2004 as well as an equal amount in FY 2005.
- Recommend issuing the \$49.2 million in bonds for SRS facilities

The committee discussed various concerns regarding the capital improvement projects reported in the Capital Budget document (Attachment 2), including the lack of repair and age of some of the facilities and various technical adjustments that need to be addressed.

Representative Pottorff moved to pass **HB 2426** favorably with technical adjustments. Motion was seconded by Representative Minor. Motion carried.

The meeting was adjourned at 9:45 a.m. The next meeting is scheduled for March 17, 2003.

  
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Melvin Neufeld, Chair

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: March 14, 2004

| NAME              | REPRESENTING            |
|-------------------|-------------------------|
| John Spurgeon     | KDWIP                   |
| MIKE GAITO        | KDOC                    |
| Gwendolyn Cargnel | American Cancer Society |
| Ron Seebert       | Hein Law Firm           |
| SHELBY Smith      | SRW                     |
| Mike Huttles      | Ks. Gov't. Consulting   |
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# KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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March 14, 2003

**To:** House Appropriations Committee  
**From:** Paul R. West, Senior Fiscal Analyst  
**Re:** FY 2004 Capital Improvements Funding

## Agency Requests/Governor's Recommendations

State agencies request a total of \$284.0 million for improvements to state facilities in FY 2004. The request includes \$48.9 million from the State General Fund, \$33.3 million from the Educational Building Fund (EBF), \$18.9 million from the State Institutions Building Fund (SIBF), \$5.0 million from the Correctional Institutions Building Fund (CIBF), \$33.6 million from Regents restricted use funds, and \$25.3 million from other special revenue funds. An additional \$2.5 million is requested for projects in the Department of Administration's non-reportable budget. One new bond issue which would be supported by state tax revenues is requested. The Department of Social and Rehabilitation Services requests bonding authority of \$49.2 million for repairs and other deferred maintenance issues at the state hospitals. Debt service on the bonds would begin in FY 2005 and would be financed by the SIBF at an annual cost of \$3.8 million.

The Governor recommends \$102.4 million for improvements to state facilities in FY 2004. State General Fund financing of \$11.7 million is recommended for debt service principal and lease purchase payments (\$11.6 million), renovations to the Judicial Center (\$114,400) and repairs at state historic sites (\$46,550). Other recommendations include \$25.0 million from the EBF, \$13.5 million from the SIBF, \$5.0 million from the CIBF, \$33.6 million from Regents restricted use funds, and \$22.5 million from other special revenue funds. An additional \$2.5 million is recommended for projects in the Department of Administration's non-reportable budget. The Governor does not recommend the new bonding authority requested by the Department of Social and Rehabilitation Services.

## Joint Committee on State Building Construction Recommendations

The Joint Committee on State Building Construction concurs with the Governor's recommendations with two adjustments. For the State Board of Regents, the Joint Committee recommends an additional \$3.0 million from the EBF for systemwide rehabilitation and repair projects at the state universities for a total of \$13.0 million in FY 2004 as well as an equal amount in FY 2005. For the Department of Social and Rehabilitation Services the Joint Committee recommends bonding authority of \$49.2 million for repairs and other deferred maintenance issues at the state hospitals. In both of these cases the Joint Committee recognizes the need for the projects and has determined that adequate resources are available to support them. Attached are two memos regarding these issues.

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HOUSE APPROPRIATIONS

DATE 3-14-03  
ATTACHMENT 1

February 28, 2003

**To:** Joint Committee on State Building Construction

**From:** Paul R. West, Senior Fiscal Analyst

**Re:** Rehabilitation and Repair Funding for State Universities

The budget submitted by the Board of Regents for FY 2004 includes a request for \$18.0 million from the Educational Building Fund (EBF) for rehabilitation and repair projects at the state universities. The Governor recommends \$10.0 million for this purpose, citing in part insufficient resources to finance the Board's request. The Board subsequently submitted a revised request for EBF financing of \$14.0 million in FY 2004 and \$15.0 million in FY 2005 as a multiyear appropriation. As can be seen in the tables below, there are sufficient resources in the EBF to support the Board's revised request, should the Legislature decide to support it.

## EDUCATIONAL BUILDING FUND PROJECTIONS

### Governor's Recommendation

|                   | <u>FY 2002</u>       | <u>FY 2003</u>      | <u>FY 2004</u>      | <u>FY 2005</u>       | <u>FY 2006</u>       | <u>FY 2007</u>       |
|-------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Beginning Balance | \$ 17,361,619        | \$ 12,790,679       | \$ 4,638,639        | \$ 7,047,961         | \$ 25,540,145        | \$ 40,072,773        |
| Receipts          | 24,338,903           | 26,678,910          | 27,436,322          | 28,465,184           | 29,532,628           | 30,640,102           |
| Total Available   | \$ 41,700,522        | \$ 39,469,589       | \$ 32,074,961       | \$ 35,540,145        | \$ 55,072,773        | \$ 70,712,875        |
| Expenditures      | 28,909,843           | 34,830,950          | 25,000,000          | 15,000,000           | 15,000,000           | 15,000,000           |
| Ending Balance    | <u>\$ 12,790,679</u> | <u>\$ 4,638,639</u> | <u>\$ 7,047,961</u> | <u>\$ 25,540,145</u> | <u>\$ 40,072,773</u> | <u>\$ 55,712,875</u> |

### Revised Regents Request

|                   | <u>FY 2002</u>       | <u>FY 2003</u>      | <u>FY 2004</u>      | <u>FY 2005</u>      | <u>FY 2006</u>       | <u>FY 2007</u>       |
|-------------------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Beginning Balance | \$ 17,361,619        | \$ 12,790,679       | \$ 4,638,639        | \$ 3,047,961        | \$ 1,540,145         | \$ 16,072,773        |
| Receipts          | 24,338,903           | 26,678,910          | 27,436,322          | 28,465,184          | 29,532,628           | 30,640,102           |
| Total Available   | \$ 41,700,522        | \$ 39,469,589       | \$ 32,074,961       | \$ 31,540,145       | \$ 31,072,773        | \$ 46,712,875        |
| Expenditures      | 28,909,843           | 34,830,950          | 29,000,000          | 30,000,000          | 15,000,000           | 15,000,000           |
| Ending Balance    | <u>\$ 12,790,679</u> | <u>\$ 4,638,639</u> | <u>\$ 3,047,961</u> | <u>\$ 1,540,145</u> | <u>\$ 16,072,773</u> | <u>\$ 31,712,875</u> |

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March 10, 2003

**To:** Joint Committee on State Building Construction

**From:** Paul R. West, Senior Fiscal Analyst

**Re:** Bond Financing for SRS Institutions

The budget submitted by the Department of Social and Rehabilitation Services (SRS) for FY 2004 includes a request for \$49.2 million of bonding authority for systemwide rehabilitation and repair. The debt service payments on this issue are estimated to be \$3.75 million annually. If the work completed under the bond issue is sufficient that SRS' annual rehabilitation and repair needs are reduced to \$1.5 million from the current level of \$4.0 million, then there appears to be adequate resources in the State Institutions Building Fund to support current and new debt service payments without reducing the level of rehabilitation and repair funding currently allocated to other state agencies.

## STATE INSTITUTIONS BUILDING FUND PROJECTIONS

|                           | <u>FY 2002</u>       | <u>FY 2003</u>       | <u>FY 2004</u>       | <u>FY 2005</u>       | <u>FY 2006</u>       | <u>FY 2007</u>       |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Beginning Balance         | \$ 15,574,113        | \$ 14,071,806        | \$ 15,336,265        | \$ 14,998,946        | \$ 14,046,174        | \$ 14,151,726        |
| Receipts                  | <u>12,168,999</u>    | <u>13,340,246</u>    | <u>13,718,161</u>    | <u>14,232,590</u>    | <u>14,766,314</u>    | <u>15,320,051</u>    |
| Total Available           | \$ 27,743,112        | \$ 27,412,052        | \$ 29,054,426        | \$ 29,231,536        | \$ 28,812,488        | \$ 29,471,777        |
| JJA Debt Service          |                      |                      |                      | 4,000,000            | 4,000,000            | 4,000,000            |
| Larned Debt Service       |                      |                      |                      | 3,847,537            | 3,910,762            | 4,000,000            |
| New Debt Service          |                      |                      |                      | 3,750,000            | 3,750,000            | 3,750,000            |
| Rehabilitation and Repair |                      |                      |                      | 3,000,000            | 3,000,000            | 3,000,000            |
| Other Expenditures        | <u>13,671,306</u>    | <u>12,075,787</u>    | <u>14,055,480</u>    | <u>587,825</u>       | <u>0</u>             | <u>0</u>             |
| Ending Balance            | <u>\$ 14,071,806</u> | <u>\$ 15,336,265</u> | <u>\$ 14,998,946</u> | <u>\$ 14,046,174</u> | <u>\$ 14,151,726</u> | <u>\$ 14,721,777</u> |

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# Capital Budget

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HOUSE APPROPRIATIONS

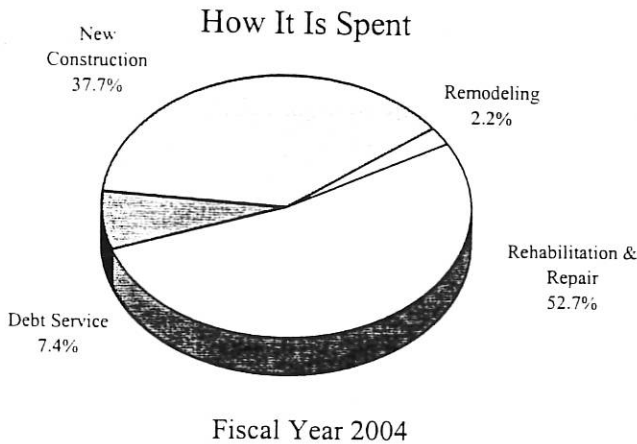
DATE 3-14-03

ATTACHMENT 2

# Capital Budget Summary

**Summary of Governor's Recommendation.** The capital improvement recommendations included in the Governor's budget for FY 2003 total \$1,202.5 million. This amount is 11.8 percent of the total state budget financed from all funding sources. The Governor's recommendation for FY 2004 totals \$1,122.9 million from all funding sources, or 11.1 percent of the total state budget.

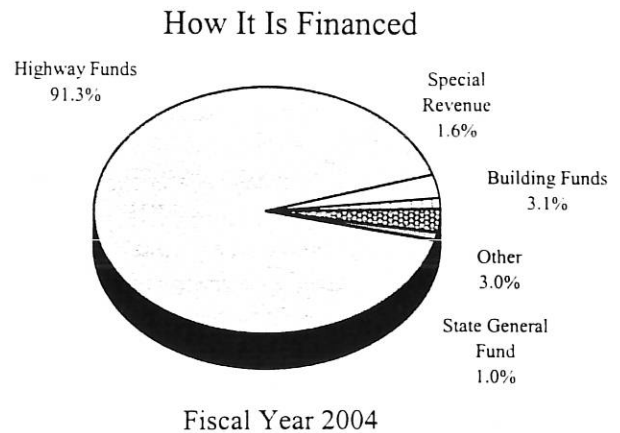
The capital budget, by project classification, is illustrated in the pie chart below. Rehabilitation and repair, the largest category, accounts for 52.7 percent of total capital projects. New construction accounts for 37.7 percent, and debt service is 7.4 percent. Remodeling is the smallest at 2.2 percent.



Total capital expenditures in the Governor's recommendation decrease by \$79.6 million, or 6.6 percent, from FY 2003 to FY 2004. This net decrease is mostly attributable to the Department of Transportation planning on \$52.7 million less in overall FY 2004 capital expenditures than in FY 2003. This represents the major difference between FY 2003 and FY 2004 in the Governor's recommendation for the capital budget. In general, the current fiscal year contains a significant amount of funds that were not spent in FY 2002 but the expenditure authority "shifted" into FY 2003.

Other notable decreases for FY 2004 occur in Kansas State University, University of Kansas, Emporia State

University, the School for the Deaf, the Commission on Veterans' Affairs, the Juvenile Justice Authority, and the Department of Wildlife and Parks. Each of these agencies is experiencing a tapering off of major construction projects in FY 2004.



**Capital Budget Process.** Agencies requesting expenditure authority for capital projects submit a five-year facilities plan each July 1, consisting of the forthcoming fiscal year and the following four years. Capital projects are reviewed by the Division of the Budget for development of the Governor's recommendations. They are also reviewed by the Fiscal Section of the Kansas Legislative Research Department as staff to the Joint Committee on State Building Construction as well as the "appropriation" committees of the Kansas House and Senate. In addition, the Division of Facilities Management provides technical support to the State Building Advisory Commission, an Executive Branch body responsible for reviewing the cost estimates and technical aspects of projects.

As a matter of policy, the state gives priority to maintaining its existing facilities before considering new construction. The use of revenue bonds for financing capital projects has increased in recent years. Other criteria for assessing the priority of capital projects include safety for state employees and visitors, compliance with prevailing building codes, modifications to enhance accessibility for the disabled,



physical modifications caused by program changes, and cost effectiveness.

**Financing.** Transportation projects are a major part of the state's total capital budget. 89.7 percent of FY 2003 and 91.3 percent of FY 2004 capital expenditures are for transportation projects. The State Highway Fund is the single largest source of funding for capital improvements in the state budget. The fund receives its revenues primarily through highway user fees on motor fuel, vehicle registrations, and a one-fourth percent-dedicated sales tax.

The three dedicated funding sources that make up most of the remainder of the capital budget are the Educational Building Fund (EBF), the State Institutions Building Fund (SIBF), and the Correctional Institutions Building Fund (CIBF). The EBF and the SIBF receive revenues from a mill tax levy based on the assessed valuation of all tangible taxable property in the state as of January 1 of each year. The CIBF receives its revenues from lottery and racing activities.

The status of the building funds is presented below, showing beginning balances, receipts, and expenditures. Interest on the debt service for Crumbling Classrooms is included in expenditures for the Educational Building Fund. In addition, expenditures from the SIBF include funding for juvenile correctional facilities' debt service interest in FY 2002 and thereafter and debt service interest related to projects at Larned State Hospital. The Correctional Institutions Building Fund also has interest payments related to Department of Corrections projects.

### Effect on Operating Budgets

This section includes a description of the operating costs that will accompany the completion of new facilities as they become operational.

**Department of Administration.** Maintenance staff for SBG Building. Authorization to acquire the building formerly owned and occupied by Security

#### Status of State Building Funds

|  | FY 2002      | FY 2003      | FY 2004      | FY 2005      | FY 2006      | FY 2007      |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Educational Building Fund</b>               |              |              |              |              |              |              |
| Beginning Balance                              | \$17,361,619 | \$12,790,679 | \$ 4,638,639 | \$ 7,074,961 | \$17,440,145 | \$27,232,773 |
| Second Payment of Tax Levy                     | 8,291,870    | 8,995,323    | 9,089,600    | 9,430,460    | 9,784,102    | 10,151,006   |
| First Payment of Tax Levy                      | 13,296,973   | 14,830,400   | 15,386,540   | 15,963,535   | 16,562,168   | 17,183,249   |
| Motor Vehicle Taxes                            | 2,750,060    | 2,853,187    | 2,960,182    | 3,071,189    | 3,186,358    | 3,305,847    |
| Resources Available                            | \$41,700,522 | \$39,469,589 | \$32,074,961 | \$35,540,145 | \$46,972,773 | \$57,872,875 |
| Estimated Expenditures                         | \$28,909,843 | \$34,830,950 | \$25,000,000 | \$18,100,000 | \$19,740,000 | \$15,000,000 |
| <b>Correctional Institutions Building Fund</b> |              |              |              |              |              |              |
| Beginning Balance                              | \$ 2,887,175 | \$ 2,922,864 | \$ 13,663    | \$ 13,663    | \$ 13,663    | \$ 13,663    |
| Gaming Revenues                                | 5,242,472    | 5,147,225    | 5,000,000    | 5,000,000    | 5,000,000    | 5,000,000    |
| Resources Available                            | \$ 8,129,647 | \$ 8,070,089 | \$ 5,013,663 | \$ 5,013,663 | \$ 5,013,663 | \$ 5,013,663 |
| Estimated Expenditures                         | \$ 5,206,783 | \$ 8,056,426 | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| <b>State Institutions Building Fund</b>        |              |              |              |              |              |              |
| Beginning Balance                              | \$15,574,113 | \$14,071,806 | \$15,336,264 | \$15,586,771 | \$21,126,359 | \$27,093,674 |
| Second Payment of Tax Levy                     | 4,145,917    | 4,498,452    | 4,544,800    | 4,715,230    | 4,892,051    | 5,075,503    |
| First Payment of Tax Levy                      | 6,648,054    | 7,415,200    | 7,693,270    | 7,981,768    | 8,281,084    | 8,591,625    |
| Motor Vehicle Taxes                            | 1,375,028    | 1,426,594    | 1,480,091    | 1,535,592    | 1,593,179    | 1,652,923    |
| Resources Available                            | \$27,743,113 | \$27,412,051 | \$29,054,426 | \$29,819,359 | \$35,892,674 | \$42,413,724 |
| Estimated Expenditures                         | \$13,671,306 | \$12,075,787 | \$13,467,655 | \$ 8,693,000 | \$ 8,799,000 | \$ 9,000,000 |

\* The \$13,671,306 in operating expenses from the SIBF for FY 2002 includes \$42,878 not shown in the table at the end of this section.

Benefit Group Insurance Company at 7th and Harrison in Topeka was authorized by the State Finance Council in 1999. The 2002 Legislature approved the issuance of bonds to renovate the facility in anticipation that the Kansas Department of Transportation will become the sole occupant in FY 2004. The amount of the bonds issued was \$10,850,000 plus issuance costs. The state took possession of the building in April 2002. The FY 2004 budget of the Division of Facilities Management will be increased to provide 5.0 FTE positions to provide maintenance and operation of the power systems. Therefore, the Governor adds \$161,197 from the State Buildings Operating Fund for these positions.

**Juvenile Correctional Facilities.** Two new juvenile correctional facilities will open during FY 2004. The new Larned Facility is scheduled to open in July 2003. The 152-bed facility will replace the current 116-bed facility currently located on the grounds of Larned State Hospital. Included in the Governor's FY 2004 recommendation is \$2.1 million for an additional 19.0

FTE positions and 7.0 non-FTE unclassified permanent positions. The recommendation provides only six months of funding for 17.0 FTE positions, which will prevent the Facility from opening a 30-bed pod until December 2003. Funding for additional operating expenditures is included in the recommendation as well, including funding for services that had previously been provided by Larned State Hospital.

The Kansas Juvenile Correctional Complex (KJCC) is scheduled to open in April 2004. KJCC is a 225-bed maximum-security and diagnostic and classification facility that is adjacent to the Topeka Juvenile Correctional Facility (TJCF). The Governor's recommendation includes \$1.33 million, all from the State General Fund. This recommendation will provide funding for 168.0 FTE positions and for various operating expenditures. The Facility will share several services with TJCF, including food services, medical services, and a common visitation center.

## Recommendations

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Following is a description of capital improvement projects by agency that are included in the Governor's recommendations. Capital expenditures are listed by agency in Schedules 6.1 and 6.2 and by project in the table at the end of this section.

### General Government

#### Department of Administration

**Rehabilitation & Repair.** The Governor's recommendation for FY 2003 includes estimated expenditures totaling \$827,110 for rehabilitation and repair, of which \$227,948 is from the State General Fund, \$243,886 is from the State Budget Stabilization Fund, and \$355,276 is from the State Buildings Depreciation Fund. The \$227,948 from the State General Fund will provide \$122,831 for maintenance of the Statehouse and Cedar Crest and \$105,117 for repairs to the Judicial Center. The \$243,886 from the stabilization fund consists of \$143,886 for the Statehouse and Cedar Crest and \$100,000 for the Judicial Center. The \$355,276 from the State Buildings Depreciation Fund is for the Landon, Docking, Forbes, Memorial, Curtis, and SBG Buildings. All of these amounts provide for the general maintenance and upkeep of the state's buildings in the Capitol Complex and at Forbes. For FY 2004, \$200,000 is recommended for the Landon, Docking, Forbes, Memorial, Curtis, and SBG Buildings.

**Statehouse Improvements.** The Legislature has authorized the issuance of \$55.0 million in bonds to finance renovation of the Statehouse, including the east wing, a new parking garage, underground maintenance vaults in each quadrant, the shell for a future visitor center, and relocation of utilities. This project is an effort to renovate the entire Statehouse by 2007 at an estimated cost of \$135.0 million. For FY 2003, the debt service on the first \$40.0 million totals \$3,173,148, of which \$2,358,148 is interest and \$815,000 is principal. All funding for debt service is

from the State General Fund. For FY 2004, the debt service increases to include the \$15.0 million garage. The amount recommended totals \$4,424,652, \$2,524,652 of which is interest and \$1.9 million is principal.

In addition, \$613,489 is available in FY 2003 for individual projects involving improvements to the Statehouse. Of this amount, \$313,289 is from the State General Fund and \$300,200 from the Capitol Dome Restoration Fund. The largest project to be financed from these funds is support of the Capitol dome for the ad astra statue. This work was completed and the statue was put in place in the fall of 2002. The cost of this project to date totals \$739,976, of which \$300,200, the amount from the Capitol Dome Restoration Fund, is from private donations. The statue itself, however, was financed entirely from private sources. Other projects in this account include landscaping, restoration and cleaning of monuments, installation of a fire detection and suppression system, and planning and installation for a security system.

**Judicial Center Improvements.** Two years ago the Governor proposed a package of improvements to upgrade the Judicial Center consistent with the recent renovation of Cedar Crest and the ongoing restoration of the Statehouse. For FY 2003, a total of \$202,313 is estimated, \$124,343 from the State General Fund and \$77,970 from the State Budget Stabilization Fund. The projects to be undertaken include emergency power supply, porch deck re-caulking, signage, and for landscaping. In addition, a portion of the project was financed through bonds over a 16-year period. These improvements included replacement of the exterior lighting and replacement of two chillers that do not use coolants friendly to the environment. For FY 2003, the debt payment totals \$101,889, \$61,889 in interest and \$40,000 in principal. For FY 2004, the payment will be \$97,085, \$42,085 for interest and \$55,000 for principal.

**Judicial Center Renovation of Attorney General's Space.** Also included in the Governor's budget recommendation is \$90,206 from the State General Fund for FY 2003 to plan for the renovation of space in the Judicial Center that was vacated when the

Attorney General's Office relocated to Memorial Hall. The vacated space is being planned for new appellate court judges. Funding for the first phase of construction includes \$114,400 from the State General Fund in the Judiciary's budget for FY 2003.

**Landon Electrical Power Supply.** The Governor recommends \$399,745 from the State Buildings Depreciation Fund for FY 2003 to undertake improvements to the electrical system in the Landon Building. The project started in FY 2000 after a near power failure occurred during the summer of 1999. The work to be done involves the installation of switches that will allow transfer of the electrical load from any generator to any other generator to maximize flexibility in continuing electrical power if a failure occurs. The project also will permit the discharge of generator exhaust safely above the top of the building, instead of at the third floor level. Finally, the three existing uninterruptable power supply units will be replaced.

**Landon Electrical Power System Study.** The Governor recommends \$180,000 from the State Buildings Depreciation Fund for FY 2003 to undertake a project to study the electrical power system failure mode in the Landon Building. This project stems from an incident that occurred in July 1999, when a small motor starter short-circuited in a power transformer, causing a power failure in the building. The power failure revealed weaknesses that make the electrical system's functioning suspect. Unlike the previous project, which includes the implementation of actual improvements, this project is the starting point of a long-term, comprehensive effort to plan for the upgrade of the electrical system in this building.

**Landon Security Improvements.** The Governor recommends \$30,000 of current authority from the State Buildings Depreciation Fund for FY 2003 to enhance security in the Landon Building. The impetus for the project was a recommendation contained in the *Threat Analysis*, a report prepared in 1998. The equipment to be installed includes alarm/detection systems, "duress" switches, and monitoring equipment.

**Landon & Docking Assessments.** The Governor continues three existing projects in FY 2003 related to the future use of the Landon and Docking Buildings. Amounts of \$250,000 from the State Buildings

Depreciation Fund for each of Landon and Docking are recommended to undertake a comprehensive building assessment study that will evaluate the need and cost for upgrade and repair of these facilities to ensure their most functional use. Specifically included in the assessment will be electrical, mechanical, and plumbing systems; security; safety; and ADA compliance. These assessments will come in the wake of agencies vacating these facilities to relocate to the Curtis Building and Security Benefit Group Building. In addition, the Governor includes \$40,000, also from the State Buildings Depreciation Fund, for FY 2003 to undertake an Electrical Conditions Analysis in the Docking Building. Electrical switch gear and panel boards will be inspected and spare parts inventoried. Then a master plan will be developed to determine what repairs need to be made.

**Replace Landon Fire Pump.** An amount of \$75,000 is recommended by the Governor from the State Buildings Depreciation Fund for FY 2004 to replace an existing fire pump, motor, controls, and power distribution in the Landon State Office Building. The existing equipment was installed in 1910 and fails to conform to modern building codes. Replacement parts are difficult to find, and the power controls are antiquated and inefficient.

**Upgrade Controls on Emergency Power Generators.** A total of \$40,000 from the State Buildings Depreciation Fund for FY 2004 is recommended to upgrade the controls of the emergency power generators in the Landon State Office Building. The work will include adding measurement and indicator equipment to the system with regard to oil pressure, water temperature, and turbocharger temperature. Currently, the Metasys System allows the Division to start and stop the generators. The addition of this equipment will allow for regulation of the equipment to facilitate efficient management of the generators.

**Landon Roof Repairs.** For FY 2004, \$86,000 from the State Buildings Depreciation Fund is recommended to replace the roof on the entire northwest corner of the Landon State Office Building. The existing roof, consisting of a single ply membrane, has become partially detached. As a result, the membrane flaps in the wind and will eventually tear loose.

**New Docking Lighting Control System.** The Governor recommends \$110,000 from the State Buildings Depreciation Fund for FY 2004 to install new controls for the lighting system in the Docking State Office Building. The current system is described as a low-voltage control that was installed 20 years ago; however, it is not being used. The existing practice is for a number of lamp fixtures to be operating 24 hours a day, seven days a week that expend a lot more energy than necessary to light the building for the needs of the occupants. The Division plans to install a system based on motion sensors to detect occupants, so lights can be extinguished when not in use.

**Replace Docking Penthouse Roof.** The Governor proposes to spend \$91,000 from the State Buildings Depreciation Fund for FY 2004 to replace the penthouse roof on the Docking State Office Building. The existing roof was installed in 1983 and needs to be replaced. A roof inspection conducted in the fall of 2001 has determined that replacement is needed now before leakage problems develop. The work to be done includes tearing off the existing roof to the concrete deck and installing an SBS-Modified bitumen roof.

**Docking Cooling Towers Replacement.** This project in the Department's five-year facilities plan was intended to be undertaken in FY 2004. However, concern over the potential for mechanical failure before that time has caused the Department to advance the project to FY 2003. The project will involve replacement of the three cooling towers that provide air conditioning to the Docking Building. The total cost of the project is \$1.5 million. However, it will be debt financed through the Master Lease Program. Accordingly, the Governor includes \$74,269 from the State Buildings Operating Fund in FY 2003, \$29,461 for interest and \$44,808 for principal. The debt payment for FY 2004 will be \$178,245, of which \$66,710 is interest and \$111,535 is principal.

**Refrigerant Code Compliance Study.** An amount of \$80,000 is recommended by the Governor from the State Buildings Depreciation Fund for FY 2004 to retrofit the chillers in the Docking State Office Building, Landon State Office Building, and Statehouse. The existing space arrangements do not meet codes for chiller rooms. There are currently three chiller rooms, one in each facility. The study is

intended to determine the proper size and accommodations of the space needed to house the chillers.

**Capitol Complex Infrastructure Study.** The Governor recommends \$400,000 from the State Buildings Depreciation Fund for FY 2004 to undertake a study of the potential cost benefit of integrating utility systems in the Capitol Complex. The state in recent years has added to its inventory of state facilities, notably a renovation of the Memorial Building, construction of the Curtis Building, and acquisition of the 7th & Harrison Building, otherwise known as the SBG Building. The Department will investigate the benefit of consolidating and integrating such systems as steam, chilled water, emergency power, telecommunications, fire, security, parking, and energy management.

In its five-year plan, the Department submitted a request for capital projects involving the Landon and Docking Buildings that are beyond the financial capability of the funds derived from rents, the usual source of revenue for "Off Budget" capital projects. With the relocation of the Department of Transportation to the SBG Building during FY 2004, there is an opportunity to make renovations to the Docking Building. However, the Department lacks a plan for the Capitol Complex that incorporates this project and others involving these specific buildings into a master plan for the future. Accordingly, the Governor will direct the new Secretary of Administration to develop such a plan with the intention that a request will be made for funds during the next budget cycle to implement the master plan.

**Improvements to State Facilities.** The Governor recommends \$771,063 for FY 2003, \$456,063 for interest and \$315,000 for principal, for improvements to state facilities for which the Department of Administration is responsible. The debt service increases slightly to \$772,675 for FY 2004, of which \$442,675 is interest and \$330,000 is principal. The Capitol Complex consolidation (Landon State Office Building "backfill") involves remodeling the Landon State Office Building after the relocation of the Department of Health and Environment to the Curtis Building. The Capitol Complex steam system was upgraded by developing a steam heat boiler system for the Curtis Building and upgrading the steam lines for heating the existing buildings in the Capitol Complex.

The Brigham Building at the State Complex—West, which is currently unoccupied, will be remodeled for use as the SRS Staff Development and Training Center. The KDHE lab at Forbes Building #740 will be remodeled to meet the needs of the remaining laboratory operations. The unoccupied Woodward Building at the State Complex—West will be remodeled for Kansas Services for the Blind housing when clients attend training at the Rehabilitation Center for the Blind.

**9th Street Parking for the Disabled.** An amount of \$70,000 from the Building and Ground Fund is estimated for FY 2003 to construct parking spaces on the south side of 9th Street between Topeka Boulevard and Harrison Street. The City of Topeka plans to transfer the right-of-way it owns along 9th Street to the Department of Administration as part of a joint effort to design and construct ADA van-accessible parking for the disabled. The city has indicated it will transfer the property without expense to the state.

**Repairs for State Parking Lots.** The Governor includes \$178,000 from the Building and Ground Fund for FY 2003 and \$95,000 for FY 2004 for maintenance and repairs to state parking lots in the Capitol Complex. These amounts are an annual appropriation to undertake a systematic approach in maintaining the lots. The larger amount in FY 2003 represents \$95,000 of new funds and \$83,000 of unspent funds from FY 2002.

**Energy Conservation Improvements Program.** The Governor recommends \$2,066,680 for FY 2003 from the State General Fund for the debt service payment on the energy conservation improvement bonds issued by the Kansas Development Finance Authority prior to FY 1999. Of that amount, \$1,750,000 is principal and \$316,680 is interest. For FY 2004, debt service is estimated to total \$1,964,829, \$1,735,000 of which is principal and \$229,829 is interest. Bond proceeds are used to finance energy conservation improvements at state facilities, with the utility savings from these projects to be returned to the State General Fund to pay off the bonds.

**Landon Building Debt Service.** The debt service amounts are recommended to finance the 1986 acquisition and the 1987 renovation of the Landon State Office Building. For FY 2003, \$939,145 from the State Buildings Operating Fund is recommended

for the principal amount. An additional \$243,233 for the interest payment is included in the operating budget, for a total of \$1,182,378. The FY 2004 principal debt service payment totals \$562,250 and the interest payment \$177,671. This amount decreases significantly in FY 2004 because the portion of the debt covering renovation was retired in FY 2003.

**Printing Plant Debt Service.** The amount the Governor recommends is \$138,676 for FY 2003 from the Intragovernmental Printing Service Fund to finance the principal payment of the debt incurred to construct the State Printing Plant. The interest portion, totaling \$83,186, is recommended as part of the operating budget. For FY 2004, \$166,417 is recommended from the same fund for the principal portion of the debt service. To finance the interest portion, \$24,026 is included in the operating budget.

**Memorial Hall Debt Service.** The debt service on the renovation of Memorial Hall, all of which is from the State Buildings Operating Fund, totals \$431,233 for FY 2003, \$236,233 in interest and \$195,000 in principal. For FY 2004, the total is \$432,781, of which \$227,781 is interest and \$205,000 is principal.

**Paint & Grounds Shop Debt Service.** The Governor's recommendation contains funding to make debt service payments to the City of Topeka for the property that includes the old police garage. The Division of Facilities Management demolished the garage and constructed a parking lot in its place. The plan to do this was approved by the Topeka City Council on November 27, 2001. Expenditures for debt service total \$38,238 from the Building and Ground Fund in FY 2003. Of this amount, \$22,923 is interest and \$15,315 is principal. For FY 2004, the total payment is \$38,598, with the interest portion \$21,846 and principal \$16,752.

**Motor Pool Shop.** The debt service on this facility, also acquired from the City of Topeka, totals \$44,223, all from the Motor Pool Service Fund, for FY 2003. The motor pool uses these facilities for servicing its vehicles. The principal is \$23,837 and interest is \$20,386. For FY 2004, the total is also \$44,223, \$26,484 for principal and \$17,739 for interest.

**Capitol Complex Tunnels.** The Governor also recommends \$233,290 from the State Buildings Depreciation Fund for FY 2003 to pay the outstanding

obligations of what was intended to be a system of pedestrian and utility tunnels in the Capitol Complex. The total project was originally estimated to cost \$11,102,260, \$10,000,000 from federal highway funds and the balance from the State Buildings Depreciation Fund. However, because of estimated cost overruns, the Governor terminated the project in August 2002. The federal funds, which were intended to be spent from KDOT's budget, were re-directed to other transportation projects and \$857,155 from the State Buildings Depreciation Fund lapsed.

**Topeka State Hospital Cemetery Memorial.** The Governor recommends \$20,000 from the Memorial Gifts Fund for FY 2003 to serve as seed money to erect a memorial for those buried on the Topeka State Hospital grounds. The 2000 Legislature enacted HB 2355, authorizing an appropriate memorial and setting up the Topeka State Hospital Cemetery Memorial Gift Fund. Capitalization of the fund is expected to be accomplished from private donations. The total cost of the project is anticipated to be \$200,000, with the remaining \$180,000 recommended in FY 2004. The work to be done includes a memorial, a plaque with the names of those buried in the cemetery, and fencing around the site.

**Lapses.** The Governor's recommendation lapses unused monies from three accounts in FY 2003. These include \$43,897 for Statehouse elevator renovations, \$105,449 for Statehouse fire alarm and security systems, \$94,490 for other Statehouse improvements that will be incorporated into the comprehensive renovation project currently underway, \$857,155 for the Capitol Complex tunnels. The first three of these lapses are from the State Budget Stabilization Fund, and the monies have been re-programmed for rehabilitation and repair, also in FY 2003. The fourth lapse is from the State Buildings Depreciation Fund.

## **Insurance Department**

**Insurance Building Debt Service.** The Governor's recommendation includes \$130,000 in FY 2003 and \$140,000 in FY 2004 for debt service principal payments on the Insurance Building in Topeka. Debt service payments are financed from the agency's Insurance Building Principal and Interest Fund. Interest payments are included in the agency's operating budget and total \$52,483 in FY 2003 and

\$44,300 in FY 2004. The Kansas Development Finance Authority issued revenue bonds totaling \$1,795,000 in 1991 for remodeling the building. Debt service payments will cease in FY 2007.

**Rehabilitation & Repair.** The Governor includes \$20,000 for rehabilitation projects for each of FY 2003 and FY 2004 from the Rehabilitation and Repair Fund. The recommendation will finance contingent repairs to the Insurance Department Building. In the past, funding has been used to repair the building's plumbing and electrical systems, roof, and elevator.

## **Judiciary**

With the implementation of KSA 20-3002, one new appellate court judge will be added each year for four years starting in FY 2003. As a result, the Governor recommends \$114,400 from the State General Fund for FY 2003 to renovate part of the Judicial Center to create a judicial suite for the first additional judge. The judicial suite will include a portion of the space vacated by the Attorney General as part of the AG's relocation to Memorial Hall. As a result of the Governor's policy to use the FY 2003 approved budget for the Judiciary and not make a recommendation on its budget request, the same \$114,400 is included for this project in FY 2004.

## **Human Resources**

### **Social & Rehabilitation Services**

**Rehabilitation & Repair—Chanute Office Building.** The Governor recommends \$300,000 in each of FY 2003 and FY 2004 for routine maintenance and rehabilitation and repair projects at the Chanute Office Building. For FY 2004, the recommendation will replace the building's exterior windows. The FY 2003 recommendation will be used for window replacement, re-roofing, and electrical equipment upgrades. Funding in both years is from rent revenues.

**Rehabilitation & Repair—State Institutions.** The Governor recommends expenditures from the State Institutions Building Fund for rehabilitation and repair

projects at the state institutions servicing the mentally ill and developmentally disabled. Recommendations for both FY 2003 and FY 2004 fund the continual rehabilitation and repair needs of the state institutions, including equipment replacement, plumbing repairs, code compliance, renovations, and other major maintenance needs. The Governor recommends \$3,499,917 for FY 2003 and \$4,055,886 for FY 2004.

**State Security Hospital.** The 2002 Legislature authorized SRS to issue bonds totaling \$50,120,884 to construct a new State Security Hospital. Construction of the facility is estimated to begin in FY 2003 and be completed in FY 2005. The facility will replace the three separate buildings on the Larned State Hospital campus currently used to treat security patients. In FY 2003, \$372,169 from the State Institutions Building Fund will be used to complete the planning and design for the new security hospital. For FY 2004, the Governor recommends \$3,506,316 from the State Institutions Building Fund to finance the debt service payments for the new State Security Hospital. Of the recommended amount, \$1,381,316 will be used for the debt service interest and \$2,125,000 will be used for debt service principal.

**Sex Predator Capacity Expansion.** The Governor recommends \$356,306 for FY 2003 from the State Institutions Building Fund to finalize the construction of a 20-bed modular building on the campus of Larned State Hospital. The building will accommodate the growing census in Social and Rehabilitation Services' Sex Predator Treatment Program.

### **Osawatomie State Hospital**

**Rehabilitation & Repair.** To complete general maintenance and repair projects that were begun in FY 2000, the Governor recommends \$97,004 in expenditures from the State Institutions Building Fund for FY 2003. Capital improvement expenditures for FY 2004 will be allocated systemwide by the Department of Social and Rehabilitation Services.

### **Parsons State Hospital & Training Center**

**Rehabilitation & Repair.** The Governor recommends \$60,763 from the State Institutions Building Fund in FY 2003 for rehabilitation and repair

projects. The amount recommended is a balance carried forward from FY 2002 and will be used to cover contractual services costs associated with general maintenance and repair projects that will begin in FY 2003. Capital improvement expenditures for FY 2004 will be allocated systemwide by the Department of Social and Rehabilitation Services.

### **Rainbow Mental Health Facility**

**Rehabilitation & Repair.** For FY 2003, expenditures of \$6,667 is recommended from the State Institutions Building Fund for rehabilitation and repair projects. These are unspent funds from FY 2002. This facility is recommended to be merged into Osawatomie State Hospital for FY 2004. Any unspent monies at the end of FY 2003 will be transferred to the rehabilitation and repair account of Osawatomie.

### **Department of Human Resources**

**Rehabilitation & Repair—Reed Act.** For FY 2003, the Governor recommends \$146,750 to make repairs, including roofing, overlaying parking lots, mudjacking or replacing sidewalks, painting, and carpeting. In FY 2004, the Governor recommends \$183,550 for general repairs.

**Department of Human Resources Headquarters.** The Department of Human Resources' headquarters at 401 SW Topeka Boulevard was built in 1951, with the last major renovation in 1978. Bonds to finance a modern renovation of the building have been issued and the Governor recommends debt payments in both FY 2003 and 2004 to repay the bonds. The debt payment in FY 2003 includes \$155,000 principal and \$101,072 for interest. In FY 2004, the payment is \$140,000 for principal and \$138,258 for interest. These payments are covered by program funds in the same proportion as the occupants of the building are financed. Part of these program funds comes from the State General Fund: \$22,517 in FY 2003 and \$22,858 in FY 2004. The balance comes from federal and other fees.

**New Office Building at 427 SW Topeka Boulevard.** As part of current year budget, the Governor includes \$167,838 from the Department's Employment



Security Fund for the planning expenses of a new office building. The planning costs include architectural services and costs for the purchase of land, buildings, and razing of existing structures.

**1430 SW Topeka Boulevard.** The Department is purchasing the building at 1430 SW Topeka. For FY 2003, the interest payment is \$107,448, including \$18,267 from the State General Fund, and the principal payment is \$25,000, with \$4,250 from the State General Fund. In FY 2004, the interest payment will be \$74,460 and the principal payment will be \$60,000. These amounts include, respectively, \$12,658 and \$10,200 from the State General Fund.

## **Commission on Veterans' Affairs**

**Rehabilitation & Repair.** The Governor recommends \$100,000 in FY 2003 and \$100,000 in FY 2004 from the State Institutions Building Fund for rehabilitation and repair at the Kansas Soldiers' Home. The funding will be used to renovate cottages, complete projects to meet ADA requirements, and make general repairs throughout the facility. The SIBF recommendation for the Kansas Veterans' Home is \$98,496 in FY 2003 and \$150,000 in FY 2004. Projects include repairing roads, replacing windows and external lighting, and continuing tuckpointing and sealing projects.

**Facility Improvements.** The Governor recommends the expenditure of \$544,296 from the State Institutions Building Fund for the Kansas Soldiers' Home's Facility Conservation Improvement Project. This funding was appropriated, but not spent, in FY 1999. The Home has secured additional funding for the project of \$1,010,835 from a Federal Home Construction Grant by the federal Veterans' Administration.

**Veterans' Cemeteries.** KSA 73-1232 authorized the establishment of a statewide system of veterans' cemeteries. The Commission will build cemeteries in Fort Dodge, Winfield, WaKeeney, and Fort Riley. To implement this system a total of \$355,000 from the State Institutions Building Fund was appropriated for FY 2001 for planning expenditures. After construction begins on each cemetery, the federal government will reimburse the state for the planning expenditures associated with each cemetery. When the agency

receives reimbursement for planning of one cemetery, that funding will be used for planning of the next cemetery. When the federal government has reimbursed the planning expenses for the final cemetery, \$355,000 will be returned to the State Institutions Building Fund. Construction on the cemetery at Fort Dodge was completed this year. The final cemetery at Fort Riley is scheduled to be completed in FY 2005. The Governor recommends expenditures of \$7,523,106 in FY 2003 and \$7,016,640 in FY 2004 from the Veterans' Cemeteries Federal Construction Grant Fund for these projects.

## **Education**

### **School for the Blind**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$68,952 for rehabilitation and repair of the school grounds, to be funded from the State Institutions Building Fund. For FY 2004, the Governor recommends \$123,241 for rehabilitation and repair. These repairs and replacements will include buildings, sidewalks, electrical, plumbing, and heating and cooling. This funding will allow for the timely implementation of new regulations from the Americans with Disabilities Act.

**Fire Alarm System Upgrade.** For FY 2003, the Governor recommends \$77,606 to finish the upgrade of the fire alarm system for the School. The upgrade goal is to combine all building alarms into one system for more effective monitoring. The upgrade requires extensive electrical and communications work as well as general system improvements. Funding is from the State Institutions Building Fund.

### **School for the Deaf**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$192,602 for continued renovation, rehabilitation, and repair projects at the School and construction project at the elementary school for \$1,829. Some of the projects are asbestos removal, elementary school site improvements, and the Roberts Building renovation. The School owns

buildings that are in need of modification in order to be in compliance with fire, health, and safety inspections. For FY 2004, the Governor recommends \$165,000 for rehabilitation and repair, which includes equipment, building, and ground repairs. The State Institutions Building Fund will fund both years of the rehabilitation and repair projects.

**Roberts Dorm Renovation.** In FY 2003, the Governor recommends \$22,728 for renovation of the Roberts Building on the School campus. This renovation will upgrade the building in safety and code issues related to dorm living. Financing is from the State Institutions Building Fund.

**Pool Repair.** In FY 2003, the Governor recommends \$36,947 for pool maintenance and repair. Funding is from the State Institutions Building Fund.

**Parks Bilge/Taylor Gym Roof.** In FY 2003, the Governor recommends \$139,885 for roof repair since many of the School's buildings have flat roofs. These buildings are showing roof deterioration in the flat roof area, thus requiring repair to prevent major building damage and possible damage in the instructional areas within the School.

**Roth Dorm Renovation.** The Governor recommends \$706,671 for dormitory renovation in FY 2003, and \$399,944 in FY 2004. FY 2004 will be the third year of an eight-year renovation project. The financing is from the State Institutions Building Fund. Since the dormitories were built seven decades ago, they fail to meet present day code requirements or program needs for the students. The School's plan is to renovate each dorm floor to meet codes until all six dormitory areas are finished. The first code problem has been addressed. Additional stair towers were renovated to meet the fire code for emergency exits. A new fire alarm system with sprinklers is also required to meet the code. The new fire alarm system will follow the design of the new system in the classroom buildings, which provides visual warning devices for students and staff.

## Board of Regents

**Rehabilitation & Repair.** The Governor recommends \$10.0 million in FY 2004 from the Educational Building Fund for the ongoing

rehabilitation and repair of campus facilities. The funding is distributed through a formula based on total square feet for each institution.

**Crumbling Classroom Debt Service.** The Governor recommends that \$15.0 million be transferred from the Educational Building Fund in FY 2004 to make the debt service payment on the "Crumbling Classroom" bond issue. Debt service for FY 2003 is \$9,360,000 in principal and \$5,640,000 in interest. Debt service for FY 2004 consists of \$9,805,000 in principal and \$5,195,000 in interest. These bond issues were approved during the 1996 Legislative Session upon the Governor's recommendation. The initial bonds of \$50.0 million were issued in November 1996, and another \$110.0 million was issued in October 1997.

The universities are using the \$173.0 million generated by these bond issues to make substantial repairs to campus buildings to bring buildings into compliance with the Americans with Disabilities Act and life/safety codes and to make classroom improvements. Several additions to buildings at the University of Kansas, Kansas State University, and Emporia State University are being made, and a new nursing education building is being constructed at the Medical Center.

## Emporia State University

**Rehabilitation & Repair.** Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends \$1,162,583 in FY 2003 from the Educational Building Fund, of which \$573,000 is from the allocation of new funds from the Board of Regents, and \$589,583 is reappropriated from FY 2002. In addition, \$260,344 is recommended from restricted use funds in FY 2003 and \$145,156 in FY 2004.

**Parking Lot Improvements.** To finance parking lot improvements, the Governor recommends \$90,000 each in both FY 2003 and FY 2004 from campus parking fees.

**Residence Hall Debt Service.** Financing of the debt service on the residence halls comes from student fees. The Governor recommends \$195,000 in FY 2003 and \$200,000 in FY 2004 to pay the principal on the bonds for improvements to the halls.

**Student Recreational Building.** Bonds have been issued for construction of the student recreational building that began in FY 2002. The total cost of the facility is expected to be \$3.0 million. The Governor recommends \$95,000 for principal bond payments in FY 2003 and \$100,000 in FY 2004. Planning and construction for the building are financed through student fees.

**Student Union Renovation.** Funds are budgeted annually for continuing improvements to the Student Union. For the next several years, most of the available funds will be directed toward code compliance issues and repairs related to the Americans with Disabilities Act. The Governor recommends \$131,000 for each of FY 2003 and FY 2004 to pay for the debt service for renovations at the Student Union.

**Men's Dormitories.** The Governor recommends expenditures of \$40,000 in each of FY 2003 and in FY 2004 to pay for debt service on the men's dormitories, which were built in 1969.

## Fort Hays State University

**Rehabilitation & Repair.** Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends \$938,032 in FY 2003 from the Educational Building Fund, of which \$702,000 is from the allocation of new funds from the Board of Regents and \$236,032 is reappropriated from FY 2002.

**Student Housing Debt Service.** The Governor recommends \$205,000 in FY 2003 and \$210,000 in FY 2004 to pay the principal on the bonds from restricted fees. The bonds finance the renovation and remodeling of student dormitories.

**Parking Improvements.** To finance parking improvements on campus, the Governor recommends \$600,000 in FY 2003 and \$300,000 in FY 2004. These improvements are funded by parking fees.

## Kansas State University

**Rehabilitation & Repair.** The Governor recommends \$4,543,262 from the Educational

Building Fund for rehabilitation and repair of campus facilities in FY 2003. Of this amount, \$1,547,262 is a reappropriation from FY 2002 and \$2,996,000 is a transfer of new funds from the Board of Regents.

**Lease-Purchase of Aeronautical Center.** The Governor recommends \$189,446 in each of FY 2003 and FY 2004 from the State General Fund for the 10th and 11th payments in a lease-purchase agreement with the Salina Airport Authority. The payments have allowed the College to acquire the International Training Center and a recently-completed laboratory for the Airframe and Powerplant Program. The lease-purchase agreement is for 20 years.

**University Debt Service.** The Governor recommends \$2,343,205 in FY 2003 and \$2,448,348 in FY 2004 from special revenue funds for principal payments on various projects funded through revenue bonds. These projects include housing projects, parking lot projects, and a building renovation project.

**Parking Lot Improvements.** To finance parking improvements, the Governor recommends \$800,000 for each of FY 2003 and FY 2004 from campus parking fees. The work is based on two studies of parking operations. One study reviewed paved surfaces and the other parking and traffic patterns.

**Food Safety & Security Research Facility.** The University plans to construct a new research facility at the Manhattan campus. The institution is seeking federal funding for the five-year \$82.2 million project. The facility will need "bio-security," which would enable investigation of infectious diseases and provide for safe handling of biotechnology products. The Governor recommends the use of \$6.0 million in federal funding during FY 2004.

**Renovation of Residence Halls.** The renovation of Ford, Marlatt, Putnam, and Goodnow Halls will convert the old-style student rooms with gang showers to suites with private bathrooms. The project will also include improvements, such as electrical, plumbing, sprinkler systems, and environmental systems. The total estimated cost of the project is \$2.4 million. The Governor recommends \$1.2 million in FY 2004 from dormitory fees for the first year of this project.

**Galachia Addition.** The \$1,270,000 renovation and expansion of the College of Human Ecology's

Galachia Institute for Gerontology and Family Studies will add 5,900 square feet to the facility. This will allow the University to expand the teaching, research, and clinical training activities in communication sciences and disorders. The project will include new clinical and support spaces while meeting the needs of state-of-the-art technology that could not be added to the older facility. The Governor recommends \$500,126 for FY 2004 from private funding to initiate this project.

## **KSU—Extension Systems & Agricultural Research Programs**

**Eastern Kansas Horticulture-Forestry Research & Education Center.** The Department of Horticulture, Forestry, and Recreation Resources provides outreach services throughout the state. To house research and visiting scientists, the agency will construct a new center at the Sunflower Army Ammunition Plant. This center will have two 750-square foot teaching laboratory spaces to assist classroom instruction, a plant material handling structure, research and teaching greenhouse spaces, and a pesticide storage and handling facility. The Governor recommends the use of \$1.0 million from gift funds in the current year.

**Grain Science Center.** KSU—ESARP plans to construct a \$20.6 million five-building complex for the Grain Science Center. The project consists of four phases: \$5.9 million for a Biological and Industrial Value-Added Program, \$5.5 million for a feed mill, \$5.5 million for a flour mill, and \$4.0 million for the International Grains Program. These projects will continue and expand research and teaching activities to improve both livestock production efficiency and crop utilization potential for Kansas and the U.S.

The Biological and Industrial Value-Added Program is being funded by \$3.0 million from the Educational Building Fund and the remainder through private gifts and restricted fees. For FY 2003, the Governor recommends the use of restricted funds in the amount of \$10.0 million for the milling operations and \$4.0 million for the Value Added Program. Another \$2,449,712 from the Educational Building Fund will be used for that program. For FY 2004, \$4.0 million is recommended from restricted use funds for the International Grains Program.

**Greenhouse Laboratory.** The laboratory would be constructed at the Agricultural Research Center in Hays. The greenhouse complex at the Center is used for the continuation of crop improvement and testing during winter months. The additional greenhouse space is needed to support the increase in research projects. The project will be privately funded. The Governor recommends \$75,000 to begin this project in FY 2004.

**Horticulture Research Center.** The new Horticulture Research Center building would be at the John C. Pair Horticulture Center in Wichita. The proposed building would allow resident and visiting campus-based faculty to conduct research projects and extension education programs. The Governor recommends \$75,000 from restricted use funds to begin this project in FY 2004.

## **KSU—Veterinary Medical Center**

**BL-2 Laboratory.** This \$615,000 project will renovate and upgrade the Medical Centers' biohazard level 2 facility. The improved facility will be designed to provide a minimum of four laboratories. The Governor recommends \$300,000 from restricted use funds for this project.

**Equine Locomotion Center.** Kansas State University plans to construct a \$3.1 million addition with private funds to provide clinicians and horse owners with access to sophisticated diagnostic instruments for evaluation of many performance related issues. The Center will have an exercise area providing a variety of surfaces for assessment of horses being led and ridden. For FY 2004, the Governor recommends an amount of \$400,000 from restricted use funds for this project.

## **Pittsburg State University**

**Rehabilitation & Repair.** Funds for rehabilitation and repair are initially appropriated to the Board of Regents. The Governor recommends \$775,908 in FY 2003 from the Educational Building Fund, \$668,000 of which is from the allocation of new funds from the Board of Regents, and \$87,908 is reappropriated from FY 2002.

**Parking Improvements.** To finance parking lot improvements, the Governor recommends \$200,000 each in FY 2003 and FY 2004 from campus parking fees.

**Student Housing Improvements.** The Governor includes \$1,250,000 in FY 2003 and \$560,000 in FY 2004 from student fees to make improvements to on-campus student housing.

**Jack H. Overman Student Center.** Financing of the debt service on the J. H. Overman Student Center renovation comes from student fees. The Governor recommends \$115,000 in FY 2003 and \$120,000 in FY 2004 to make the principal payment on bonds issued to renovate the student center. In addition, the Governor recommends \$105,000 in FY 2003 and \$110,000 in FY 2004 from student fees to complete several remodeling projects at the Center.

**Horace Mann Debt Service.** The Governor recommends \$115,000 in FY 2003 and \$120,000 in FY 2004 for debt service principal payments on the renovation of the Horace Mann Administration Building. These debt service payments are made from restricted fees.

**Student Health Center & Hospital Improvements.** The Governor recommends \$100,000 in FY 2003 and \$550,000 in FY 2004 from restricted fees to expand the Student Health Center reception area, complete remodeling projects, and provide space for another physician.

**Armory/Classroom/Recreation Center.** In FY 2002, the University was appropriated \$410,000 from the Educational Building Fund for planning. Only \$151,743 was used with the remaining \$258,257 carrying over into FY 2003. The total cost of the project will be \$13,338,000 from a variety of sources. This will be a multipurpose facility to house the Kansas National Guard Unit, as well as the University's Departments of Health, Physical Education and Recreation, and Military Science. For FY 2004, the Governor recommends \$1,767,000 from restricted use funds for the projects.

**Polymer Research Center.** For FY 2004, the Governor recommends the use of \$300,000 in private funds to begin construction of the Polymer Research Center. Additional private funding of \$2.7 million will

complete the project in FY 2005. The Center will be used to research and develop bio-based polymers for higher-grade plastics. The research will focus on transforming farm crops, such as soybeans, to replace petroleum-based ingredients used in plastics.

## University of Kansas

**Rehabilitation & Repair.** The Governor recommends \$5,618,043 from the Educational Building Fund for rehabilitation and repair of campus facilities in FY 2003. Of this amount, \$2,745,043 is a reappropriation from FY 2002 and \$2,873,000 is a transfer of new funds from the Board of Regents. The Governor also recommends expenditures of \$952,940 in FY 2003 and \$500,000 in FY 2004 from restricted use fee funds to make additional repairs and improvements.

**Parking Improvements.** The Governor recommends \$250,000 in FY 2003 and \$300,000 in FY 2004 from parking fees for the completion of various parking improvements on the campus.

**Dole Institute.** The University of Kansas has established the Robert J. Dole Institute of Public Service and Public Policy to study major policy issues, encourage student participation and citizen involvement, and offer scholars the opportunity to study politics. For FY 2003, the Governor recommends \$714,718 from restricted use funds.

**University Debt Service.** The Governor recommends \$2,855,000 in FY 2003 and \$3,245,000 in FY 2004 from special revenue funds for principal payments on various projects funded through revenue bonds. These projects include housing projects, parking lot projects, the Regents Center, Student Union renovations, and the Watkins Health Center.

**Mallott Hall Medicinal Chemistry.** For FY 2004, the Governor recommends a \$2.8 million remodeling project that will be funded through the Research Overhead Fund and Restricted Fees. The remodeled labs will be used as synthetic chemistry facilities and will be primarily occupied by these faculty members with the most pressing need for space. A portion of the renovated space will be reserved for temporary use by other faculty for the synthetic chemistry related portions of their projects.

**Campus Landscape Master Plan.** The plan was completed in fall 2000 as a follow-up to the work on the Lawrence campus developmental plan. The Landscape Master Plan provides direction for the development and maintenance of landscaping and proposes a system to direct signage development on campus. The Governor recommends restricted use funds in the amounts of \$750,150 in FY 2003 and \$1,420,025 in FY 2004.

**Edwards Campus Facility Expansion.** The \$70.0 million ten-year expansion plan will add space for programs in the areas of history, public administration, gerontology, and pharmaceutical chemistry. The master plan will quadruple the size of the campus by adding three new buildings. The project will be funded with a combination of private gifts, student fees, and revenue bonds secured with a pledge of student fees. The physical facilities required for the campus' expected growth are the basis for the expansion. The current \$17.5 million expansion project will be named Regnier Hall and will provide an additional 66,000 square feet for academic and conferencing facilities on the campus. The Governor recommends \$1.0 million in FY 2003 for the project.

**Ellsworth Hall.** Ellsworth Hall is the third in a series of multi-story residential hall facilities on the Lawrence campus to undergo renovation. The project includes converting living units to suites, as well as replacing major building mechanical systems. The renovation bonds are secured with a pledge of student fees. The Governor recommends continuation of this project with \$1,130,640 from restricted use funds.

**Athletic Facility Enhancement.** The Governor recommends \$308,429 from restricted use funds in FY 2003 to complete the stadium renovations.

**Law Enforcement Training Center.** For FY 2003, the Governor recommends \$276,668 from restricted use funds to make improvements to the parking areas of the Kansas Law Enforcement Training Center in Hutchinson.

**Student Recreation & Fitness Center.** The student recreation and fitness center will provide a facility designed and programmed to meet the diverse fitness, sports and lifestyle management needs of KU students and guests. Revenue from a fee approved by the students in spring 1999 is funding this \$17.0 million

project. The Governor recommends \$2,267,220 in FY 2003 and \$70,389 in FY 2004 from restricted use funds.

## **University of Kansas Medical Center**

**Rehabilitation & Repair.** To fund rehabilitation and repair projects, the Governor recommends \$2,003,231 from the Educational Building Fund for the Medical Center facilities in FY 2003. This recommendation includes a reappropriation of \$995,231 from FY 2002. In addition, \$173,552 from restricted use funds is recommended for FY 2003.

**Parking Lot & Garage Improvements.** For routine maintenance on the Medical Center's parking lots, the Governor recommends expenditures of \$50,000 in FY 2003 and \$550,000 in FY 2004. Expenditures will be from parking fee funds.

**Wahl Hall Renovation.** The Governor recommends \$2,850,000 in FY 2003 and \$250,000 in FY 2004 from restricted fees for the renovation of Wahl Hall. The plan will renovate a portion of Wahl Hall East for the establishment of a kidney institution, with funding from a National Institutes of Health grant. The grant has not been finalized yet. This project will primarily renovate laboratory space.

**Clinic Expansion.** This project is a 12,500 square foot addition for outpatients at the Wichita clinic. It also includes remodeling of the existing clinic. The completed project will provide two clinic service areas organized around a patient entrance and a registration and waiting area. For FY 2004, the Governor recommends \$2,812,000 from private funding for the project.

**University Debt Service.** The Governor recommends \$433,914 in FY 2003 and \$300,000 in FY 2004 from restricted use funds. The recommendation will fund the principal payments for the Center on Aging and the Medical Centers Research Facility in both years. The final payment for a parking facility will also be made in FY 2003.

**Biomedical Research Facility.** This new facility on the north campus will be a five-level structure of approximately 205,000 gross square feet, with 125,000 net square feet of scientific research space. These

state-of-the-art laboratory facilities will meet the institution's commitment to double extramural research funding within the next few years. This project is part of the Board of Regents \$12.0 million plan to promote research that was approved by the Governor and Legislature during the 2002 Legislative Session. For FY 2003, the Governor recommends \$2,276,638 from restricted use funds.

### **Wichita State University**

**Rehabilitation & Repair.** A total of \$2,081,922 is recommended for FY 2003 from the Educational Building Fund for rehabilitation and repair of campus facilities. Of this amount, \$921,922 is a reappropriation from FY 2002, and \$1,161,000 is a transfer from the Board of Regents. In addition, another \$2,929 from restricted use funding is recommended for minor repairs.

**Parking & Housing Debt Service.** The Governor recommends \$600,000 in FY 2003 and \$630,000 in FY 2004 for payment of principal on a bonded project to renovate campus parking and housing.

### **Historical Society**

**Rehabilitation & Repair.** The Kansas State Historical Society will receive two one-time federal grants from the National Park Service for FY 2003. The agency will spend \$20,500 in federal funds, and \$13,700 in state funds to renovate the Grinter House in Kansas City, Kansas. In addition, federal funds of \$19,200 and state funds of \$12,800 will be used for rehabilitation and repair projects at the Native American Heritage Museum.

In FY 2003, the agency will use \$183,102 in federal monies for restoration of the William Allen White home. First constructed in the late 1880s, the Whites purchased the home in 1899 where they lived the remainder of their lives. No state funds will be used to renovate the home. The agency will also spend \$47,089 in FY 2003 and \$46,550 in FY 2004 for general rehabilitation and repair projects at the Kansas History Center and state historic sites, including the renovations to the Grinter House and the Native American Heritage Museum.

## **Public Safety**

### **Department of Corrections**

**Rehabilitation & Repair.** The Governor recommends rehabilitation and repair projects in FY 2003 and FY 2004 totaling \$3.8 million and \$3.3 million, respectively. Financed from the Correctional Institutions Building Fund, the Department will disburse the funds among the correctional facilities as needed. An additional \$360,000 in rehabilitation and repair projects will be funded from special revenue funds in FY 2004.

**RDU Relocation Bonds Debt Service.** The Governor recommends expenditures of \$1,334,000 from the State General Fund in FY 2003 for the debt service payment in association with relocation of the Reception and Diagnostic Unit to El Dorado. Of this amount, \$789,000 is for interest and \$545,000 is for principal. For FY 2004, \$1,330,000 is recommended from the State General Fund, including \$565,000 for principal and \$765,000 for interest.

**Labette Correctional Conservation Camp Debt Service.** This debt service is utilized to pay off a 100-bed expansion project that was authorized in 1997. For FY 2003, the Governor recommends a debt service payment of \$162,000, including \$115,000 for principal and \$47,000 for interest. This amount will be paid from the State General Fund. For FY 2004, the Governor recommends \$162,000 from the State General Fund for this payment, including \$120,000 for principal and \$42,000 for interest.

**Ellsworth Correctional Facility Debt Service.** This debt service is utilized to pay off original construction costs for Ellsworth Correctional Facility. For debt service payments for this facility, the Governor recommends \$1,622,000 from the State General Fund in FY 2003, including \$1,255,000 for principal and \$405,000 for interest. For FY 2004, the Governor recommends \$1,622,000 from the State General Fund, including \$1,310,000 for the principal payment and \$312,000 for interest.

**Wichita Work Release Facility Debt Service.** This issue was used to pay for the acquisition and renovation of the Wichita Work Release Facility in

1990. In FY 2003, a total of \$169,000 from the State General Fund is recommended for the debt service payment for the Wichita Work Release Facility. Of this amount, \$140,000 is for principal and \$29,000 is for interest. For FY 2004, the Governor recommends \$161,000 from the State General Fund, including \$140,000 for principal and \$21,000 for interest.

**Revenue Refunding Bonds Debt Service.** This issue paid for the original construction of El Dorado and Larned Correctional Facilities. The Governor recommends \$7,981,000 from all funding sources in FY 2003 for the debt service payment for the revenue refunding bonds. Of this amount, \$6,564,000 is for principal and \$1,417,000 is for interest. Of the amount budgeted for principal, \$2,564,228 is from the State General Fund, \$2,010,075 is from special revenue funds, and \$1,989,697 is from the Correctional Institutions Building Fund.

For FY 2004, the Governor recommends \$7,323,000 from all funding sources. Of this amount, \$6,200,000 is for principal and \$1,123,000 is for interest. Of the amount budgeted for principal, \$3,987,113 is from the State General Fund, \$523,190 is from special revenue funds, and \$1,689,697 is from the Correctional Institutions Building Fund.

**Topeka & Lansing Correctional Facilities Debt Service.** Part of this issue paid for the renovation of several buildings that were damaged with fire in December 1999 at the Lansing Correctional Facility. The remaining funding financed the renovation of J-cellhouse at the Topeka Correctional Facility. For FY 2003, the Governor recommends \$960,000 from the State General Fund and \$49,000 from special revenue funds for the payment of debt service for the Topeka and Lansing Correctional Facilities. Of this amount, \$860,000 is for principal and \$149,000 is for interest. For FY 2004, the Governor recommends \$1,015,000 from the State General Fund, including \$905,000 for principal and \$110,000 for interest.

**El Dorado Correctional Facility Site Utilities Debt Service.** This issue financed the repair of utility and steam lines that were damaged at the El Dorado Correctional Facility in 1997. For FY 2003, the Governor recommends a principal payment of \$1,256,000 from the State General Fund and \$45,000 from special revenue funds. The debt will be retired in FY 2003.

**Kansas Correctional Industries Rehabilitation & Repair.** For FY 2003, the Governor recommends expenditures of \$26,000 from the Correctional Industries Fund for the rehabilitation and repair of various correctional industries buildings. For FY 2004, the Governor recommends \$28,200 from the Correctional Industries Fund.

### **El Dorado Correctional Facility**

**Rehabilitation & Repair.** The Governor recommends a total of \$15,157 from the Correctional Institutions Building Fund for ongoing projects in FY 2003. These funds were reappropriated from FY 2002.

### **Ellsworth Correctional Facility**

**Rehabilitation & Repair.** For FY 2003 the Governor recommends \$153,000 for general repairs and construction. Of this amount, \$15,320 is from the State General Fund and \$137,680 is from the Violent Offender Incarceration/Truth-in-Sentencing federal grant.

### **Hutchinson Correctional Facility**

**Rehabilitation & Repair.** For ongoing rehabilitation and repair projects, the Governor recommends \$1,090,861 from the Correctional Institutions Building Fund in FY 2003. These funds were reappropriated from FY 2002.

**Facility Conservation Improvement Program Lease Payment.** In FY 2002, the Hutchinson Correctional Facility was selected to participate in this program to identify improvements that would generate utility savings. These improvements have been made through a master lease agreement with annual lease payments. As part of the program, if the estimated savings are not generated, the company providing the lease will make up the difference. The total cost of the project at the facility is \$2,748,100, with a ten-year lease term. The company guarantees first-year utility savings of \$340,415. For FY 2003, the Governor recommends \$150,000 from the State General Fund for this lease payment, including \$66,306 for interest



and \$83,694 for principal. For FY 2004, the Governor recommends \$330,629 from the State General Fund for this payment, including \$218,382 for principal and \$112,247 for interest.

### **Lansing Correctional Facility**

**Rehabilitation & Repair.** For rehabilitation and repair, the Governor recommends \$741,869 from the Correctional Institutions Building Fund in FY 2003. These funds were reappropriated from FY 2002.

### **Larned Correctional Mental Health Facility**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$42,532 from the Correctional Institutions Building Fund for ongoing renovation in the West and East Units. This funding was reappropriated from the previous fiscal year.

### **Norton Correctional Facility**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$65,078 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair. This funding was reappropriated from FY 2002.

### **Topeka Correctional Facility**

**Rehabilitation & Repair.** The Governor recommends \$154,401 from the Correctional Institutions Building Fund for ongoing rehabilitation and repair projects in FY 2003. These funds were reappropriated from the previous fiscal year.

### **Winfield Correctional Facility**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$156,952 from the Correctional Institutions Building Fund for ongoing renovation of in the Administration Building. This funding was reappropriated from the previous fiscal year.

## **Juvenile Justice Authority**

**Rehabilitation & Repair—Juvenile Correctional Facilities.** For FY 2004, the Governor recommends \$970,000 from the State Institutions Building Fund for rehabilitation projects at three of the juvenile correctional facilities. Projects at the Atchison, Beloit, and Topeka facilities include safety and security improvements, structural repairs, and road repavement. A total of \$973,356 is included for rehabilitation projects in FY 2003.

**Debt Service on Facility Construction.** For FY 2004, the Governor recommends \$1,625,000 from the State Institutions Building Fund for payment of the principal portion of revenue bonds issued for facility construction and expansion of the juvenile correctional facilities. A total of \$1,550,000 is recommended for the FY 2003 principal payment. Bonds were issued in FY 2002 to build a 225-bed maximum-security and diagnostic center adjacent to construct adjacent to the Topeka Juvenile Correctional Facility, a 152-bed replacement facility at Larned, and to convert a living unit at the Beloit Facility to maximum-security. The Larned replacement unit is scheduled to open in May 2003 and the maximum-security facility in July 2004. The maximum-security conversion at Beloit was completed in May 2002.

**Facility Planning and Remodeling.** For FY 2003, the Governor recommends \$1,569,604 from the State Institutions Building Fund for juvenile correctional facility planning and remodeling. The Governor recommends \$15,964 for facility planning and \$1,553,640 for remodeling projects at the four juvenile correctional facilities. The amounts for both projects are reappropriated from FY 2002.

**Detention Facilities Debt Service.** The Governor recommends \$425,000 in FY 2003 and \$435,000 in FY 2004 for the debt service on 13 juvenile detention facilities that are operated by local governments. Funding for both years will come from the agency's Juvenile Detention Facilities Fund.

**Byrne Grant.** For FY 2003, the Governor recommends \$493,496 from a federal Byrne grant. The grant will be used for information technology upgrades in connection with capital projects at juvenile correctional facilities.

## **Topeka Juvenile Correctional Facility**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$27,333 from the State Institutions Building Fund for various rehabilitation and repair projects throughout the facility. The entire amount is reappropriated from FY 2002.

## **Adjutant General**

**Armory Repair & Debt Service.** The Adjutant General's Department was authorized to issue \$22.0 million in bonds to fund the *Armory Rehabilitation Plan* over a five-year period starting in FY 2001. The plan will rehabilitate selected existing state-owned armories statewide, construct certain replacement armories, and relinquish to communities armories that are no longer required to meet the agency's needs. The agency issued the first \$2.0 million in November 2000 and the second \$2.0 million in November 2001.

The Governor recommends \$382,829 in FY 2004 from the State General Fund to finance the debt service payment associated with the issuance of bonds for rehabilitation and repair of the 58 statewide armories. Of the recommended amount, \$215,000 will be used for debt service principal and \$167,829 will be used for debt service interest.

## **Highway Patrol**

**Rehabilitation, Repair, & Scale Replacement.** The Governor recommends \$270,249 in FY 2003 and \$207,776 in FY 2004 for facility rehabilitation, repair, and scale replacement for motor carrier inspection ports across the state and at the Training Center in Salina. Of these amounts, \$50,000 comes from the Highway Patrol Training Center Fund, with the remainder coming from the Motor Carrier Inspection Fund.

**Training Center Debt Service.** The Governor recommends \$385,000 in FY 2003 from the Highway Patrol Training Center Fund to finance debt service on the Training Center in Salina and \$405,000 in FY 2004. This amount is the principal portion of the debt, which was incurred in FY 1993 for purchase of the Training Center.

**Fleet Facility Debt Service.** In FY 2003, the Governor, for the purpose of paying the debt service principal on the Highway patrol fleet facility, recommends \$109,456. In FY 2004, \$116,207 is recommended for the same purpose. The facility was purchased using bonds that were issued in November 2001.

**Port Modernization Debt Service.** An amount of \$41,817 is recommended from the Motor Carrier Inspection Fund by the Governor in FY 2003, with an additional amount of \$43,957 being recommended for FY 2004 for port modernization. These funds will pay for the debt service principal on bonds to rebuild those weigh-stations located on Interstate 70 and Interstate 35 as well as alleviate some ingress and egress problems at the ports.

## **Kansas Bureau of Investigation**

**Headquarters Building Debt Service.** The Governor recommends \$210,000 from the State General Fund to finance the debt service principal payments on the headquarters building in Topeka in FY 2004. For FY 2004, \$95,680 is included in the agency's operating budget to finance the interest portion on the debt service payments in FY 2004.

## **Agriculture & Natural Resources**

### **Kansas State Fair**

**Rehabilitation & Repair.** For FY 2003, the Governor recommends \$170,500 from the State Fair Capital Improvements Fund for various rehabilitation and repair projects on the State Fairgrounds in Hutchinson. For FY 2004, the Governor recommends \$101,500 from the State Fair Capital Improvements Fund for the same purpose.

**Master Plan Improvements.** In FY 2002, the Kansas Development Finance Authority was authorized to issue bonds totaling \$29.0 million for capital improvements for the Kansas State Fair. The financing will allow the State Fair Board to make extensive improvements to the Fairgrounds in

Hutchinson, as specified in the Board's capital improvement master plan. The agency requested, and in September 2001 the State Finance Council authorized, that \$17.5 million of the \$29.0 million, plus issuance costs, be issued for a total of \$17,860,000. The debt service payments in FY 2003 and FY 2004 will be \$559,575 and \$1,238,103, respectively. The State Fair will contribute \$259,575 in FY 2003 and \$630,000 in FY 2004. The City of Hutchinson will contribute \$300,000 in each year. The State General Fund will finance \$538,103 starting in FY 2004.

### **Department of Wildlife & Parks**

The Governor's recommendation continues capital improvement projects for the Department of Wildlife and Parks for FY 2003, with estimated expenditures of \$12.0 million from all funding sources. Included among the FY 2003 recommended expenditures are projects financed by the State General Fund totaling \$34,872. For FY 2004, the Governor recommends expenditures of \$6.6 million for capital improvements from all funding sources, including special revenue and federal funds.

**Rehabilitation & Repair.** The Governor continues efforts to ensure that the state's parks, public lands, and wildlife areas are in good repair and are accessible to all visitors. For FY 2003, an amount of \$8.3 million from all funding sources is recommended for rehabilitation and repair, and in FY 2004, the recommendation is \$3.3 million from all funding sources. There are several categories of rehabilitation and repair that are emphasized. These categories are general rehabilitation and repair, ADA accessibility, and road and bridge maintenance.

General rehabilitation and repair includes maintenance on any facility managed by the Department. For FY 2003, the Governor recommends a total of \$3.3 million from all funding sources for general rehabilitation and repair. Of the total, \$34,872 is from the State General Fund, \$271,408 is from the Park Fee Fund, \$1,315,417 is from the Land and Water Conservation Fund, and \$538,327 is from the Federal Grants Fund. For FY 2004, the total for rehabilitation and repair is \$1.4 million. The mix of financing will be the Land and Water Conservation Fund (\$1,169,500) and the Park Fee Fund (\$79,100).

Of the total amount recommended for rehabilitation and repair in FY 2003, the Governor includes financing specifically for ADA accessibility of \$103,500 from the Land and Water Conservation Fund and \$105,500 from the Park Fee Fund. The Governor's recommendation for FY 2004 is \$95,000 from the Land and Water Conservation Fund and \$97,000 from the Park Fee Fund.

Another category of rehabilitation and repair is for road and bridge maintenance. This category is focused on ensuring that access roads and bridges in state parks, public lands, wildlife areas, and other facilities managed by the Department are safe. To ensure the safety of users, the Governor recommends \$2.6 million from the State Highway Fund for FY 2003. Of the total, \$1.9 million is for access roads and \$730,490 is for bridges. The Governor's budget recommendation for FY 2004 totals \$1,700,000 from the State Highway Fund, of which \$1,500,000 is for roads and \$200,000 is for bridges.

**Boating Access & Development.** In recognition of the United States Fish and Wildlife Service's mandate to provide boating access in Kansas, the Governor recommends expenditures for boating access and development of \$1.9 million for FY 2003 and \$822,000 in FY 2004 from the Wildlife Fee Fund.

**Land/Wetland Acquisition & Development.** The Department of Wildlife and Parks acquires and develops both land and wetlands in Kansas to provide public access to all citizens for wildlife viewing, habitat preservation, hunting, and other recreational opportunities. In recognition of the need for enhanced recreational activities, the Governor recommends an amount of \$1.6 million from special revenue funds for both land and wetlands acquisition, development, and rehabilitation in FY 2003. Included in the total is \$967,245 for land and \$625,640 for wetlands. Financing for land is from the Wildlife Conservation Fund. Financing for wetlands includes \$275,640 from the Migratory Waterfowl Propagation and Protection Fund and \$350,000 from the Wildlife Conservation Fund.

In FY 2004, the Governor recommends \$950,000 for both land and wetlands development. The recommendation includes \$500,000 from the Wildlife Conservation Fund for land. It also includes \$450,000 for wetlands, of which \$350,000 is from the Wildlife

Conservation Fund and \$100,000 from the Migratory Waterfowl Propagation and Protection Fund.

**Water Intake Line at Milford Hatchery.** In FY 2004, the Governor includes \$1,282,110 from the Wildlife Conservation Fund to construct a water intake line from Milford Reservoir to the Milford Hatchery. The intake line will enhance fish production.

**River Access.** In keeping with the agency's mission of enhancing recreational opportunities, the Governor includes financing to increase recreational access to Kansas' rivers. The recommendation for FY 2003 is \$322,242 from the Boating Fee Fund and other federal funds. For FY 2004, the recommendation is \$220,000 from the Boating Fee Fund.

**Continuation of Other Projects Approved for FY 2003.** It is common for some projects to encompass multiple fiscal years. The Department has one such project, which is state fishing lake dam repair. For FY 2003, the Governor has recommended a total of \$2.1 million from the Land and Water Conservation Fund.

## Transportation

### Kansas Department of Transportation

The Governor recommends \$1,078.1 million in FY 2003 and \$1,025.4 million in FY 2004 for Department

of Transportation's capital improvement projects. The table below summarizes the recommendations for the expenditures that are related to the Comprehensive Transportation Plan by major classification of expenditure.

| <b>Comprehensive Transportation Plan</b> |           |           |
|--|-----------|-----------|
| <b>Construction Costs</b>                |           |           |
| <i>(Dollars in Thousands)</i>            |           |           |
|  | FY 2003   | FY 2004   |
| Routine Maintenance                      | 114,259   | 123,357   |
| Substantial Maintenance                  | 168,747   | 174,925   |
| Major Mods.-Priority Bridge              | 489,003   | 572,604   |
| System Enhancements                      | 82,054    | 102,993   |
| Total                                    | \$854,063 | \$973,879 |

Included in the FY 2003 budget are funds for rehabilitation and repair projects, replacement of deteriorated roofs on agency facilities, replacement of deteriorated equipment storage sheds at the area and sub-area shops, and the building of remote chemical storage facilities to reduce loading times for maintenance equipment.

Also included are funds to renovate the Wichita Hillside Area office and shop as well as construction of a district crew and paint storage building. Funds are also planned for purchase of land in Lyons and Strong City in order to allow for the storage of materials and equipment at those sub-area shops, as opposed to the current situation of having to store these items offsite.

## Expenditures for Capital Improvements by Project

|                                    | FY 2002<br>Actual    | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|------------------------------------|----------------------|--------------------------|------------------------|--------------------------|----------------------|
| <b>Educational Building Fund</b>   |                      |                          |                        |                          |                      |
| Board of Regents                   |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | --                   | --                       | 10,000,000             | 8,000,000                | 10,000,000           |
| Crumbling Classrooms--Principal    | 9,000,000            | 9,360,000                | 9,805,000              | --                       | 9,805,000            |
| Emporia State University           |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 535,679              | 1,162,583                | --                     | --                       | --                   |
| Fort Hays State University         |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 656,213              | 938,032                  | --                     | --                       | --                   |
| Kansas State University            |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 3,771,205            | 4,543,262                | --                     | --                       | --                   |
| Memorial Stad. Class/Office Renov. | --                   | --                       | --                     | 260,010                  | --                   |
| KSU--ESARP                         |                      |                          |                        |                          |                      |
| Grain Sci. Ctr. Value Added Prog.  | 500,288              | 2,449,712                | --                     | --                       | --                   |
| Pittsburg State University         |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 1,311,567            | 775,908                  | --                     | --                       | --                   |
| Armory/Class/Rec. Ctr.             | 151,743              | 258,257                  | --                     | --                       | --                   |
| University of Kansas               |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 3,012,282            | 5,618,043                | --                     | --                       | --                   |
| KU Medical Center                  |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 1,081,598            | 2,003,231                | --                     | --                       | --                   |
| Research Initiative                | 827,001              | --                       | --                     | --                       | --                   |
| Wichita State University           |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 2,062,267            | 2,081,922                | --                     | --                       | --                   |
| Subtotal--EBF                      | 22,909,843           | 29,190,950               | 19,805,000             | 8,260,010                | 19,805,000           |
| Crumbling Classrooms--Interest     | 6,000,000            | 5,640,000                | 5,195,000              | --                       | 5,195,000            |
| <b>Total--EBF</b>                  | <b>\$ 28,909,843</b> | <b>\$ 34,830,950</b>     | <b>\$ 25,000,000</b>   | <b>\$ 8,260,010</b>      | <b>\$ 25,000,000</b> |
| <b>State Insts. Bldg. Fund</b>     |                      |                          |                        |                          |                      |
| Social & Rehabilitation Services   |                      |                          |                        |                          |                      |
| State Hospital Rehab. & Repair     | 291,653              | 3,499,917                | 4,055,891              | --                       | 4,055,891            |
| Debt Serv.--State Security Hosp.   | --                   | --                       | 2,125,000              | --                       | 2,125,000            |
| Sex Predator Capacity              | 1,087,635            | 356,306                  | --                     | --                       | --                   |
| State Security Hospital Planning   | 2,227,831            | 372,169                  | --                     | --                       | --                   |
| Kansas Neurological Institute      |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 939,205              | --                       | --                     | --                       | --                   |
| Larned State Hospital              |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 890,315              | --                       | --                     | --                       | --                   |
| Osawatomie State Hospital          |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 1,115,085            | 97,004                   | --                     | --                       | --                   |
| Parsons State Hospital             |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 509,145              | 60,763                   | --                     | --                       | --                   |
| Rainbow Mental Health Facility     |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 110,142              | 6,667                    | --                     | --                       | --                   |
| Commission on Veterans' Affairs    |                      |                          |                        |                          |                      |
| Rehab. & Rep.--Sold. & Vet. Home   | 185,535              | 198,496                  | 1,890,155              | 1,547,375                | 250,000              |
| Soldiers' Home Facility Improve.   | 14,156               | 544,296                  | --                     | --                       | --                   |
| School for the Deaf                |                      |                          |                        |                          |                      |
| Rehabilitation & Repair            | 135,477              | 68,952                   | 61,180                 | --                       | 61,180               |
| Bleacher Construction Project      | 6,447                | --                       | --                     | --                       | --                   |

## Expenditures for Capital Improvements by Project

|  | FY 2002<br>Actual    | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|--|----------------------|--------------------------|------------------------|--------------------------|----------------------|
| Construct/Equip-Dining/Dorm                    | 107,520              | --                       | 62,061                 | --                       | 62,061               |
| Student Residence Project Conti.               | 4,263                | --                       | --                     | --                       | --                   |
| Fire Alarm System Upgrade                      | --                   | 77,606                   | --                     | --                       | --                   |
| <b>School for the Blind</b>                    |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 270,253              | 192,217                  | 165,000                | 5,000                    | 165,000              |
| Property Acquisition                           | --                   | --                       | --                     | 100,000                  | --                   |
| Roberts Building Renovation                    | 21,012               | 22,728                   | --                     | --                       | --                   |
| Pool & Laundry Roof Replacement                | 112,310              | --                       | --                     | --                       | --                   |
| Roof Replacement Foltz Gym                     | 75,705               | --                       | --                     | --                       | --                   |
| Air Conditioning Auditorium                    | 55,701               | 241                      | --                     | --                       | --                   |
| Pool Repair                                    | 58,718               | 36,947                   | --                     | --                       | --                   |
| Dorm Renovation                                | 5,807                | 706,671                  | --                     | 352,323                  | 399,944              |
| Pool & Laundry Roof Replacement                | 1,592                | --                       | --                     | --                       | --                   |
| Parks Bilger/Taylor Gym Roof                   | --                   | 139,885                  | --                     | --                       | --                   |
| Asbestos Removal                               | 337                  | 144                      | --                     | --                       | --                   |
| Const./EQ Elem. School/Site Imps.              | 2,268                | 1,829                    | --                     | --                       | --                   |
| Roth Reroof                                    | --                   | --                       | --                     | 40,600                   | --                   |
| <b>Juvenile Justice Authority</b>              |                      |                          |                        |                          |                      |
| Rehabilitation & Repair--Facilities            | --                   | 973,356                  | 1,040,000              | --                       | 970,000              |
| Debt Service--LJCF & KJCC                      | 1,305,000            | 1,550,000                | 1,625,000              | --                       | 1,625,000            |
| Facilities Planning Needs                      | 5,841                | 15,964                   | --                     | --                       | --                   |
| Emergency Elec. Generator--TJCF                | --                   | --                       | --                     | 1,592,049                | --                   |
| Raze Root House--BJCF                          | --                   | --                       | --                     | 12,725                   | --                   |
| Remodeling of Facilities                       | 2,449,042            | 1,553,640                | --                     | --                       | --                   |
| Reloc. Chapel/Treatment Ctr.--TJCF             | --                   | --                       | --                     | 517,585                  | --                   |
| <b>Beloit Juvenile Correctional Facility</b>   |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 215,815              | --                       | --                     | --                       | --                   |
| <b>Topeka Juvenile Correctional Facility</b>   |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 851,993              | 27,333                   | --                     | --                       | --                   |
| <b>Atchison Juvenile Correctional Facility</b> |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 201,483              | --                       | --                     | --                       | --                   |
| Subtotal--SIBF                                 | 13,257,286           | 10,503,131               | 11,024,287             | 4,167,657                | 9,714,076            |
| Juvenile Justice Projects--Interest            | 371,142              | 1,572,656                | 2,372,263              | --                       | 2,372,263            |
| SRS Projects--Interest                         | --                   | --                       | 1,381,316              | --                       | 1,381,316            |
| <b>Total--SIBF</b>                             | <b>\$ 13,628,428</b> | <b>\$ 12,075,787</b>     | <b>\$ 14,777,866</b>   | <b>\$ 4,167,657</b>      | <b>\$ 13,467,655</b> |
| <b>Correctional Insts. Bldg Fund</b>           |                      |                          |                        |                          |                      |
| <b>Department of Corrections</b>               |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 99,002               | 3,799,879                | 3,310,303              | --                       | 3,310,303            |
| Debt Service--Rev. Refund. Bond                | 810,000              | 1,989,697                | 1,689,697              | --                       | 1,689,697            |
| <b>El Dorado Correctional Facility</b>         |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 66,994               | 15,157                   | --                     | --                       | --                   |
| <b>Hutchinson Correctional Facility</b>        |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 883,729              | 1,090,861                | --                     | --                       | --                   |
| <b>Lansing Correctional Facility</b>           |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 746,415              | 741,869                  | --                     | --                       | --                   |
| <b>Larned Correct. Mental Health Fac.</b>      |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 56,731               | 42,532                   | --                     | --                       | --                   |
| <b>Norton Correctional Facility</b>            |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 207,626              | 65,078                   | --                     | --                       | --                   |
| <b>Topeka Correctional Facility</b>            |                      |                          |                        |                          |                      |
| Rehabilitation & Repair                        | 1,461,603            | 154,401                  | --                     | --                       | --                   |

## Expenditures for Capital Improvements by Project

|                                | FY 2002<br>Actual   | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|--------------------------------|---------------------|--------------------------|------------------------|--------------------------|----------------------|
| Winfield Correctional Facility |                     |                          |                        |                          |                      |
| Rehabilitation & Repair        | 142,211             | 156,952                  | --                     | --                       | --                   |
| Subtotal--CIBF                 | 4,474,311           | 8,056,426                | 5,000,000              | --                       | 5,000,000            |
| Corrections Projects--Interest | 732,472             | --                       | --                     | --                       | --                   |
| <b>Total--CIBF</b>             | <b>\$ 5,206,783</b> | <b>\$ 8,056,426</b>      | <b>\$ 5,000,000</b>    | <b>\$ --</b>             | <b>\$ 5,000,000</b>  |

### State General Fund

|                                     |           |           |           |            |           |
|-------------------------------------|-----------|-----------|-----------|------------|-----------|
| Department of Administration        |           |           |           |            |           |
| Rehab. & Repair--State Facilities   | 1,825     | 122,831   | --        | 185,000    | --        |
| Rehab. & Repair--Judicial Center    | 69,573    | 105,117   | --        | 100,000    | --        |
| Debt Serv.--Energy Conserv. Imps.   | 2,080,000 | 1,750,000 | 1,735,000 | --         | 1,735,000 |
| Debt Serv.--Statehouse Imps.        | --        | 815,000   | 1,900,000 | --         | 1,900,000 |
| Debt Serv.--Judicial Center         | --        | 40,000    | 55,000    | --         | 55,000    |
| McClennan Park Public Toilets       | --        | --        | --        | 160,000    | --        |
| Dillon House Repair                 | --        | --        | --        | 88,200     | --        |
| Deferred Maint. Elimination         | --        | --        | --        | 11,495,318 | --        |
| Statehouse Grounds & Facs. Imps.    | 101,177   | 313,289   | --        | --         | --        |
| Judicial Ctr. Remodel A.G. Offices  | 4,500     | 90,206    | --        | --         | --        |
| Judicial Center Improvements        | --        | 124,343   | --        | 1,631,760  | --        |
| Judiciary                           |           |           |           |            |           |
| Remodel 2nd Floor of Jud. Ctr.      | --        | 114,400   | 251,149   | --         | 114,400   |
| Larned State Hospital               |           |           |           |            |           |
| Rehabilitation & Repair             | 3,899     | --        | --        | --         | --        |
| Osawatomie State Hospital           |           |           |           |            |           |
| Rehabilitation & Repair             | 593       | --        | --        | --         | --        |
| Department of Human Resources       |           |           |           |            |           |
| Purchase 1430 Topeka Blvd.          | --        | 4,250     | 10,200    | --         | 10,200    |
| School for the Deaf                 |           |           |           |            |           |
| Operating Expenditures              | 124       | --        | --        | --         | --        |
| Board of Regents                    |           |           |           |            |           |
| Debt Serv.--Facilities Upgrade      | 4,325     | --        | --        | --         | --        |
| Emporia State University            |           |           |           |            |           |
| William Allen White Addition        | --        | --        | --        | 348,318    | --        |
| Fort Hays State University          |           |           |           |            |           |
| Rehabilitation & Repair             | 68,208    | --        | --        | --         | --        |
| Picken Hall Renovation              | --        | --        | --        | 239,850    | --        |
| Kansas State University             |           |           |           |            |           |
| Rehabilitation & Repair             | 96,565    | --        | --        | --         | --        |
| Lease Purchase of Aeronautical Ctr. | 189,446   | 189,446   | 189,446   | --         | 189,446   |
| KSU--Vet. Med.                      |           |           |           |            |           |
| Rehabilitation & Repair             | 2,356     | --        | --        | --         | --        |
| KSU--ESARP                          |           |           |           |            |           |
| Rehabilitation & Repair             | 183,374   | --        | --        | --         | --        |
| Pittsburg State University          |           |           |           |            |           |
| Rehabilitation & Repair             | 127,473   | --        | --        | --         | --        |
| Armory/Class/Rec.Ctr. Construct.    | --        | --        | --        | 930,000    | --        |
| University of Kansas                |           |           |           |            |           |
| Rehabilitation & Repair             | 1,458,997 | --        | --        | --         | --        |
| Electrical Distribution Improvement | --        | --        | --        | 4,128,000  | --        |

## Expenditures for Capital Improvements by Project

|                                      | FY 2002<br>Actual     | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|--------------------------------------|-----------------------|--------------------------|------------------------|--------------------------|----------------------|
| KU Medical Center                    |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | 163,230               | --                       | --                     | --                       | --                   |
| Applegate Energy Ctr. Upgrade        | --                    | --                       | --                     | 14,534,112               | --                   |
| Wichita State University             |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | 3,106                 | --                       | --                     | --                       | --                   |
| 3-D Art and Graduate Painting Fac.   | --                    | --                       | --                     | 490,586                  | --                   |
| Historical Society                   |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | 130,967               | 47,089                   | 49,000                 | --                       | 46,550               |
| Emergency Repairs                    | --                    | --                       | --                     | 125,000                  | --                   |
| Historic Sites Preservation & Devel. | --                    | --                       | --                     | 737,846                  | --                   |
| Cyclical Maintenance Program         | --                    | --                       | --                     | 92,100                   | --                   |
| Museum ADA Alarms & Signs            | --                    | --                       | --                     | 54,976                   | --                   |
| Interactive Museum & Auditorium      | --                    | --                       | --                     | --                       | --                   |
| Department of Corrections            |                       |                          |                        |                          |                      |
| Debt Serv.--EDCF Site Utilities      | --                    | 1,256,000                | --                     | --                       | --                   |
| Debt Serv.--Wichita Work Release     | 130,000               | 140,000                  | 140,000                | --                       | 140,000              |
| Debt Serv.--ECF                      | 665,000               | 1,255,000                | 1,310,000              | --                       | 1,310,000            |
| Debt Serv.--Labette Conserv. Camp    | 115,000               | 115,000                  | 120,000                | --                       | 120,000              |
| Debt Serv.--TCF & LCF Bond           | 818,547               | 811,000                  | 905,000                | --                       | 905,000              |
| Debt Serv.--RDU Reloc. Bond          | 530,000               | 545,000                  | 565,000                | --                       | 565,000              |
| Debt Serv.--Rev. Refund. Bond        | 4,290,150             | 2,564,228                | 3,987,113              | --                       | 3,987,113            |
| Ellsworth Correctional Facility      |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | 77,327                | 15,320                   | --                     | --                       | --                   |
| Hutchinson Correctional Facility     |                       |                          |                        |                          |                      |
| Fac. Conservation Imp. Prog. Lease   | --                    | 83,694                   | --                     | --                       | 218,382              |
| Norton Correctional Facility         |                       |                          |                        |                          |                      |
| Const. Med. Security Dining Area     | --                    | --                       | --                     | 475,956                  | --                   |
| Const. Warehouse and Maint. Bldg.    | --                    | --                       | --                     | 969,588                  | --                   |
| Adjutant General                     |                       |                          |                        |                          |                      |
| Debt Service--Armory Repair          | --                    | 175,000                  | 215,000                | 360,000                  | 215,000              |
| Heater, Alarm, and Feasibility Study | 8,706                 | --                       | --                     | --                       | --                   |
| Kansas Bureau of Investigation       |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | 29,907                | --                       | --                     | --                       | --                   |
| Debt Serv.--Headquarter Building     | 190,000               | 205,000                  | 210,000                | --                       | 210,000              |
| Facility Needs Assessment            | --                    | --                       | --                     | 95,000                   | --                   |
| State Fair                           |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | --                    | --                       | --                     | 6,000                    | --                   |
| Department of Wildlife & Parks       |                       |                          |                        |                          |                      |
| State Park Maintenance               | 6,433                 | 34,872                   | --                     | --                       | --                   |
| Gen'l Maint: Admin                   | 493                   | --                       | --                     | --                       | --                   |
| Gen'l Maint: Parks                   | 2,516                 | --                       | --                     | --                       | --                   |
| Wetlands Acquisition & Devel.        | 339,553               | --                       | --                     | --                       | --                   |
| Department of Transportation         |                       |                          |                        |                          |                      |
| Construction Contracts               | 94,288,021            | --                       | 128,000,000            | --                       | --                   |
| <b>Total--State General Fund</b>     | <b>\$ 106,181,391</b> | <b>\$ 10,916,085</b>     | <b>\$ 139,641,908</b>  | <b>\$ 37,247,610</b>     | <b>\$ 11,721,091</b> |
| <b>Regents Restricted Funds</b>      |                       |                          |                        |                          |                      |
| Emporia State University             |                       |                          |                        |                          |                      |
| Rehabilitation & Repair              | 2,859,643             | 260,344                  | 145,156                | --                       | 145,156              |
| Debt Serv.--Student Facilities       | 441,000               | 461,000                  | 471,000                | --                       | 471,000              |
| Parking Lot Improvements             | 62,390                | 90,000                   | 90,000                 | --                       | 90,000               |



## Expenditures for Capital Improvements by Project

|   | FY 2002<br>Actual | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|---|-------------------|--------------------------|------------------------|--------------------------|----------------------|
| Fort Hays State University              |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 1,216,892         | --                       | --                     | --                       | --                   |
| Debt Serv.--Student Facilities          | 195,000           | 205,000                  | 210,000                | --                       | 210,000              |
| Parking Lot Improvements                | 125,556           | 600,000                  | 300,000                | --                       | 300,000              |
| Kansas State University                 |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 4,891,105         | --                       | --                     | --                       | --                   |
| Debt Serv.--Campus Facilities           | 303,665           | 338,205                  | 348,348                | --                       | 348,348              |
| Debt Serv.--Student Facilities          | 1,970,000         | 2,005,000                | 2,100,000              | --                       | 2,100,000            |
| Construct Food Safety Rsrch. Fac.       | --                | --                       | 6,000,000              | --                       | 6,000,000            |
| Parking Lot Improvements                | 315,517           | 800,000                  | 800,000                | --                       | 800,000              |
| Galachia Addition                       | --                | --                       | --                     | 500,126                  | 500,126              |
| Renovation of Residence Halls           | --                | --                       | --                     | 1,200,000                | 1,200,000            |
| KSU--Vet Med.                           |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 46,760            | --                       | --                     | --                       | --                   |
| Construct Equine Locomotion Ctr.        | --                | --                       | --                     | 400,000                  | 400,000              |
| Biosecurity Level 2 Lab. Renovation     | --                | --                       | --                     | 300,000                  | 300,000              |
| KSU--ESARP                              |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 1,160,880         | --                       | --                     | --                       | --                   |
| Construct Greenhouse Laboratory         | --                | --                       | 75,000                 | --                       | 75,000               |
| Construct Horticulture Research Ctr.    | --                | --                       | 75,000                 | --                       | 75,000               |
| Construct Grain Sci. Ctr. Feed Mill     | --                | 5,000,000                | --                     | --                       | --                   |
| Construct Grain Sci. Ctr. Flour Mill    | --                | 5,000,000                | --                     | --                       | --                   |
| Constr. Grm. Sci. Ctr. Val. Add. Fac.   | --                | 4,000,000                | --                     | --                       | --                   |
| Constr. Grm. Sci. Ctr. Int'l Grms. Fac. | --                | --                       | 4,000,000              | --                       | 4,000,000            |
| Constr. Hort.--Forestry Res./Ed. Ctr.   | --                | 1,000,000                | --                     | --                       | --                   |
| Pittsburg State University              |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 1,206,288         | --                       | --                     | --                       | --                   |
| Debt Serv.--Administration Bldg.        | 110,000           | 115,000                  | 120,000                | --                       | 120,000              |
| Debt Serv.--Student Facilities          | 210,000           | 220,000                  | 230,000                | --                       | 230,000              |
| Construct Polymer Research Ctr.         | --                | --                       | 300,000                | --                       | 300,000              |
| Construct Armory/Class./Rec. Ctr.       | --                | --                       | --                     | 1,767,000                | 1,767,000            |
| Parking Maint. & Imps.                  | 350,532           | 200,000                  | 200,000                | --                       | 200,000              |
| Housing Maint. and Imps.                | 395,483           | 1,250,000                | 560,000                | --                       | 560,000              |
| Hosp. and Student Hlth. Ctr. Imps.      | --                | 100,000                  | 550,000                | --                       | 550,000              |
| University of Kansas                    |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 448,577           | 952,940                  | 500,000                | --                       | 500,000              |
| Edwards Campus Expansion                | 1,045,440         | 1,000,000                | --                     | --                       | --                   |
| Construct Dole Institute                | 6,976,824         | 714,718                  | --                     | --                       | --                   |
| Construct Stud. Rec. & Fitness Ctr.     | 13,408,499        | 2,267,220                | 70,389                 | --                       | 70,389               |
| Parking Lot Maintenance                 | 324,174           | 250,000                  | 300,000                | --                       | 300,000              |
| Implement Landscape Master Plan         | --                | 750,105                  | 1,420,025              | --                       | 1,420,025            |
| Law Enforcement Train. Ctr. Improv      | --                | 276,668                  | --                     | --                       | --                   |
| Other Capital Projects                  | 4,998,690         | --                       | --                     | --                       | --                   |
| Renovate Mallot Hall Med. Chem.         | 361,493           | --                       | --                     | 2,800,000                | 2,800,000            |
| Ellsworth Hall Renovation               | 10,045,869        | 1,130,640                | --                     | --                       | --                   |
| Athletic Facility Renovation            | --                | 308,429                  | --                     | --                       | --                   |
| Kansas Union Renovation                 | 5,539,410         | --                       | --                     | --                       | --                   |
| Debt Serv.--Campus Facilities           | 585,000           | 595,000                  | 630,000                | --                       | 630,000              |
| Debt Serv.--Student Facilities          | 4,240,000         | 2,260,000                | 2,615,000              | --                       | 2,615,000            |
| KU Medical Center                       |                   |                          |                        |                          |                      |
| Rehabilitation & Repair                 | 2,219,864         | 173,552                  | --                     | --                       | --                   |
| Debt Serv.--Center Facilities           | 585,000           | 433,914                  | 300,000                | --                       | 300,000              |

## Expenditures for Capital Improvements by Project

|                                   | FY 2002<br>Actual    | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|-----------------------------------|----------------------|--------------------------|------------------------|--------------------------|----------------------|
| KU Medical Center Cont.           |                      |                          |                        |                          |                      |
| Clinic Expansion                  | --                   | --                       | --                     | 2,812,000                | 2,812,000            |
| Research Initiative Construction  | 5,742,651            | 2,276,638                | --                     | --                       | --                   |
| Parking Lot/Garage Maintenance    | --                   | 50,000                   | 550,000                | --                       | 550,000              |
| Wahl Hall Renovation              | --                   | 2,850,000                | 250,000                | --                       | 250,000              |
| Wichita State University          |                      |                          |                        |                          |                      |
| Rehabilitation & Repair           | 1,882,957            | 2,929                    | --                     | --                       | --                   |
| Debt Serv.--Student Facilities    | 570,000              | 600,000                  | 630,000                | --                       | 630,000              |
| <b>Total--Regents Rest. Funds</b> | <b>\$ 74,835,159</b> | <b>\$ 38,537,302</b>     | <b>\$ 23,839,918</b>   | <b>\$ 9,779,126</b>      | <b>\$ 33,619,044</b> |

### Special Revenue Funds

|                                      |           |           |           |    |           |
|--------------------------------------|-----------|-----------|-----------|----|-----------|
| Department of Administration         |           |           |           |    |           |
| Rehab. & Repair for State Facilities | --        | 143,886   | --        | -- | --        |
| Rehab. & Repair for Judicial Ctr.    | --        | 100,000   | --        | -- | --        |
| Grounds Shop Debt Service            | 14,002    | 15,315    | 16,752    | -- | 16,752    |
| Executive Mansion Gifts              | 5,024     | --        | --        | -- | --        |
| Ad Astra Sculpture Construction      | 32,460    | --        | --        | -- | --        |
| Top. St. Hosp. Cemetery Memorial     | --        | 20,000    | 180,000   | -- | 180,000   |
| Docking 9th Street Right-of-Way      | --        | 70,000    | --        | -- | --        |
| Capitol Dome Reinforcement           | --        | 300,200   | --        | -- | --        |
| Memorial Hall Parking Construction   | 43,341    | --        | --        | -- | --        |
| Parking Imps. & Gen'l Repairs        | 12,000    | 178,000   | 95,000    | -- | 95,000    |
| Judicial Center Improvements         | --        | 77,970    | --        | -- | --        |
| Department of Commerce & Housing     |           |           |           |    |           |
| Travel Info. Ctrs. Rehab. & Repair   | 41,672    | --        | --        | -- | --        |
| Insurance Department                 |           |           |           |    |           |
| Rehabilitation & Repair              | 141,189   | 20,000    | 20,000    | -- | 20,000    |
| Debt Serv.--Insurance Building       | 120,000   | 130,000   | 140,000   | -- | 140,000   |
| Social & Rehabilitation Services     |           |           |           |    |           |
| Rehab. & Rep. Chanute Area Office    | 165,957   | 300,000   | 300,000   | -- | 300,000   |
| Larned State Hospital                |           |           |           |    |           |
| Rehabilitation & Repair              | 4,191     | --        | --        | -- | --        |
| Department of Human Resources        |           |           |           |    |           |
| Rehabilitation & Repair              | 22,274    | 50,000    | 183,550   | -- | 183,550   |
| Remodel Administration Building      | --        | 155,000   | 140,000   | -- | 140,000   |
| Purchase 1430 Topeka Blvd.           | --        | 20,750    | 49,800    | -- | 49,800    |
| Kansas City Local Office Repair      | --        | 96,750    | --        | -- | --        |
| Remodel Admin. Bldg. (Planning)      | --        | 167,838   | --        | -- | --        |
| Commission on Veterans' Affairs      |           |           |           |    |           |
| Rehabilitation & Repair              | 628       | --        | 21,000    | -- | --        |
| Veterans' Cemeteries Construction    | 3,075,883 | 7,523,106 | 7,016,640 | -- | 7,016,640 |
| Facility Improvements                | --        | 1,010,835 | --        | -- | --        |
| Fort Hays State University           |           |           |           |    |           |
| Rehabilitation & Repair              | 595       | --        | --        | -- | --        |
| Historical Society                   |           |           |           |    |           |
| Rehabilitation & Repair              | 106,139   | --        | --        | -- | --        |
| Rehab. & Rep.--Shawnee Mission       | 51,977    | --        | --        | -- | --        |
| Rehab. & Rep.--Grinter House         | --        | 20,500    | --        | -- | --        |
| Rehab. & Rep.--Nat.Am.Herit. Mus.    | --        | 19,200    | --        | -- | --        |
| Rehab. & Rep.--Wm.A. White Home      | 56,389    | 183,102   | --        | -- | --        |
| Rehab. & Rep.--Ft. Hays Hist. Site   | 15,600    | --        | --        | -- | --        |

## Expenditures for Capital Improvements by Project

|                                     | FY 2002<br>Actual    | FY 2003<br>Gov. Estimate | FY 2004<br>Base Budget | FY 2004<br>Enhance. Pkg. | FY 2004<br>Gov. Rec. |
|-------------------------------------|----------------------|--------------------------|------------------------|--------------------------|----------------------|
| Department of Corrections           |                      |                          |                        |                          |                      |
| Rehabilitation & Repair--Instutions | --                   | --                       | 360,000                | --                       | 360,000              |
| Rehabilitation & Repair--KCI        | 231,028              | 26,000                   | 28,200                 | --                       | 28,200               |
| Debt Service--Rev. Refund. Bond     | 891,303              | 2,010,075                | 523,190                | --                       | 523,190              |
| Debt Service--EDCF Site Utilities   | 1,180,000            | 415,000                  | --                     | --                       | --                   |
| Debt Service--TCF & LCF             | --                   | 49,000                   | --                     | --                       | --                   |
| Ellsworth Correctional Facility     |                      |                          |                        |                          |                      |
| Rehabilitation & Repair             | 692,760              | 137,680                  | --                     | --                       | --                   |
| Lansing Correctional Facility       |                      |                          |                        |                          |                      |
| Rehabilitation & Repair             | 34,413               | --                       | --                     | --                       | --                   |
| Juvenile Justice Authority          |                      |                          |                        |                          |                      |
| Debt Serv.--Juvenile Det. Ctrs.     | 310,000              | 425,000                  | 435,000                | --                       | 435,000              |
| Facility Expansion                  | 5,500,000            | --                       | --                     | --                       | --                   |
| Byrne Grant Info. Tech. Proj        | --                   | 493,496                  | --                     | --                       | --                   |
| Adjutant General                    |                      |                          |                        |                          |                      |
| Rehab. & Repair--Armories           | 893,219              | --                       | --                     | --                       | --                   |
| Debt Service--Armory Repair         | 100,000              | --                       | --                     | --                       | --                   |
| Carpet, HVAC Parts, Feasib. Study   | 21,200               | --                       | --                     | --                       | --                   |
| HVAC, Reroofing Armories            | 889,275              | --                       | --                     | --                       | --                   |
| Kansas Bureau of Investigation      |                      |                          |                        |                          |                      |
| Remodel Great Bend Facility         | 35,329               | --                       | --                     | --                       | --                   |
| Highway Patrol                      |                      |                          |                        |                          |                      |
| Rehab. & Repair, Scale Replace.     | 44,123               | 270,249                  | 207,776                | --                       | 207,776              |
| Debt Service--Training Center       | 415,000              | 385,000                  | 405,000                | --                       | 405,000              |
| Debt Service--Fleet Center          | --                   | 109,456                  | 116,207                | --                       | 116,207              |
| Debt Service--Port Modernization    | --                   | 41,817                   | 43,957                 | --                       | 43,957               |
| State Fair                          |                      |                          |                        |                          |                      |
| Rehabilitation & Repair             | 1,131,753            | 170,500                  | 101,500                | --                       | 101,500              |
| Debt Service--Master CI Plan        | --                   | --                       | 630,000                | --                       | 630,000              |
| Department of Wildlife & Parks      |                      |                          |                        |                          |                      |
| Water Intake Line--Milford Hatch.   | --                   | --                       | 1,282,110              | --                       | 1,282,110            |
| River Access                        | 100,000              | 322,242                  | 320,000                | --                       | 220,000              |
| Motorboat Access Facilities         | 692,851              | 1,858,147                | 822,000                | --                       | 822,000              |
| State Park Maintenance              | 943,098              | 1,965,618                | 1,293,600              | --                       | 1,153,600            |
| Land Acquisition                    | 449,000              | 967,245                  | 500,000                | --                       | 500,000              |
| Wetlands Acquisition & Devel.       | 827,319              | 625,640                  | 450,000                | --                       | 450,000              |
| Public Lands Maintenance            | 956,883              | 1,164,957                | 235,000                | --                       | 235,000              |
| State Park Maintenance (ADA)        | --                   | 209,000                  | 192,000                | --                       | 192,000              |
| Roads Maintenance & Development     | 1,886,176            | 1,866,826                | 1,500,000              | --                       | 1,500,000            |
| Bridge Maintenance                  | 76,880               | 730,490                  | 200,000                | --                       | 200,000              |
| Gen'l Maint: Admin                  | 17,719               | --                       | --                     | --                       | --                   |
| Gen'l Maint: Law Enforce.           | 6,402                | --                       | --                     | --                       | --                   |
| Gen'l Maint: Parks                  | 44,573               | --                       | --                     | --                       | --                   |
| Gen'l Maint: Fish., Wild., Lands    | 68,045               | --                       | --                     | --                       | --                   |
| Dam Repair                          | 262,680              | 2,132,747                | --                     | --                       | --                   |
| Public Lands Maintenance            | 24,113               | 164,432                  | --                     | --                       | --                   |
| <b>Total--Spec. Revenue Funds</b>   | <b>\$ 22,634,463</b> | <b>\$ 27,143,069</b>     | <b>\$ 17,808,282</b>   | <b>--</b>                | <b>\$ 17,547,282</b> |
| <b>State Highway Fund</b>           |                      |                          |                        |                          |                      |
| Department of Transportation        |                      |                          |                        |                          |                      |
| KDOT Buildings--Rehab. & Repair     | 4,380,638            | 13,404,582               | 7,475,666              | --                       | 4,999,283            |
| Debt Service--Projects              | 45,095,000           | 47,405,000               | 49,880,000             | --                       | 49,880,000           |

## Expenditures for Capital Improvements by Project

|                                    | <u>FY 2002<br/>Actual</u> | <u>FY 2003<br/>Gov. Estimate</u> | <u>FY 2004<br/>Base Budget</u> | <u>FY 2004<br/>Enhance. Pkg.</u> | <u>FY 2004<br/>Gov. Rec.</u> |
|------------------------------------|---------------------------|----------------------------------|--------------------------------|----------------------------------|------------------------------|
| Department of Transportation Cont. |                           |                                  |                                |                                  |                              |
| Design Contracts                   | 27,617,697                | 40,287,225                       | 26,342,350                     | --                               | 26,342,350                   |
| Construction Operations            | 64,719,812                | 72,482,998                       | 75,886,011                     | --                               | 75,625,562                   |
| Construction Contracts             | 273,800,710               | 606,405,000                      | 429,731,000                    | --                               | 556,949,652                  |
| City/County Construction           | 94,336,187                | 129,399,000                      | 136,724,000                    | --                               | 136,724,000                  |
| Substantial Maintenance            | 139,235,108               | 168,747,000                      | 174,925,000                    | --                               | 174,925,000                  |
| <b>Total--State Highway Fund</b>   | <b>\$ 649,185,152</b>     | <b>\$ 1,078,130,805</b>          | <b>\$ 900,964,027</b>          | <b>--</b>                        | <b>\$ 1,025,445,847</b>      |
| <b>Total--Statewide Cap. Imps.</b> | <b>\$ 893,477,605</b>     | <b>\$ 1,202,477,768</b>          | <b>\$ 1,118,083,422</b>        | <b>\$ 59,454,403</b>             | <b>\$ 1,122,852,340</b>      |
| Department of Administration       |                           |                                  |                                |                                  |                              |
| Rehabilitation & Repair            | 126,501                   | 355,276                          | 200,000                        | --                               | 200,000                      |
| Landon Debt Service                | 919,972                   | 939,145                          | 562,250                        | --                               | 562,250                      |
| Print Plant Debt Service           | 131,621                   | 138,676                          | 166,417                        | --                               | 166,417                      |
| Memorial Hall Debt Service         | 185,000                   | 195,000                          | 205,000                        | --                               | 205,000                      |
| Motor Pool Shop Debt Service       | 21,456                    | 23,837                           | 26,484                         | --                               | 26,484                       |
| Debt Serv.--Docking Cooling Tow.   | --                        | 44,808                           | 111,535                        | --                               | 111,535                      |
| Landon Elec. Sys. Fail Mode Study  | --                        | 180,000                          | --                             | --                               | --                           |
| Landon Fail Safe Power Supply      | 488,116                   | 399,745                          | --                             | --                               | --                           |
| State of Kansas Building Projects  | --                        | 315,000                          | 330,000                        | --                               | 330,000                      |
| Capitol Complex Study              | --                        | --                               | --                             | 400,000                          | 400,000                      |
| Memorial Hall-LSOB Steam Tunnel    | 11,815                    | --                               | --                             | --                               | --                           |
| Docking 11th Floor Re-Roofing      | 73,012                    | --                               | --                             | --                               | --                           |
| Landon Building Assessment         | --                        | 250,000                          | --                             | --                               | --                           |
| Docking Building Assessment        | --                        | 250,000                          | --                             | --                               | --                           |
| Docking Elec. Equip. Condition     | --                        | 40,000                           | --                             | --                               | --                           |
| Capitol Complex Tunnels            | --                        | 233,290                          | --                             | --                               | --                           |
| Landon Roof Repairs                | --                        | --                               | --                             | 86,000                           | 86,000                       |
| Capitol Complex Refrigerant Rod    | --                        | --                               | --                             | 80,000                           | 80,000                       |
| Docking Penthouse Roof Replace.    | --                        | --                               | --                             | 91,000                           | 91,000                       |
| Landon Security Improvements       | --                        | 30,000                           | --                             | --                               | --                           |
| Landon Fire Pump Replacement       | --                        | --                               | --                             | 75,000                           | 75,000                       |
| Landon Electrical Controls Upgrade | --                        | --                               | --                             | 40,000                           | 40,000                       |
| Docking Lighting Control Systems   | --                        | --                               | --                             | 110,000                          | 110,000                      |
| SBG Renov. Debt Serv. Shortfall    | 6,155                     | --                               | --                             | --                               | --                           |
| <b>Total--Off-Budget Expend.</b>   | <b>\$ 1,963,648</b>       | <b>\$ 3,394,777</b>              | <b>\$ 1,601,686</b>            | <b>\$ 882,000</b>                | <b>\$ 2,483,686</b>          |

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# Debt Service

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## Debt Policies & Practices

The State of Kansas uses debt instruments to finance a portion of its capital expenditures. The Kansas Development Finance Authority issues revenue bonds for most capital projects of state agencies, with the exception of the Kansas Department of Transportation, which issues debt to finance highway and other transportation projects. The Pooled Money Investment Board has issued loans for capital improvements in the past, but the debt for some of these is still outstanding. In addition, the Department of Administration administers a master lease purchase, third party financing program that can be used to acquire most types of capital equipment.

KDFA was created by the Legislature in 1987 as an independent instrumentality of the state, rather than as a state agency, and is charged by the Legislature with providing access to the capital markets to state agencies and other public and private organizations. KDFA accomplishes this purpose in part by issuing debt to fund capital improvements and certain public purpose programs. KDFA has issued debt for local government projects, acquisition and renovation of state office space, construction and renovation of state university facilities, prison construction and expansion, energy conservation improvements, and the IMPACT business development program administered by the Kansas Department of Commerce and Housing.

Provisions in the *Kansas Constitution* allow for the issuance of general obligation bonds subject to certain restrictions. No bonds have been issued under these provisions for decades. No other provisions in the constitution or state law limit the amount of debt that can be issued for Kansas agencies. As of June 30, 2002, various state agencies had legislatively authorized but unissued debt of \$286,255,884. Although the amount of debt for financing capital improvement projects has increased in the past several years, it still constitutes a small part of the overall state budget. Of the 50 states, Kansas has been ranked among the lowest in per capita debt according to the *Statistical Abstract of the United States*. For this reason, the state has not needed financial control mechanisms, such as debt ceilings.

## Ratings

Although the state has no general obligation debt, and thus no general obligation debt rating, many recent bond issues have been rated, and KDFA works with the ratings agencies to facilitate the "shadow" credit rating, which is currently a "AA+" rating awarded by Standard & Poor's, and an issuer rating of Aa1 by Moodys. Standard & Poor's credit rating reflects the state's general creditworthiness. Credit factors include continued economic diversification, a very low debt burden, and conservative fiscal management.

Moodys Aa1 rating is an initial rating, which may be characterized as an implicit general obligation rating that reflects the state's history of favorable financial management, the strength and stability of the Kansas economy, and low debt levels. The rating is based on a demonstrated trend of responding to budget pressure in a prompt manner and adjusting revenues and expenditures as needed in order to maintain structural budget balance. Although the AA+ credit rating was not lowered, Standard and Poor's recently placed Kansas in a "negative watch" category, principally because of diminished ending balances and the abnormally high use of one-time money in the FY 2003 budget.

## Major Debt Projects

Following are brief descriptions of selected projects that are debt financed, including new projects and the status of existing projects:

### Department of Administration

**Statehouse Renovation.** The 2000 Legislature approved an issuance of bonds totaling \$40.0 million for renovation of the Statehouse, starting with the east wing. In addition, the 2001 Legislature, with the approval of the State Finance Council, authorized the issuance of another \$15.0 million for a parking garage. This authorization brings the total debt outstanding on the project to \$55.0 million. The debt service totals \$3,174,756, all from the State General Fund, for FY 2003 based on the first \$40.0 million. The debt

service on the additional bonds for the garage equals \$1,249,896 for FY 2004, which brings the total for FY 2004 to \$4,424,652.

**Renovation of the SBG Building.** In December 1999, the State Finance Council authorized acquisition of the building at 7th and Harrison in Topeka formerly owned by the Security Benefit Group. The 2002 Legislature authorized the issuance of \$10,850,000 plus financing costs to renovate the building in preparation for relocation of the Department of Transportation from the Docking State Office Building to this facility. The state took possession of the building in April 2002; the bonds were issued September 2002; and the work is scheduled to be completed in FY 2004. The first debt service payment is anticipated to occur in FY 2005, which will be paid by the Division of Facilities Management with the rent KDOT will pay as a tenant of the building.

## Department of Health & Environment

**Vital Statistics Database.** The agency was given approval to establish a KDFEA-assisted project to re-engineer the Vital Statistics Integrated Information System (VSIIS) in order to avoid the loss of data as a result of obsolete software and hardware. The project is estimated to cost \$3.4 million over an eight-year period. The first, or planning, phase has been completed. The second phase, acceptance of the upgrade of the optical disk imaging system, was completed in August 2002. Proposals from seven vendors have been received for the third phase of the project. The first bond payments have been budgeted for FY 2003, consisting of \$330,000 toward the principal, and \$167,920 toward interest.

## Department of Human Resources

**Headquarters.** The Department of Human Resources' headquarters at 401 SW Topeka Boulevard was built in 1951, with the last major renovation in 1978. Bonds to finance a modern renovation of the building have been issued and the Governor recommends debt payments in both FY 2003 and 2004 to repay the bonds. The debt payment in FY 2003 includes \$180,000 for principal and \$208,520 for interest. In FY 2004, the payment is \$212,718 for

principal and \$200,000 for interest. These payments are financed by program funds in the same proportion as the occupants of the building are financed. Part of these program funds comes from the State General Fund: \$22,517 in FY 2003 and \$22,858 in FY 2004. The balance of the financing comes from federal and fee funds.

## Department of Social & Rehabilitation Services

**State Security Hospital.** The 2002 Legislature authorized the Department of Social and Rehabilitation Services to issue bonds to finance the construction of a new state security hospital on the Larned State Hospital grounds. The security hospital will replace three separate buildings used to house individuals undergoing psychological evaluations or those committed to the security hospital from the courts or the Department of Corrections. The bond issuance of \$50,120,884 will provide funds to build a facility with up to 250 beds for security patients and a new allied clinical unit to serve other patients from Larned State Hospital. Construction is scheduled to begin during FY 2003 and be completed by July 2004. The Governor's recommendation for FY 2004 includes \$2,125,000 from the State Institutions Building Fund for the first principal payment on the revenue bonds. The interest payment totals \$1,381,316 from the same source.

## Board of Regents

**Research Initiative.** During the 2002 Legislative Session, the \$120.0 million Research Initiative was approved to construct or improve research facilities at the four largest state universities. Bonds have begun to be issued and debt service will begin in FY 2005. The state is responsible for the first five years of debt service at a total cost of \$50.0 million. After that time the universities will assume responsibility for the debt service. The projects include construction of a life sciences research center at the KU Medical Center and a food safety research facility at Kansas State University. The projects also include expansion of an existing engineering complex at Wichita State University and equipping a newly purchased research building at the University of Kansas.

## Adjutant General

**State Armories Renovation Project.** The Adjutant General's Department was authorized by the 2000 Legislature to issue \$22.0 million in bonds to fund the Armory Rehabilitation Plan over a five-year period. The plan will rehabilitate selected existing state-owned armories, construct certain replacement armories, and relinquish to communities armories that are no longer required to meet the agency's needs. The agency issued \$2.0 million in November 2000 and another \$2.0 million in November 2001. The Governor recommends \$382,829 in FY 2004 from the State General Fund to finance the debt service on both issues of bonds. Of the recommendation, \$215,000 will be for principal and \$167,829 for interest.

## Juvenile Justice Authority

**Facility Construction & Expansion.** The Governor recommends \$1,625,000 from the State Institutions Building Fund (SIBF) for the principal portion of the bonds issued for construction and expansion of juvenile correctional facilities for FY 2004. Interest payments total \$2,372,263. Bonds were issued in FY 2002 to build a 225-bed facility adjacent to the Topeka Juvenile Correctional Facility, a 152-bed facility at Larned, and a living unit at the Beloit Facility for maximum-security rooms. The 2000 Legislature approved \$60.0 million: \$5.5 million from the Violent Offender Incarceration/Truth-in-Sentencing federal grant, \$4.5 million from the SIBF, and \$50.0 million in bonds. The Beloit conversion was completed in May 2002. The Larned Facility is scheduled to open in July 2003 and the Topeka Facility in July 2004.

## Kansas State Fair

**Master Plan Improvements.** In FY 2002, the Kansas State Fair was authorized to issue bonds through the

Kansas Development Finance Authority not to exceed \$29.0 million for capital improvements subject to State Finance Council approval. The financing will allow the State Fair Board to make extensive improvements to the Fairgrounds in Hutchinson, as specified in the Board's capital improvement master plan. In September 2001, the Finance Council approved the issuance of \$17.5 million of the \$29.0 million authorized, plus issuance costs, for a total of \$17,860,000. For FY 2003 and FY 2004, the debt service will be \$559,575 and \$1,238,103, respectively. No State General Fund money will be used in FY 2003 to finance the State Fair's debt service because the City of Hutchinson and special revenue funds of the State Fair will provide the financing. However, \$538,103 from the State General Fund will be used in FY 2004.

## Department of Transportation

**Comprehensive Transportation Program.** The 1999 Kansas Legislature approved the Comprehensive Transportation Program (CTP) to continue improving and developing transportation in Kansas, especially the State Highway System. As part of the CTP, the Secretary of Transportation was authorized to issue \$995.0 million in new bonds between FY 1999 and FY 2010. An additional \$277.0 million in bonds was approved by the 2001 Legislature, bringing the total to \$1,272.0 million.

Bonds issued under the CTP will be retired with revenues from increased motor fuel taxes, motor vehicle registration fees, and an increase in the sales tax transfer from the State General Fund. The first \$325.0 million in CTP bonds was issued in FY 2000. The most recent CTP bonds were issued by KDOT in FY 2001 in the amount of \$350.0 million. No portion of the remaining unissued debt of \$597.0 million is planned to be issued in FY 2003 or FY 2004.



## Indebtedness of the State

|   | <u>FY 2001</u><br><u>Actual</u> | <u>FY 2002</u><br><u>Actual</u> | <u>FY 2003</u><br><u>Estimate</u> | <u>FY 2004</u><br><u>Estimate</u> | <u>Prin. Balance</u><br><u>June 30, 2004</u><br><u>Estimate</u> |
|---|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|---|
| <b>Bonds</b>                              |                                 |                                 |                                   |                                   |   |
| Dept. of Administration*                  |                                 |                                 |                                   |                                   |   |
| Principal                                 | 9,919,012                       | 30,322,737                      | 12,157,865                        | 12,157,865                        | 110,531,828   |
| Interest                                  | 3,152,239                       | 4,224,228                       | 7,338,273                         | 6,700,241                         | --  |
| Dept. of Commerce & Housing               |                                 |                                 |                                   |                                   |   |
| Principal                                 | 5,275,000                       | 7,560,000                       | 7,715,000                         | 8,565,000                         | 51,755,000  |
| Interest                                  | 2,149,428                       | 2,873,263                       | 3,033,216                         | 2,684,484                         | --  |
| Insurance Dept.                           |                                 |                                 |                                   |                                   |   |
| Principal                                 | 115,000                         | 120,000                         | 130,000                           | 140,000                           | 585,000   |
| Interest                                  | 66,948                          | 59,925                          | 52,483                            | 44,300                            | --  |
| <b>Total--General Government</b>          | <b>\$ 20,677,627</b>            | <b>\$ 45,160,152</b>            | <b>\$ 30,426,836</b>              | <b>\$ 30,291,889</b>              | <b>\$ 162,871,828</b>   |
| Dept. of Social & Rehabilitation Services |                                 |                                 |                                   |                                   |   |
| Principal                                 | 315,000                         | 5,655,000                       | --                                | --                                | --  |
| Interest                                  | 366,058                         | 174,209                         | --                                | --                                | --  |
| Dept. of Human Resources                  |                                 |                                 |                                   |                                   |   |
| Principal                                 | --                              | --                              | 25,000                            | 60,000                            | 1,635,000   |
| Interest                                  | --                              | --                              | 107,448                           | 74,460                            | --  |
| Dept. of Health & Environment             |                                 |                                 |                                   |                                   |   |
| Principal                                 | 7,955,000                       | 101,875,000                     | 13,225,000                        | 16,230,000                        | 432,770,000   |
| Interest                                  | 18,976,484                      | 21,260,169                      | 23,198,151                        | 22,725,078                        | --  |
| <b>Total--Human Resources</b>             | <b>\$ 27,612,542</b>            | <b>\$ 128,964,378</b>           | <b>\$ 36,555,599</b>              | <b>\$ 39,089,538</b>              | <b>\$ 434,405,000</b>   |
| Kansas Board of Regents                   |                                 |                                 |                                   |                                   |   |
| Principal                                 | 37,700,000                      | 9,000,000                       | 9,360,000                         | 9,805,000                         | 98,735,588  |
| Interest                                  | 6,533,340                       | 6,752,762                       | 5,636,989                         | 5,193,978                         | --  |
| Emporia State University                  |                                 |                                 |                                   |                                   |   |
| Principal                                 | 2,031,000                       | 441,000                         | 461,000                           | 471,000                           | 4,388,329   |
| Interest                                  | 125,613                         | 215,970                         | 201,313                           | 188,120                           | --  |
| Fort Hays State University                |                                 |                                 |                                   |                                   |   |
| Principal                                 | 180,000                         | 195,000                         | 205,000                           | 210,000                           | 1,695,000   |
| Interest                                  | 149,045                         | 138,763                         | 127,520                           | 115,470                           | --  |
| Kansas State University                   |                                 |                                 |                                   |                                   |   |
| Principal                                 | 9,360,000                       | 2,100,000                       | 2,145,000                         | 2,245,000                         | 19,275,000  |
| Interest                                  | 1,462,224                       | 1,160,680                       | 1,131,908                         | 1,037,388                         | --  |
| Pittsburg State University                |                                 |                                 |                                   |                                   |   |
| Principal                                 | 305,000                         | 320,000                         | 335,000                           | 350,000                           | 8,540,000   |
| Interest                                  | 467,264                         | 453,875                         | 439,385                           | 423,895                           | --  |
| University of Kansas                      |                                 |                                 |                                   |                                   |   |
| Principal                                 | 7,625,000                       | 4,145,000                       | 2,855,000                         | 3,245,000                         | 54,020,000  |
| Interest                                  | 1,877,018                       | 1,641,862                       | 2,818,872                         | 2,609,650                         | --  |
| University of Kansas Medical Center       |                                 |                                 |                                   |                                   |   |
| Principal                                 | 575,000                         | 585,000                         | 455,000                           | 470,000                           | 8,005,000   |
| Interest                                  | 133,095                         | 309,937                         | 396,278                           | 386,708                           | --  |
| Wichita State University                  |                                 |                                 |                                   |                                   |   |
| Principal                                 | 565,000                         | 570,000                         | 600,000                           | 630,000                           | 16,300,000  |
| Interest                                  | 1,011,464                       | 1,024,276                       | 996,506                           | 966,406                           | --  |
| <b>Total--Education</b>                   | <b>\$ 70,100,061</b>            | <b>\$ 29,054,125</b>            | <b>\$ 28,164,770</b>              | <b>\$ 28,347,614</b>              | <b>\$ 210,958,917</b>   |

\*Dept. of Administration includes the master lease for financing capital outlay equipment.

|   |                       |                       |                       |                       |                         |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| Adjutant General                                  |                       |                       |                       |                       |                         |
| Principal   | --                    | 100,000               | 175,000               | 215,000               | 3,610,000               |
| Interest  | 49,405                | 96,635                | 207,828               | 166,053               | --                      |
| Dept. of Corrections                              |                       |                       |                       |                       |                         |
| Principal   | 8,140,000             | 31,195,000            | 10,735,000            | 9,240,000             | 43,360,000              |
| Interest  | 3,908,206             | 2,941,034             | 2,794,238             | 2,369,846             | --                      |
| Juvenile Justice Authority                        |                       |                       |                       |                       |                         |
| Principal   | --                    | 1,615,000             | 1,975,000             | 2,060,000             | 48,545,000              |
| Interest  | --                    | 2,934,149             | 2,625,448             | 2,537,748             | --                      |
| Highway Patrol                                    |                       |                       |                       |                       |                         |
| Principal   | 325,000               | 3,920,000             | 385,000               | 405,000               | 1,810,000               |
| Interest  | 227,645               | 199,435               | 117,363               | 101,000               | --                      |
| Kansas Bureau of Investigation                    |                       |                       |                       |                       |                         |
| Principal   | 180,000               | 190,000               | 205,000               | 210,000               | 1,590,000               |
| Interest  | 125,955               | 116,703               | 106,575               | 95,680                | --                      |
| <b>Total--Public Safety</b>                       | <b>\$ 12,956,211</b>  | <b>\$ 43,307,955</b>  | <b>\$ 19,326,451</b>  | <b>\$ 17,400,326</b>  | <b>\$ 98,915,000</b>    |
| State Fair Board                                  |                       |                       |                       |                       |                         |
| Principal   | --                    | --                    | --                    | 630,000               | 16,940,000              |
| Interest  | --                    | --                    | 1,105,514             | 770,913               | --                      |
| <b>Total--Agriculture &amp; Natural Resources</b> | <b>\$ --</b>          | <b>\$ --</b>          | <b>\$ 1,105,514</b>   | <b>\$ 1,400,913</b>   | <b>\$ 16,940,000</b>    |
| Dept. of Transportation                           |                       |                       |                       |                       |                         |
| Principal   | 42,945,000            | 45,095,000            | 538,800,000           | 56,785,000            | 1,302,070,000           |
| Interest  | 66,596,152            | 68,511,049            | 67,920,695            | 62,307,726            | --                      |
| <b>Total--Transportation</b>                      | <b>\$ 109,541,152</b> | <b>\$ 113,606,049</b> | <b>\$ 606,720,695</b> | <b>\$ 119,092,726</b> | <b>\$1,302,070,000</b>  |
| <b>Total</b>                                      |                       |                       |                       |                       |                         |
| Principal   | \$ 133,510,012        | \$ 245,003,737        | \$ 601,943,865        | \$ 124,123,865        | \$2,226,160,745         |
| Interest  | \$ 107,377,581        | \$ 115,088,923        | \$ 120,355,999        | \$ 111,499,141        | --                      |
| <b>Total Bonded Indebtedness</b>                  | <b>\$ 240,887,593</b> | <b>\$ 360,092,660</b> | <b>\$ 722,299,864</b> | <b>\$ 235,623,005</b> | <b>\$ 2,226,160,745</b> |

### Loans Outstanding--Pooled Money Investment Board

|                         |                     |                     |                     |                     |                     |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Dept. of Administration |                     |                     |                     |                     |                     |
| Principal               | 1,033,394           | 1,058,647           | 1,105,562           | 713,079             | 2,220,555           |
| Interest                | 414,321             | 344,650             | 208,104             | 201,832             | --                  |
| Kansas State University |                     |                     |                     |                     |                     |
| Principal               | 173,665             | 182,973             | 207,411             | 216,377             | 649,132             |
| Interest                | 76,624              | 67,316              | 18,240              | --                  | --                  |
| Kansas Water Office     |                     |                     |                     |                     |                     |
| Principal               | 187,751             | 199,511             | 221,992             | 217,447             | 471,430             |
| Interest                | 73,344              | 59,516              | 15,485              | 37,888              | --                  |
| <b>Total</b>            |                     |                     |                     |                     |                     |
| Principal               | \$ 1,394,809        | \$ 1,441,131        | \$ 1,534,965        | \$ 1,146,903        | \$ 3,341,117        |
| Interest                | \$ 564,290          | \$ 471,482          | \$ 241,829          | \$ 239,720          | --                  |
| <b>Total PMIB Loans</b> | <b>\$ 1,959,099</b> | <b>\$ 1,912,613</b> | <b>\$ 1,776,794</b> | <b>\$ 1,386,623</b> | <b>\$ 3,341,117</b> |

Source: Kansas Development Finance Authority