

Approved: April 26, 2006
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 10, 2006, in Room 123-S of the Capitol.

All members were present except:
Senator Donald Betts- excused

Committee staff present:
Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
Julian Efirid, Kansas Legislative Research Department
Reagan Cussimanio, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:
D. Keith Meyers, Director, Division of Facilities Management, Department of Administration
Trudy Aron, Executive Director, American Institute of Architects
Corey D. Peterson, Executive Vice President, Associated General Contractors of Kansas
Joe Levens, Vice President of Eby Construction and President, Associated General Contractors of Kansas, Inc.
Bob Totten, Public Affairs Director, Kansas Contractors Association

Others attending:
See attached list.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2006 and FY 2007 were made available to the Committee.

Subcommittee budget reports on:

Legislative Coordinating Council
Legislative Division of Post Audit
Revisor of Statutes
Legislative Research Department
Legislature (Attachment 1)

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Legislative Coordinating Council concurs with the Governor's recommendations in FY 2006 with notations and FY 2007 with notation.

Senator Teichman moved, with a second by Senator Emler, to adopt the budget subcommittee report on the Legislative Coordinating Council in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on Legislative Post Audit concurs with the Governor's recommendations in FY 2006 and FY 2007.

Senator McGinn moved, with a second by Senator Schmidt, to adopt the budget subcommittee report on Legislative Post Audit in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Revisor of Statutes concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustment.

Senator Schmidt moved, with a second by Senator Emler, to adopt the budget subcommittee report on the

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 10, 2006, in Room 123-S of the Capitol.

Revisor of Statutes in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Legislative Research Department concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustments and notations.

Senator Teichman moved, with a second by Senator Wysong, to adopt the budget subcommittee report on the Legislative Research Department in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman Jay Emler reported that the budget subcommittee on the Legislature concurs with the Governor's recommendations in FY 2006 with adjustments and notations and FY 2007 with notation.

Committee questions and discussion followed on the budget subcommittee report on the Legislature in FY 2007 regarding conversion to Outlook and Microsoft Office. Senator Morris mentioned that he believed that last year the Legislative Coordinating Council took action for everyone involved in the process to move toward Microsoft Office and felt that it is in various stages to move toward it (Revisor of Statutes Office and Kansas Legislative Research Department). In response to a question, Jeff Russell, Legislative Administrative Services, who noted that this conversion was a question of pace in the timely process of getting bills to the state printer and they are working with an outside person on it at this time.

Senator Emler moved, with a second by Senator Schmidt, to amend the budget subcommittee report on the Legislature in FY 2007 request a report at Omnibus to include Outlook and Microsoft Office and include in the report information in order to accelerate the process from outside and licensing costs. Motion carried on a voice vote.

Senator Emler moved, with a second by Senator Steineger, to adopt the budget subcommittee report on the Legislature in FY 2006 and FY 2007 as amended. Motion carried on a voice vote.

Revisit of Legislative Post Audit budget subcommittee report by Committee:

Senator Steineger moved, with a second by Senator Schmidt, to revisit the budget subcommittee report on Legislative Post Audit in FY 2007 to add the commendation for the agency as was done in the Revisor of Statutes and the Legislative Research Department budget subcommittee reports. Motion carried on a voice vote.

Senator Steineger moved, with a second by Senator Emler, to adopt the budget subcommittee report on Legislative Post Audit in FY 2006 and FY 2007 as amended. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

HB 2394--The Kansas alternative project delivery construction procurement act

Staff briefed the Committee on the bill.

The Chairman welcomed the following conferees:

D. Keith Meyers, Director, Division of Facilities Management, Kansas Department of Administration, who testified in support of **HB 2394 (Attachment 2)**. Mr. Meyers explained that the bill would allow for use of alternate delivery methods (design build or construction manager at risk) for building design and construction projects in addition to the state's current design-bid-build delivery method. He addressed who requested the legislation, why state agencies want this ability, the process in drafting legislation and how the process would work (detailed in the written testimony).

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 10, 2006, in Room 123-S of the Capitol.

Trudy Aron, Executive Director, American Institute of Architects, spoke in support of **HB 2394 (Attachment 3)**. Ms. Aron mentioned that the American Institute of Architects, Associated General Contractors of Kansas and the American Council of engineering Companies in Kansas worked with the major state agencies who contract for state building projects, including the Department of Administration, the Board of Regents, Department of Corrections and Department of Social and Rehabilitation Services to draft the bill. She noted that working together, they were able to agree on a bill that would accomplish the needs of all the parties involved.

Corey Peterson, Executive Vice President of the Associated General Contractors of Kansas (AGC), testified in support of **HB 2394 (Attachment 4)**. Mr. Peterson mentioned that the AGC of Kansas feels that the traditional design-bid-build method of building construction has worked effectively for years and should continue to be the norm. However, he noted that the AGA recognizes the desire of owners to utilize alternative delivery methods. Mr. Peterson also addressed information that the AGC has a strong position that all construction projects in the public sector be awarded through a fair, open and objective process that is free of political influence. The selection process used with alternative projects is more complicated than the traditional method and this information is detailed in Mr. Peterson's written testimony.

Joseph Levens, Vice President of Eby Construction and President of the Associated General Contractors of Kansas, Inc., spoke in support of **HB 2394 (Attachment 5)**. Mr. Eby noted that Kansas is one of only six states that does not have some form of alternative bidding statutes according to the Design Build Institute of America. He explained that their intent was to not favor, nor disfavor, any one method over another but to simply provide information on the options available to the public owner. In his written testimony, Mr. Eby noted that it is not the intent of the bill to use alternative project delivery methods on all public building projects, but to provide the public owner with a set of guidelines and laws that will assist them during special circumstances requiring special procurement and construction applications. He also explained that it is also not the intent to use alternative delivery on highway construction projects or to dictate private sector contracts or selection processes.

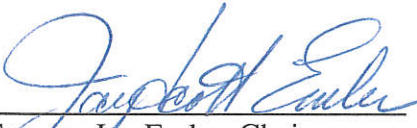
Bob Totten, Public Affairs Director, Kansas Contractors Association, testified in support of **HB 2394 (Attachment 6)**. In response to a question from Senator Barone earlier in the meeting, Mr. Totten explained that the Kansas Contractors Association supports the bill because it exempts transportation projects. He noted that the Kansas Contractors Association strongly supports full and open competition among all parties providing construction and affiliated services. In closing Mr. Totten mentioned that although they agree in the revised version of the bill, if it is altered their support for the revised version would disappear.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **HB 2394**.

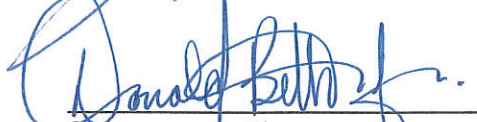
The meeting adjourned at 11:35 a.m. The next meeting was scheduled for March 13, 2006.

**LEGISLATIVE BUDGET SUBCOMMITTEE
FY 2006 - FY 2007**

Legislative Coordinating Council
Legislative Division of Post Audit
Revisor of Statutes
Legislative Research Department
Legislature



Senator Jay Emler, Chair



Senator Donald Betts Jr.

Senate Ways and Means
03-10-06
Attachment 1

House Budget Committee Report

Agency: Legislative Coordinating Council **Bill No. --**

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol. I - 408 **Budget Page No.** 299

<u>Expenditure Summary</u>	<u>Agency Estimate FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 805,213	\$ 805,213	\$ (60,000)
Other Funds	0	0	0
TOTAL	<u>\$ 805,213</u>	<u>\$ 805,213</u>	<u>\$ (60,000)</u>
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Estimate

For FY 2006, the agency is requesting \$805,213 (all State General Fund) in the current year estimate. This is a \$55,181 or 7.4 percent increase above the FY 2006 approved amount. The change reflects adjustments for the newly created 2010 Commission and the At-Risk Education Council.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

House Budget Committee Recommendation

The Legislative Budget Committee concurs with the Governor's recommendation with the following adjustment.

1. The Budget Committee deletes \$60,000 from the State General fund for the 2010 Commission and the At-Risk Education Council. The Budget Committee believes the funding is more appropriate in the Legislative budget, with the rest of the funding for councils and commissions, than in the Legislative Coordinating Council budget.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislative Coordinating Council **Bill No. --**

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol. I - 408

Budget Page No. 299

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 805,213	\$ 805,213	\$ 0
Other Funds	0	0	0
TOTAL	\$ 805,213	\$ 805,213	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Estimate

For FY 2006, the agency is requesting \$805,213 (all State General Fund) in the current year estimate. This is a \$55,181 or 7.4 percent increase above the FY 2006 approved amount. The change reflects adjustments for the newly created 2010 Commission and the At-Risk Education Council.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends reviewing at Omnibus the possible transfer of all unencumbered State General Fund for the 2010 Commission and the At-Risk Education Council to the Legislative budget. The Subcommittee believes the funding is more appropriately placed in the Legislative budget, with the rest of the funding for councils and commissions, than it is in the Legislative Coordinating Council budget.

House Budget Committee Report

Agency: Legislative Coordinating Council **Bill No.** 2968

Bill Sec. 2

Analyst: Scott

Analysis Pg. No. Vol. I - 408

Budget Page No. 299

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 790,412	\$ 807,027	\$ (60,000)
Other Funds	0	0	0
TOTAL	\$ 790,412	\$ 807,027	\$ (60,000)
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request

FY 2007 - Budget Year. The agency's requested FY 2007 budget of \$790,412 is a decrease of \$14,801 or 1.8 percent below the FY 2006 estimate. The decrease, mainly in salary and wages, is due to the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds \$16,615, all from the State General Fund, for a 2.5 percent base salary increase.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$750,032,211 from the State General Fund. The approved budget was reduced by a net total of \$12,042 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$12,042 in salary adjustments.

2. Comparison of FY 2007 Baseline Budget to Governor's Recommendation.

The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 807,027	\$ 807,027
Baseline Budget	737,990	737,990
Dollar Difference	<u>\$ 69,037</u>	<u>\$ 69,037</u>

Percent Difference

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 16,615	\$ 16,615
At-Risk Education Council & 2010 Commission	60,000	60,000
Net Other	(7,578)	(7,578)
TOTAL	<u>\$ 69,037</u>	<u>\$ 69,037</u>

3. The Budget Committee deletes \$60,000 from the State General fund for the 2010 Commission and the At-Risk Education Council. The Budget Committee believes the funding is more appropriate in the Legislative budget, with the rest of the funding for councils and commissions, than in the Legislative Coordinating Council budget.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislative Coordinating Council **Bill No.** 573

Bill Sec. 2

Analyst: Scott

Analysis Pg. No. Vol. I - 408

Budget Page No. 299

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 790,412	\$ 807,027	\$ 0
Other Funds	0	0	0
TOTAL	<u>\$ 790,412</u>	<u>\$ 807,027</u>	<u>\$ 0</u>
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Request

FY 2007 - Budget Year. The agency's requested FY 2007 budget of \$790,412 is a decrease of \$14,801 or 1.8 percent below the FY 2006 estimate. The decrease, mainly in salary and wages, is due to the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds \$16,615, all from the State General Fund, for a 2.5 percent base salary increase.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends reviewing at Omnibus the possible transfer of \$60,000 State General Fund for the 2010 Commission and the At-Risk Education Council to the Legislative budget. The Subcommittee believes the funding is more appropriately placed in the Legislative budget, with the rest of the funding for councils and commissions, than it is in the Legislative Coordinating Council budget.
2. The Subcommittee would like to commend the agency for the quality and quantity of work done with computer training and assistance, voucher processing, office moves and building management.

House Budget Committee Report

Agency: Legislative Post Audit

Bill No. --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol. I - 426

Budget Page No. 301

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,572,681	\$ 2,572,681	\$ 0
Other Funds	0	0	0
TOTAL	\$ 2,572,681	\$ 2,572,681	\$ 0
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

Agency Estimate

For FY 2006, the agency is requesting \$2,572,681 (all State General Fund) in the current year estimate. This is an increase of \$32,535 or 1.3 percent above the FY 2006 approved amount. This increase reflects fully funding all positions and allows for additional contract audit work to accomplish the school finance cost study analysis.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

House Budget Committee Recommendation

The Legislative Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislative Post Audit **Bill No. --** **Bill Sec. --**
Analyst: Scott **Analysis Pg. No.** Vol. I - 426 **Budget Page No.** 301

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,572,681	\$ 2,572,681	\$ 0
Other Funds	0	0	0
TOTAL	\$ 2,572,681	\$ 2,572,681	\$ 0
FTE Positions	26.0	26.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

Agency Estimate

For FY 2006, the agency is requesting \$2,572,681 (all State General Fund) in the current year estimate. This is an increase of \$32,535 or 1.3 percent above the FY 2006 approved amount. This increase reflects fully funding all positions and allows for additional contract audit work to accomplish the school finance cost study analysis.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Legislative Post Audit **Bill No.** 2968

Bill Sec. 4

Analyst: Scott

Analysis Pg. No. Vol. I - 426

Budget Page No. 301

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,505,636	\$ 2,550,899	\$ 0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 2,505,636</u></u>	<u><u>\$ 2,550,899</u></u>	<u><u>\$ 0</u></u>
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>12.0</u></u>	<u><u>12.0</u></u>	<u><u>0.0</u></u>

Agency Request

The agency's requested FY 2007 budget of \$2,505,636 is a decrease of \$67,045 or 2.6 percent below the FY 2006 estimate. The majority of this decrease was due to one time expenditures in contractual services and capital outlay for the school finance cost study analysis in FY 2006 and a reduction for a one-time increase added in FY 2006 for the 27th payroll period.

Governor's Recommendation

The Governor concurs with the agency request and adds \$45,263 to fund a 2.5 percent base salary increase.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$2,540,14,211 from the State General Fund. The approved budget was reduced by a net total of \$114,023 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$26,098 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**

The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 2,550,899	\$ 2,550,899
Baseline Budget	2,426,123	2,426,123
Dollar Difference	<u>\$ 124,776</u>	<u>\$ 124,776</u>

Percent Difference

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 45,263	\$ 45,263
Contractual Services	80,255	80,255
Net Other	(742)	(742)
TOTAL	<u>\$ 124,776</u>	<u>\$ 124,776</u>

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.



Senate Subcommittee Report

Agency: Legislative Post Audit **Bill No.** 573

Bill Sec. 4

Analyst: Scott

Analysis Pg. No. Vol. I - 426

Budget Page No. 301

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,505,636	\$ 2,550,899	\$ 0
Other Funds	0	0	0
TOTAL	\$ 2,505,636	\$ 2,550,899	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request

The agency's requested FY 2007 budget of \$2,505,636 is a decrease of \$67,045 or 2.6 percent below the FY 2006 estimate. The majority of this decrease was due to one time expenditures in contractual services and capital outlay for the school finance cost study analysis in FY 2006 and a reduction for a one-time increase added in FY 2006 for the 27th payroll period.

Governor's Recommendation

The Governor concurs with the agency request and adds \$45,263 to fund a 2.5 percent base salary increase.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation .

House Budget Committee Report

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol.I - 432

Budget Page No. 351

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,714,917	\$ 2,714,917	\$ 0
Other Funds	0	0	0
TOTAL	\$ 2,714,917	\$ 2,714,917	\$ 0
FTE Positions	27.5	27.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.5	27.5	0.0

Agency Estimate

For FY 2006 the agency is requesting \$2,714,917 (all State General Fund) in the current year estimate. This is an increase of \$20,032 or 0.7 percent over the FY 2006 approved amount. This increase, in salaries and wages, reflects the addition of an additional assistant revisor position and is fully funded from an unlimited reappropriation.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

House Budget Committee Recommendation

The Legislative Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol. I - 432

Budget Page No. 351

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,714,917	\$ 2,714,917	\$ 0
Other Funds	0	0	0
TOTAL	\$ 2,714,917	\$ 2,714,917	\$ 0
FTE Positions	27.5	27.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.5	27.5	0.0

Agency Estimate

For FY 2006 the agency is requesting \$2,714,917 (all State General Fund) in the current year estimate. This is an increase of \$20,032 or 0.7 percent over the FY 2006 approved amount. This increase, in salaries and wages, reflects the addition of an additional assistant revisor position and is fully funded from an unlimited reappropriation.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Revisor of Statutes **Bill No.** 2968

Bill Sec. 2

Analyst: Scott

Analysis Pg. No. Vol. I - 432

Budget Page No. 351

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,739,872	\$ 2,789,917	\$ 57,625
Other Funds	0	0	0
TOTAL	\$ 2,739,872	\$ 2,789,917	\$ 57,625
FTE Positions	27.5	27.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	28.5	28.5	0.0

Agency Request

The agency's requested FY 2007 budget of \$2,739,872 is an increase of \$24,955 or 0.9 percent above the FY 2006 estimate. Most of this increase is attributable to the addition of one FTE, an assistant revisor position which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds \$50,045, all from the State General Fund, for the 2.5 percent base salary adjustment which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of

Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$2,694,885,211 from the State General Fund. The approved budget was reduced by a net total of \$36,728 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$36,728 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 2,789,917	\$ 2,789,917
Baseline Budget	<u>2,658,157</u>	<u>2,658,157</u>
Dollar Difference	<u>\$ 131,760</u>	<u>\$ 131,760</u>

Percent Difference

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Increase	\$ 50,045	\$ 50,045
Other Salary Adjustments-Including 1 FTE	101,469	101,469
Net Other	<u>(19,754)</u>	<u>(19,754)</u>
TOTAL	<u>\$ 131,760</u>	<u>\$ 131,760</u>

3. Add \$57,625 from the State General Fund for financing a new graduate student internship program - the Legislative Fellow Program. The funding would provide for two fellowships. The purpose of the Fellow Program would be to attract and provide entry level experience in a 12 month fellowship to promising graduate students with an interest in a staff career in the legislative process and public policy development. The Fellows would be students fulfilling internship or practicum requirements in a masters program in public administration, business administration, political science, or other related field of study or law. The Fellows could also be recent graduates of a graduate or law school. The Fellows would be non-partisan, objective positions that would follow all of the guidelines and standards of the central non-partisan staff of the Legislative Branch. The Fellows would work under the direct supervision of a Senior Research Department Analyst. The funding would support \$2,000 in stipends per month and health insurance for two fellows for the 12-month fellowship.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation with the following adjustment.

1. Revise the language concerning the fellowship program to read as follows: Add \$57,625 from the State General Fund for financing a new graduate student internship program - the Legislative Fellow Program. The funding would provide for two fellowships. The purpose of the Fellow Program would be to attract and provide entry level experience in a 12 month fellowship to promising law students with an interest in a staff career in the legislative process and public policy development. The Fellows could be students fulfilling internship requirements in a law program. The Fellows could also be recent graduates of a law school. The Fellows would be non-partisan, objective positions that would follow all of the guidelines and standards of the central non-partisan staff of the Legislative Branch. The Fellows would work under the direct supervision of a Senior Assistant Revisor. The funding would support \$2,000 in stipends per month and health insurance for two fellows for the 12-month fellowship.

Senate Subcommittee Report

Agency: Revisor of Statues **Bill No.** 573 **Bill Sec.** 2

Analyst: Scott **Analysis Pg. No.** Vol. I - 432 **Budget Page No.** 351

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 2,739,872	\$ 2,789,917	\$ 57,625
Other Funds	0	0	0
TOTAL	<u>\$ 2,739,872</u>	<u>\$ 2,789,917</u>	<u>\$ 57,625</u>
FTE Positions	27.5	27.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>28.5</u>	<u>28.5</u>	<u>0.0</u>

Agency Request

The agency's requested FY 2007 budget of \$2,739,872 is an increase of \$24,955 or 0.9 percent above the FY 2006 estimate. Most of this increase is attributable to the addition of one FTE, an assistant revisor position which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds \$50,045, all from the State General Fund, for the 2.5 percent base salary adjustment which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

Senate Subcommittee Recommendation

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

1. Add \$57,625 from the State General Fund for financing a new graduate student internship program - the Legislative Fellow Program. The funding would provide for two fellowships. The purpose of the Fellow Program would be to attract and provide entry level experience in a 12 month fellowship to promising law students with an interest in a staff career in the legislative process and public policy development. The Fellows could be students fulfilling internship requirements in a law program. The Fellows could also be recent graduates of a law school. The Fellows would be non-partisan, objective positions that would follow all of the guidelines and standards of the central non-partisan staff of the Legislative Branch. The Fellows would work under the direct supervision of a Senior Assistant Revisor. The funding would support \$2,000 in stipends per month and health insurance for two fellows for the 12-month fellowship.
2. The Subcommittee would like to commend the agency for the quality and quantity of work done compiling the Kansas Statutes, bills, and amendments to bills often done on very short notice.

House Budget Committee Report

Agency: Legislative Research Department **Bill No. --**

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol. I - 414 **Budget Page No.** 303

<u>Expenditure Summary</u>	<u>Agency Estimate FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,078,799	\$ 3,078,799	\$ 0
Other Funds	80,991	80,991	0
TOTAL	<u>\$ 3,159,790</u>	<u>\$ 3,159,790</u>	<u>\$ 0</u>
FTE Positions	38.0	38.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Agency Estimate

For FY 2006, the agency is requesting in the current year estimate \$3,159,790, of which \$3,078,799 is from the State General Fund. This is an all funds increase of \$38,377 or 1.2 percent above the FY 2006 approved amount. This request fully funds all positions.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

House Budget Committee Recommendation

The Legislative Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislative Research Department **Bill No. --**

Bill Sec. --

Analyst: Scott

Analysis Pg. No. Vol. I - 414 **Budget Page No.** 303

<u>Expenditure Summary</u>	<u>Agency Estimate FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,078,799	\$ 3,078,799	\$ 0
Other Funds	80,991	80,991	0
TOTAL	<u>\$ 3,159,790</u>	<u>\$ 3,159,790</u>	<u>\$ 0</u>
FTE Positions	38.0	38.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Agency Estimate

For FY 2006, the agency is requesting in the current year estimate \$3,159,790, of which \$3,078,799 is from the State General Fund. This is an all funds increase of \$38,377 or 1.2 percent above the FY 2006 approved amount. This request fully funds all positions.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Legislative Research Department **Bill No.** 2968

Bill Sec. 2

Analyst: Scott

Analysis Pg. No. Vol. I - 414

Budget Page No. 303

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,005,155	\$ 3,070,797	\$ 57,625
Other Funds	62,831	62,831	0
TOTAL	\$ 3,067,986	\$ 3,133,628	\$ 57,625
FTE Positions	38.0	38.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	38.0	38.0	0.0

Agency Request

The agency's requested FY 2007 budget of \$3,067,986 is a decrease of \$91,804 or 2.9 percent below the FY 2006 estimate. The decrease, mainly in salary and wages, is due to the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds funding of \$65,642 for the 2.5 percent base salary adjustment.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$3,121,413 including \$3,039,683 from the State General Fund. The approved budget was reduced by a net total of \$52,015 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$52,015 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 3,070,797	\$ 3,133,628
Baseline Budget	2,988,927	3,069,398
Difference	<u>\$ 81,870</u>	<u>\$ 64,230</u>

Percent Difference

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Increase	\$ 65,642	\$ 65,642
Net Other	16,228	(1,412)
Total Adjustments	<u>81,870</u>	<u>\$ 64,230</u>

3. Add \$57,625 from the State General Fund for financing a new graduate student internship program - the Legislative Fellow Program. The funding would provide for two fellowships. The purpose of the Fellow Program would be to attract and provide entry level experience in a 12 month fellowship to promising graduate students with an interest in a staff career in the legislative process and public policy development. The Fellows would be students fulfilling internship or practicum requirements in a masters program in public administration, business administration, political science, or other related field of study or law. The Fellows could also be recent graduates of a graduate or law school. The Fellows would be non-partisan, objective positions that would follow all of the guidelines and standards of the central non-partisan staff of the Legislative Branch. The Fellows would work under the direct supervision of a Senior Research Department Analyst. The funding would support \$2,000 in stipends per month and health insurance for two fellows for the 12-month fellowship.

The Budget Committee is concerned that almost 25 percent of the current analysts within the Research Department are retirement eligible and that number will increase to nearly 40 percent of the analysts within five years. The Legislative Fellow Program, modeled in part after the Governor's Fellow Program, would help address the need to attract qualified employees to fill positions due to retirements.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislative Research Department **Bill No.** 573

Bill Sec. 2

Analyst: Scott **Analysis Pg. No.** Vol. I - 414

Budget Page No. 303

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,005,155	\$ 3,070,797	\$ 57,625
Other Funds	62,831	62,831	0
TOTAL	<u>\$ 3,067,986</u>	<u>\$ 3,133,628</u>	<u>\$ 57,625</u>
FTE Positions	38.0	38.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Agency Request

The agency's requested FY 2007 budget of \$3,067,986 is a decrease of \$91,804 or 2.9 percent below the FY 2006 estimate. The decrease, mainly in salary and wages, is due to the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds funding of \$65,642 for the 2.5 percent base salary adjustment.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments and notations:

1. Add \$57,625 from the State General Fund for financing a new graduate student internship program - the Legislative Fellow Program. The funding would provide for two fellowships. The purpose of the Fellow Program would be to attract and provide entry level experience in a 12 month fellowship to promising graduate students with an interest in a staff career in the legislative process and public policy development. The Fellows could be students fulfilling internship or practicum requirements in a masters program in public administration, business administration, political science, or other related field of study or law. The Fellows could also be recent graduates of a graduate or law school. The Fellows would be non-partisan, objective positions that would follow all of the guidelines and standards of the central non-partisan staff of the Legislative Branch. The Fellows

would work under the direct supervision of a Senior Research Department Analyst. The funding would support \$2,000 in stipends per month and health insurance for two fellows for the 12-month fellowship.

The Subcommittee is concerned that almost 25 percent of the current analysts within the Research Department are retirement eligible and that number will increase to nearly 40 percent of the analysts within five years. The Legislative Fellow Program, modeled in part after the Governor's Fellow Program, would help address the need to attract qualified employees to fill positions due to retirements.

2. The Subcommittee would like to commend the agency for the quality and quantity of work done compiling the budget analysis, supplemental notes, legislative requests, and the many other reports that are usually done within very tight time frames.

House Budget Committee Report

Agency: Legislature

Bill No. 2958

Bill Sec. 22

Analyst: Scott

Analysis Pg. No. Vol I - 420

Budget Page No. 305

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 14,931,242	\$ 14,931,242	\$ 60,000
Other Funds	84,500	84,500	0
TOTAL	\$ 15,015,742	\$ 15,015,742	\$ 60,000
FTE Positions	34.0	34.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	34.0	34.0	0.0

Agency Estimate

For FY 2006 the agency is requesting in the current year estimate \$15,015,742, of which \$14,931,242 is from the State General Fund. This is an all funds decrease of \$778,902 or 4.9 percent below the FY 2006 approved amount. The State General Fund decrease is \$604,588 or 3.9 percent below the FY 2006 approved amount.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

House Budget Committee Recommendation

The Legislative Budget Committee concurs with the Governor's recommendation with the following adjustment.

1. The Budget Committee adds \$60,000 from the State General fund for the 2010 Commission and the At-Risk Education Council. The Budget Committee believes the funding is more appropriate in the Legislative budget, with the rest of the funding for councils and commissions, than in the Legislative Coordinating Council budget.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislature

Bill No. 570

Bill Sec. 22

Analyst: Scott

Analysis Pg. No. Vol I - 420

Budget Page No. 305

<u>Expenditure Summary</u>	<u>Agency Estimate FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 14,931,242	\$ 14,931,242	\$ 0
Other Funds	84,500	84,500	0
TOTAL	<u>\$ 15,015,742</u>	<u>\$ 15,015,742</u>	<u>\$ 0</u>
FTE Positions	34.0	34.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>34.0</u>	<u>34.0</u>	<u>0.0</u>

Agency Estimate

For FY 2006 the agency is requesting in the current year estimate \$15,015,742, of which \$14,931,242 is from the State General Fund. This is an all funds decrease of \$778,902 or 4.9 percent below the FY 2006 approved amount. The State General Fund decrease is \$604,588 or 3.9 percent below the FY 2006 approved amount.

Governor's Recommendation

The Governor concurs with the agency's current year estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments and notations:

1. The Subcommittee recommends reviewing at Omnibus the possible transfer of unspent State General Fund for the 2010 Commission and the At-Risk Education Council into the Legislative budget. The Subcommittee believes the funding is more appropriately placed in the Legislative budget, with the rest of the funding for councils and commissions, than it is in the Legislative Coordinating Council budget.

House Budget Committee Report

Agency: Legislature

Bill No. 2968

Bill Sec. 3

Analyst: Scott

Analysis Pg. No. Vol. I - 420

Budget Page No. 305

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 15,326,174	\$ 15,510,849	\$ 60,000
Other Funds	120,503	120,503	0
TOTAL	<u>\$ 15,446,677</u>	<u>\$ 15,631,352</u>	<u>\$ 60,000</u>
FTE Positions	35.0	35.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>35.0</u>	<u>35.0</u>	<u>0.0</u>

Agency Request

The agency's requested FY 2007 budget of \$15,446,377 is an increase of \$430,935 or 2.9 percent above the FY 2006 estimate. Most of this increase is attributable to Legislative Branch computer strategic plan initiative which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds \$184,675, all from the State General Fund, for the 2.5 percent base salary adjustment which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$15,794,644 including \$15,535,830 from the State General Fund. The approved budget was increased by a net total of \$35,528 from the State General Fund to establish a baseline budget for FY 2007. The increase included \$35,528 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 15,510,849	\$ 15,631,352
Baseline Budget	15,511,358	15,830,172
Dollar Difference	<u>\$ (60,509)</u>	<u>\$ (198,820)</u>

Percent Difference

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 184,675	\$ 184,675
Capital Outlay	(252,015)	(252,015)
Increase in Contractual Services	111,146	111,146
Recalculated Salaries	(197,114)	(197,114)
Net Other	92,799	(45,512)
TOTAL	<u>(60,509)</u>	<u>(198,820)</u>

3. The Budget Committee adds \$60,000 from the State General fund for the 2010 Commission and the At-Risk Education Council. The Budget Committee believes the funding is more appropriate in the Legislative budget, with the rest of the funding for councils and commissions, than in the Legislative Coordinating Council budget.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Legislature

Bill No. 573

Bill Sec. 3

Analyst: Scott

Analysis Pg. No. Vol. I - 420

Budget Page No. 305

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 15,326,174	\$ 15,510,849	\$ 0
Other Funds	120,503	120,503	0
TOTAL	<u>\$ 15,446,677</u>	<u>\$ 15,631,352</u>	<u>\$ 0</u>
FTE Positions	35.0	35.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>35.0</u>	<u>35.0</u>	<u>0.0</u>

Agency Request

FY 2007 - Budget Year. The agency's requested FY 2007 budget of \$15,446,377 is an increase of \$430,935 or 2.9 percent above the FY 2006 estimate. Most of this increase is attributable to Legislative Branch computer strategic plan initiative which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

Governor's Recommendation

The Governor concurs with the agency request and adds \$184,675, all from the State General Fund, for the 2.5 percent base salary adjustment which is partially offset by the removal of the 27th payroll period that was added in FY 2006.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following notation:

1. The Subcommittee recommends reviewing at Omnibus the possible transfer of \$60,000 State General Fund for the 2010 Commission and the At-Risk Education Council into the Legislative budget. The Subcommittee believes the funding is more appropriately placed in the Legislative budget, with the rest of the funding for councils and commissions, than it is in the Legislative Coordinating Council budget.

Kansas Department of Administration

Duane Goossen, Secretary

1000 SW Jackson, Suite 500

Topeka, Kansas 66612-1268

Senate Ways and Means Committee

H.B. 2394

**D. Keith Meyers, Director
Division of Facilities Management
Department of Administration**

March 10, 2006

Thank you for this opportunity to provide testimony in support of HB 2394. This bill allows for use of alternate delivery methods (design build or construction manager at risk) for building design and construction projects in addition to the state's current design-bid-build delivery method. In my testimony, I am going to try to answer four basic questions regarding this legislation:

1. Who requested this legislation allowing the use of alternate delivery methods?
2. Why do the state agencies want the ability to use alternate delivery methods?
3. What was the process in drafting the legislation?
4. How would the process work?

1. Who requested this legislation allowing the use of alternate delivery methods?

This legislation was requested by the Joint Facilities Team that contains representatives responsible for capital improvement projects from the state agencies and institutions. The agencies and institutions represented on the team include Department of Administration, Department of Corrections, Kansas Board of Regents, Department of Transportation, Department of Labor, Adjutant General, Department of Wildlife and Parks, Juvenile Justice Authority and Social and Rehabilitation Services.

2. Why do the state agencies want the ability to use alternate delivery methods?

Currently all state building construction projects follow a design-bid-build delivery method. Under this method, a design firm is selected. The firm draws construction plans and the plans are bid out to a contractor who builds the project. The state agencies want the ability to use alternate delivery methods because in some cases the alternative delivery method will serve the public interest by providing substantial savings of time or money over the traditional design-bid-build delivery process. A couple examples of where it may be advantageous to use alternate delivery methods would include:

- the construction of a parking garage that does not require significant design input;
- projects involving significant phasing and/or technical complexities requiring the use of an integrated team of designers and constructors to solve project challenges during the design/pre-construction phase. (An example of this situation would be the Bio-security Research Institute project at Kansas State University).

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Attachment 2

3. What was the process used in drafting the legislation?

The Joint Facilities Team felt that it was inappropriate to draft legislation without inviting all stakeholders to participate in the process. Thus, the team invited the AGC (Associated General Contractors), the ACEC (American Council of Engineering Companies of Kansas), the AIA (American Institute of Architects) and later the Kansas Contractors Association. All invitees collaborated in drafting this legislation, and its subsequent amendment, and are all supportive of the legislation.

4. How would the process work?

It is intended that the use of an alternate delivery method is the exception rather than the rule. In order to ensure that the alternate delivery methods are only used when appropriate the bill requires that when a request is made for alternative delivery procurement by an agency, the director of facilities management shall publish a notice in the Kansas Register that the state building advisory commission will be holding a public hearing with the opportunity for comment on such request.

The state building advisory commission shall then approve those projects for which the use of alternative project delivery procurement process is appropriate. The bill requires that the commission shall consider the following factors:

1. The likelihood that the alternative project delivery method will serve the public interest by providing substantial savings of time or money over the traditional design-bid-build delivery process.
2. The ability to overlap design and construction phases is required to meet the needs of the end user.
3. The use of an accelerated schedule is required to make repairs resulting from an emergency situation.
4. The project presents significant phasing and/or technical complexities requiring the use of an integrated team of designers and constructors to solve project challenges during the design/pre-construction phase.
5. The use of an alternative delivery method will not encourage favoritism in awarding the public contract or substantially diminish competition for the public contract.

After approval, the process for selecting a Construction Manager at Risk Firm or a Building Design Build Firm would be similar to the process to selecting an architectural or engineering firm under existing statutes. That process involves advertisement in the Kansas Register, nomination by the State Building Advisory Commission, and selection and fee negotiation by a negotiating committee.

In summary, I would like to restate that this legislation was drafted with input from all interested stakeholders and was designed to preserve the public trust and ensure that the contracting of building projects is fair and open to all interested parties.

March 10, 2006



TO: Senator Umbarger and Members of the Senate Ways and Means Committee

FROM: Trudy Aron, Executive Director

RE: Support of HB 2394

President
Jan Burgess, AIA
Derby

President Elect
Douglas R. Cook, AIA
Lenexa

Secretary
C. Stan Peterson, AIA
Topeka

Treasurer
Michael G. Mayo, AIA
Manhattan

Directors
Jennifer Cain, Assoc. AIA
Wichita

Mark Franzen, AIA
Overland Park

John Gaunt, FAIA
Lawrence

Chad P. Glenn, AIA
Wichita

Gary Grimes
Topeka

David S. Heit, AIA
Topeka

Josh Hermann, AIA
Wichita

Craig W. Lofton, AIA
Salina

Don I. Norton, P.E.
Wichita

Wendy Ornelas, FAIA
Manhattan

J. Michael Rice
Wichita

David Sachs, AIA
Manhattan

Andrew D. Steffes, AIA
McPherson

Daniel (Terry) Tevis, AIA
Lenexa

J. Michael Vieux, AIA
Leavenworth

Nadia Zhiri, AIA
Lawrence

Madam Chair and Members of the Committee, I am Trudy Aron, executive director, of the American Institute of Architects in Kansas (AIA Kansas.) I am here to testify to our support of HB 2394.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 120 private practice architectural firms designing a variety of project types for both public and private clients. These include justice facilities, schools, hospitals and other health facilities, industrial buildings, offices, recreational facilities, housing, and much more. The rest of our members work in industry, government and education where many manage the facilities of their employers and hire private practice firms to design new buildings and to renovate or remodel existing buildings.

HB 2394 will allow the State to use two additional delivery methods for state buildings when a project would benefit from its use. Currently, all state buildings are procured based on design, bid, build. In some instances, other delivery methods are more appropriate. These include design/build where the design and construction are done under one contract and construction manager-at-risk, where the contractor serves as the construction manager as well as the general contractor. The passage of this bill will allow the State to decide which method of delivery is best for any particular project. However, it requires a public meeting to be held before the State Building Advisory Commission (SBAC) to allow comments on its use before the project can move forward. The SBAC then decides if the alternative delivery method is the appropriate one for the project.

AIA Kansas, Associated General Contractors of Kansas and the American Council of Engineering Companies in Kansas worked with the major state agencies who contract for state building projects, including the Department of Administration, the Regents, Corrections, and SRS, to draft this bill. Working together, we were able to agree on a bill that would accomplish the needs of all the parties involved.

SB 2394 has our support and we hope you will pass it out of committee favorably.

Thank you. I'll be happy to answer any questions you may have.

Executive Director
Trudy Aron, Hon. AIA, CAE

700 SW Jackson, Suite 503
Topeka, Kansas 66603-3758
Telephone: 785-357-5308
800-444-9853
Facsimile: 785-357-6450

Senate Ways and Means
03-10-06
Attachment 3



Building a Better Kansas Since 1934
200 SW 33rd St. Topeka, KS 66611 785-266-4015

**WRITTEN TESTIMONY OF
ASSOCIATED GENERAL CONTRACTORS OF KANSAS
BEFORE SENATE WAYS AND MEANS COMMITTEE**

HB 2394

March 10, 2006

By Corey D Peterson, Associated General Contractors of Kansas, Inc.

Mister Chairman and members of the committee, my name is Corey D Peterson, Exec Vice President of the Associated General Contractors of Kansas. The AGC of Kansas is a trade association representing the commercial building construction industry, including general contractors, subcontractors and suppliers throughout Kansas (with the exception of Johnson and Wyandotte counties).

The AGC of Kansas supports House Bill 2394 and requests that you recommend it for passage.

AGC of Kansas feels that the traditional design-bid-build method of building construction has worked effectively for many years and should continue to be the norm. However, AGC recognizes the desire of owners to utilize alternative delivery methods (Construction Manager-at Risk and Design Build) on building construction projects and agrees there are instances (on an exception basis) when the alternate processes provide distinct advantages for the owner.

AGC has a strong position that all construction projects in the public sector be awarded through a fair, open and objective process that is free of political influence. The selection process used with alternative delivery projects is more complicated than the traditional method, primarily due to the fact the job can not be awarded to the "lowest responsible bidder" because in most cases the construction manager or design builder is selected prior to the plans being completed. HB 2394 attempts to insure that while the contractor is selected by a means other than the "lowest responsible bid," it allows for a process that protects the public trust throughout the selection process. Several prescriptive safeguards are in place just for this reason.

This bill is a collaborative effort between AGC, the State of Kansas' Facilities Team, the American Institute of Architects, Kansas Consulting Engineers, The Builders Association and Kansas Contractors Association. There is no known opposition at this time.

While HB 2394 was always meant to pertain only to **building** construction in the public sector, the bill takes many measures to insure that highways and similar construction are not included. To confirm, it is

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not the intent or the desire of the AGC to open the door for alternative delivery in the highway side of the industry or to dictate private sector contracts or selection processes.

Much of the language included in the bill was taken from an AGC of Kansas “white paper” that was the result of over two years of work within the association to insure a fair process was presented to public owners. AGC felt this effort was needed because the industry continues to see public owners utilizing alternative delivery methods with no guidelines or laws to assist them through the process. Again, with public projects, the AGC feels it is of utmost importance to protect the public trust by keeping the selections fair, open and objective, and HB 2394 accomplishes this.

AGC appreciated the opportunity to contribute to the State Facilities Team’s (formerly Governor’s BEST team on building construction) effort during the drafting of this bill and their willingness to include industry in the process.

The AGC of Kansas **respectfully asks that you recommend HB 2394 for passage.** Thank you for your consideration.

SENATE WAYS & MEANS COMMITTEE

HB 2394

March 10, 2006

Alternative Building Construction Project Delivery Methods in the Public Sector

Presented by:

**Corey Peterson
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Alternative Delivery Methods for Building Construction

Issues Concerning Alternative Delivery in the Public Sector

Current and Recent Market Demands and Legislation

- Public owners want the opportunity to use alternative delivery when situations merit
- State agencies have used CM/At-Risk – approved through individual bills
- Cities, counties and school districts are utilizing alternative delivery with no guidelines in place
- Method used in the state bills was to opt out of all bidding statutes
 - State Capitol, Cedar Crest and Dillon House
 - Kansas Hospital Authority
 - Board of Regents Research and Development Facilities
 - Bioscience Bill

AGC Position

- AGC spent two years developing a white paper on *Alternative Building Project Delivery in the Public Sector*
- AGC feels the traditional construction delivery method has worked well for many years and will continue to do so in most cases.
- AGC agrees there are circumstances that may warrant the use of alternative methods.
- AGC feels strongly that if alternative delivery methods are used, it should be on an exception basis and the selection process should be as ***fair, open, objective and free of political influence as the low bid process.***
- AGC has long been concerned over bills that exempt agencies from all bidding statutes
 - AGC has opposed exemptions from bid laws – feels bid laws in place to protect the public trust
 - Opposition slowed down the approval of the bills
 - put industry in an awkward position of slowing down bills that would bring millions of dollars worth of work to the industry.
 - AGC supports KS Dept of Administration bill HB 2394, which mirrors the white paper

Complications unique to Alternative Delivery in the Public Sector

Alternative delivery methods provide several benefits to the owner in some cases. However, the most difficult issue to address with the use of alternative delivery in the public sector is the fact that the contractor/construction manager/design builder must be selected before the final plans are complete for the project. This prohibits the use of the simple low-bid process.

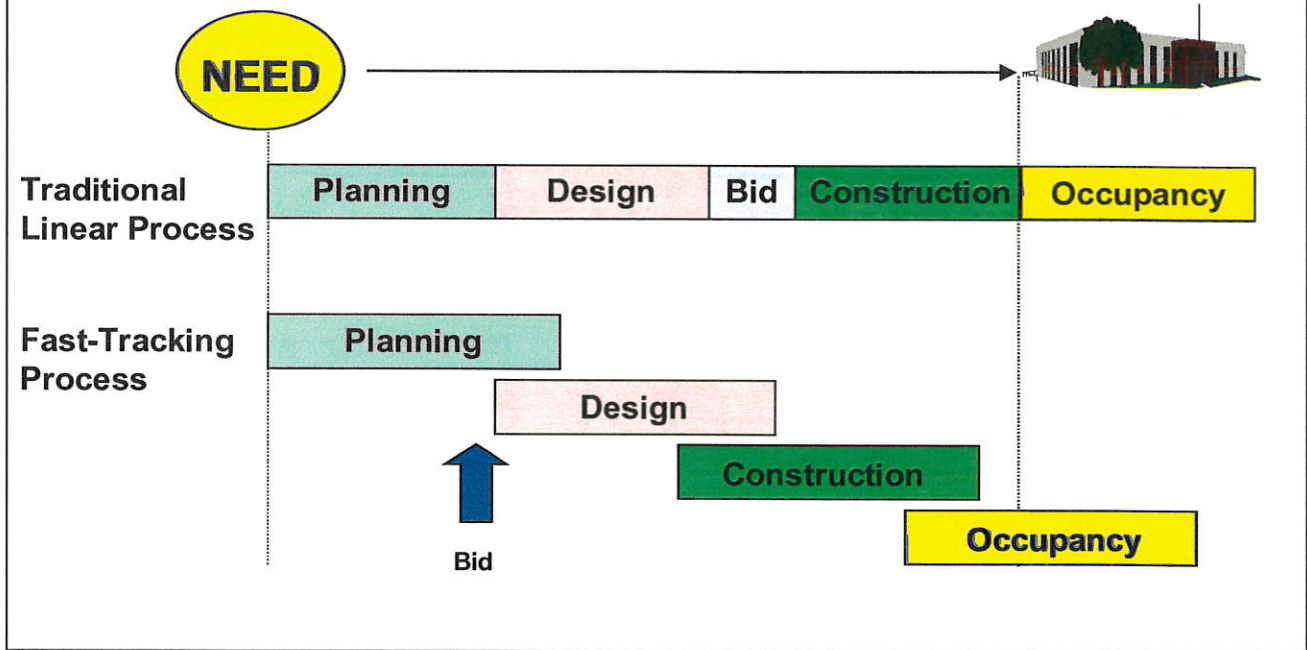
HB 2394

- Introduced by the Dept. of Administration (because of desire to utilize CM/At-Risk and Design Build on building construction)
- Was the result of several months work by the Governor’s Best Team on Building Construction
 - AGC of Kansas, AIA Kansas, Kansas Consulting Engineers, The Builders Association/KC AGC all participated in the development of the bill and supported the end product.
 - Bill closely mirrored the AGC white paper which included two years of consensus building within the Kansas construction industry
- Bill specifically and exclusively addresses “building” construction. Highways & bridges are not included in this bill.
- Bill lays out specific criteria, ground rules and procedures, for:
 - Permission to use CM/At-Risk and Design build (specific criteria must be met)
 - Selection of the contractor/construction manager/design builder

DELIVERY METHOD TYPES

- Design - Bid - Build (Low Bid) (D/B/B)
- CM/General Contractor (at-Risk) (CM/GC)
- Design/Build (D/B)
- CM Agency (CM/A)

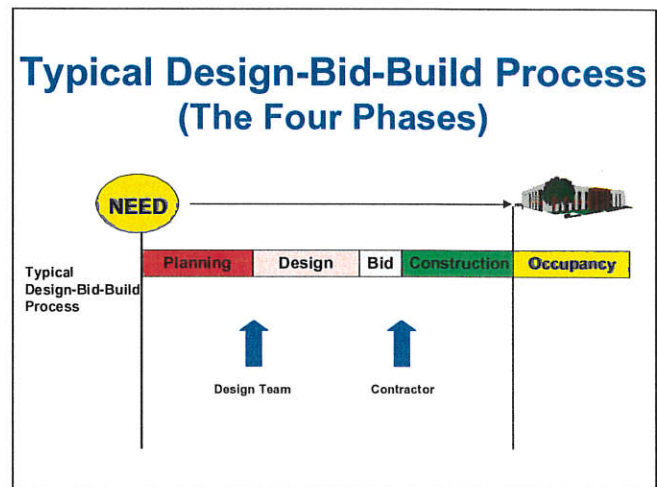
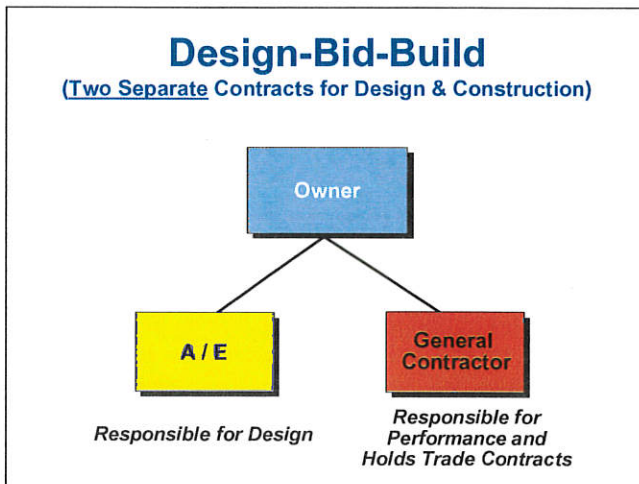
The Four Phases (every project goes through)



DESIGN-BID-BUILD

What is Design-Bid-Build?

- Considered the traditional method of construction
- Owner selects designer to design
- Contractor then selected by lowest responsible bid – single price (including alternates)
- Design & construction contracts held by owner
- Subcontracts held by general contractor
- Contractor guarantees a set price – assumes risk of completing project for that amount



Pros:

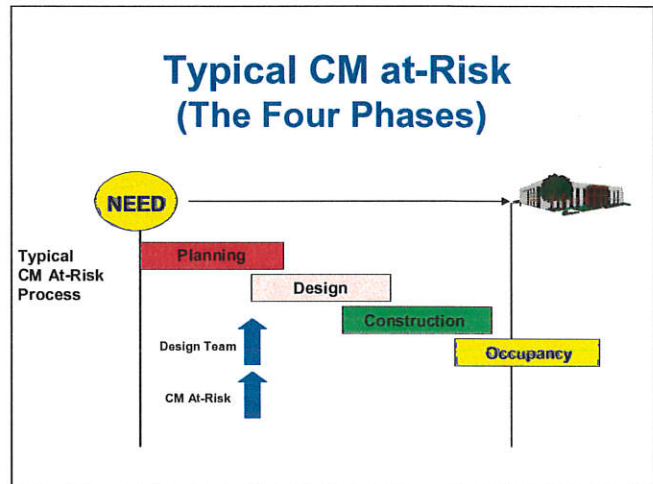
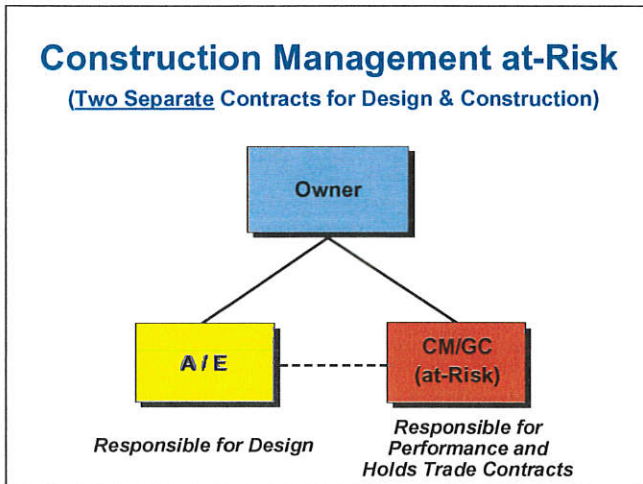
- Well established – many contractors ready to bid
- Best understood by owners and public
- Long established legal & procedural guidelines
- Low bid provides reliable market price for project
- Avoids favoritism & allows all qualified contractors to compete on equal basis
- Owner has clear idea of finished product prior to construction

Cons:

- D-B-B linear sequence may require considerable time
- No guarantee bids won't exceed budget – could lead to delays, rebidding or cancellation of project
- Adversarial relationships can develop – three principal parties have different financial goals
 - Owner – best possible building at lowest cost
 - Architect – satisfy owner – aesthetic requirements
 - Contractor – complete job within time & price specified
- Differences in interpretation of contracts possible
- Differences may result in claims to be resolved

What is Construction Management/GC or CM/At-Risk?

- Construction entity serves as traditional GC
- Involved from design phase to construction completion
- Awarded job before plans complete – not based solely on price
- Holds all trade contracts
- Monitors costs, time, quality & safety
takes financial responsibility
- Provides a guaranteed maximum price
 - *Assumes financial risk*



Pros:

- Usually quicker process than D-B-B – *possible cost savings*
- Potential CM/GC can be pre-qualified and short-listed
- Fewer disputes, changes, claims and delays – cooperative relationship
- CM can be brought on early - perform preconstruction tasks
- Smooth integration of design and construction – CM can make recommendations during design
- Value engineering/constructability/cost reduction by CM prior to completion of contract documents
- Guaranteed Maximum Price provided

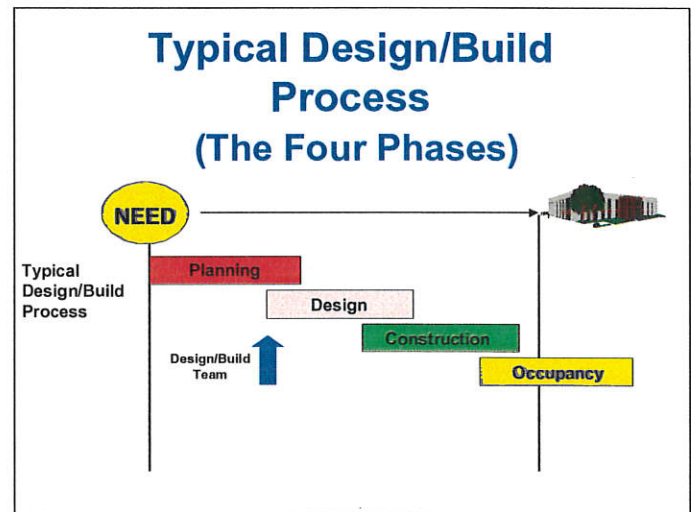
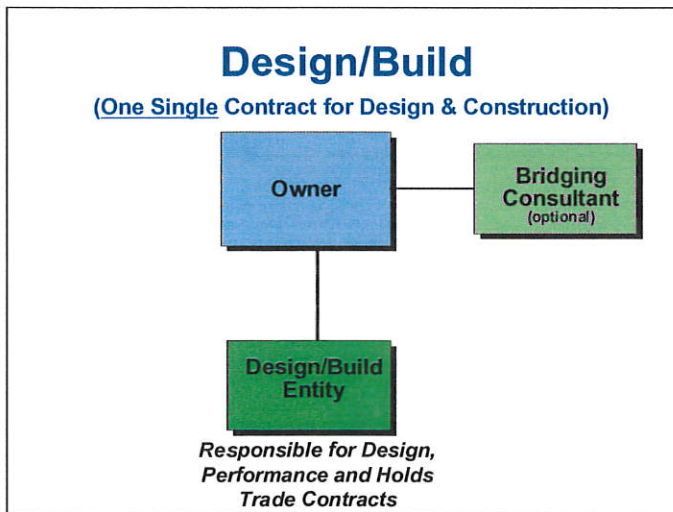
Cons:

- Some duplication of admin tasks – CM, Design Team,
- Loss of objectivity may be perceived as public owners select CM on qualifications rather than strictly price
- Owners may require more cost monitoring than lump sum contracting
- GMP contracts with shared savings clause, contractors have to avoid focusing on savings-split rather than effective performance

DESIGN BUILD

What is Design Build?

- Single entity – single contract
- Design Builder assumes responsibility and risk for arch/eng design and construction
- Design Builder involved from design to construction completion
- Design Builder holds all trade contracts
- Monitors costs, time, quality & safety
 - *takes financial responsibility*
- Selected prior to knowing what cost of project established
- Provides a guaranteed maximum price
 - *Assumes financial risk*



Pros:

- Contractual merger of design & construction saves time
- Long lead time items can be identified, ordered prior to start of construction
- Owners can get quick and reliable answers on issues as effects of design decisions on costs and schedule
- Project cost can be determined relatively soon
- Contract documents can be less detailed
- Value engineering & constructability review enhanced
- Complex projects – full integration of design & construction enables fast schedule with reasonable budget
- Project close out smoother – fewer parties
- Fewer disputes, changes, claims and delays

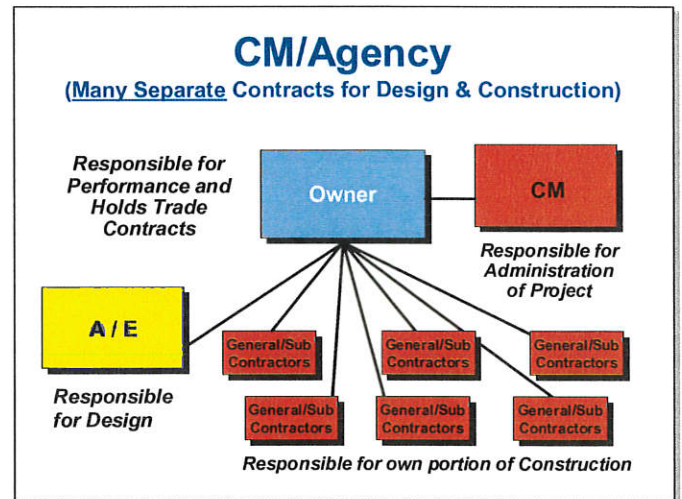
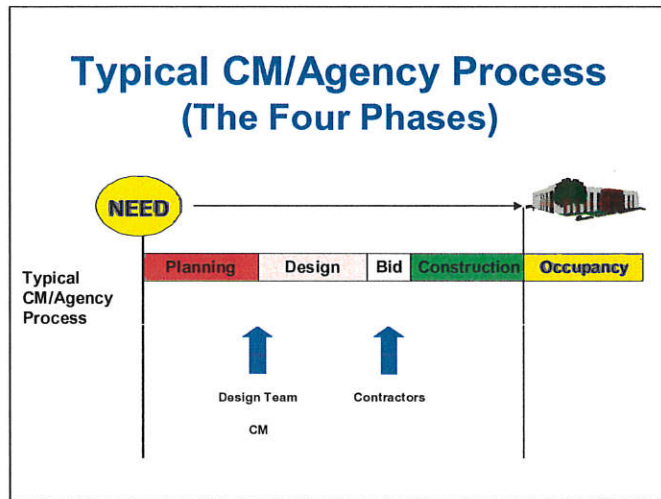
Cons:

- Owner must provide clear statement of scope & requirements
- Potential loss of checks & balances – designer & constructor
- Loss of objectivity may be perceived as public owners select DB on qualifications rather than strictly price
 - If selected on low bid – time & cost savings could be lost
- Insurance/design liability must be addressed – design services require licenses
- Less detailed documents may result in misunderstandings by owner
- Owners may require more cost monitoring than lump sum contracting

CONSTRUCTION MANAGEMENT/AGENCY

What is CM/Agency?

- Construction entity (CM) acts as owner's agent
- Provides leadership & administration
- Involved from planning to construction completion
- Coordinates & monitors trade contractors
- Monitors costs, time, quality & safety
but takes no financial responsibility
- Is paid by a fee, therefore...
Assumes no risk



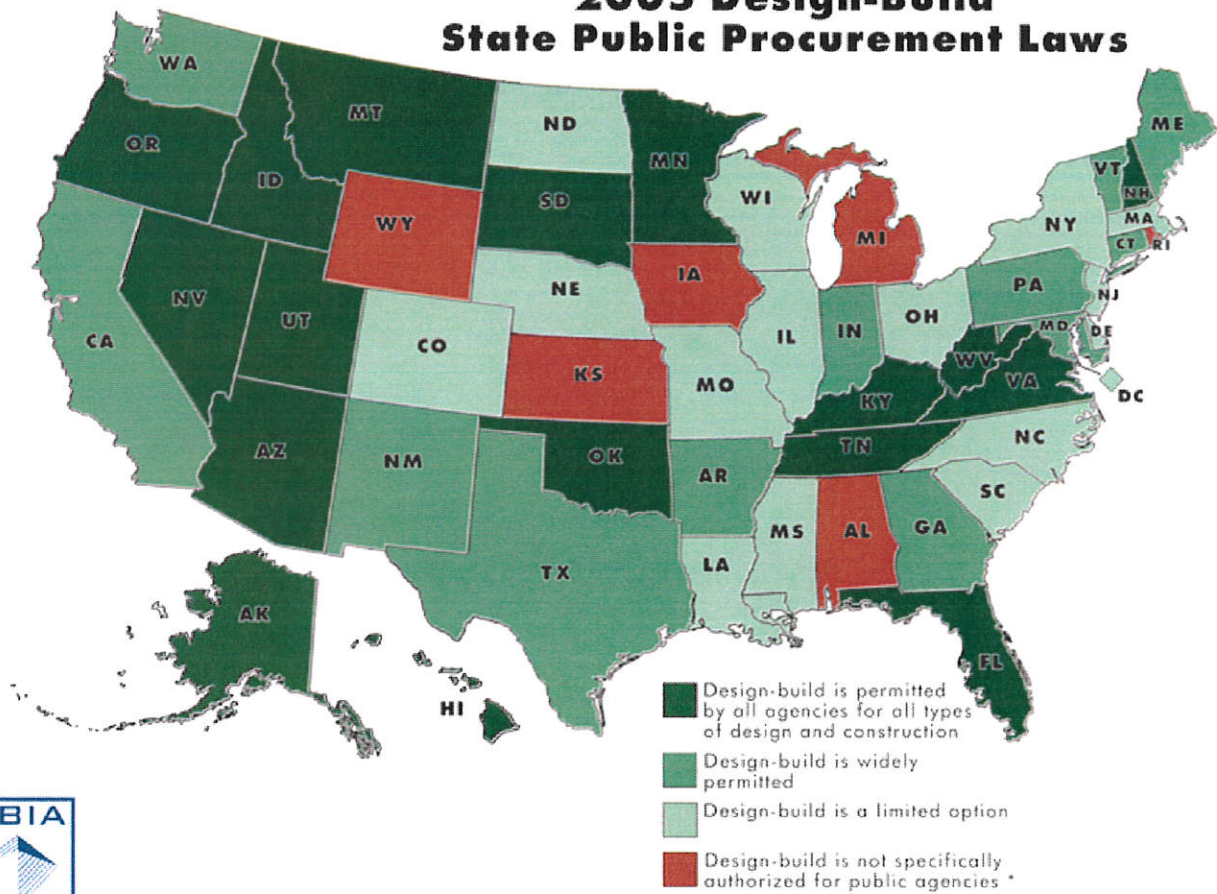
Pros:

- May be quicker than D-B-B – *possible cost savings*
- Better service to owners – serves as owner's rep
- Provides coordination of projects
- Potential CM/A can be pre-qualified and short-listed
- CM can be brought on early - perform preconstruction tasks
- Smooth integration of design and construction – CM can make recommendations during design
- Value engineering/constructability/cost reduction by CM prior to completion of contract documents

Cons:

- No early guaranteed cost – budget, but no guarantee
- Owners may have more cost in fees
- Control over trade contracts may be reduced – CM/A does not hold contracts – thus loses some control
- Some duplication of admin tasks – CM, Design Team, Contractors
- Loss of objectivity may be perceived as public owners select CM on qualifications rather than price
- Fee-driven selection may lead to weak administration
- More paper work for owner and CM (multiple contracts)

2005 Design-Build State Public Procurement Laws



* Certain states allow design-build procurement by case law.

09/15/05

- Kansas is only one of six states that does not allow for the use of Design Build
- Illinois and Indiana were the most recent states to approve some form of legislation



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"Building a Better Tomorrow"

WRITTEN TESTIMONY OF JOSEPH D LEVENS JR., CPC BEFORE SENATE WAYS AND MEANS COMMITTEE

HB 2394

March 10, 2006

Mister Chairman and members of the committee, my name is Joe Levens, Vice President of Eby Construction and President of the Associated General Contractors of Kansas, Inc.

The AGC of Kansas supports House Bill 2394 and requests that you recommend it for passage.

It has been my privilege to serve as the task group chairman on Alternative Project Delivery in the Public Sector for the AGC of Kansas since May of 2002. The task group was charged with researching the alternative project delivery methods commonly used in the private sector and how they have been used by the public sector on both federal and state funded projects in other states. Currently, Kansas is one of only six states that do not have some form of alternative delivery bidding statutes according to the Design Build Institute of America. Our intent was to not favor, nor disfavor, any one method over another but to simply provide information on the options available to the public owner. The results of our research culminated in the publishing of a "white paper" which captured the best practices of public owners across the country. **The "white paper" also supports the AGC's position that all construction projects in the public sector be awarded through a fair, open and objective process that is free of political influence.**

While the AGC of Kansas supports the traditional design-bid-build method of building construction it has become increasingly aware of the desire of public owners to utilize alternative project delivery methods, i.e. Construction Management at Risk and Design-Build, on building construction projects without guidelines or laws to assist them in the selection process. Currently, there are several projects on our state university campuses utilizing the Construction Management at Risk delivery method. These include the state funded Kansas State University Bio-Research facility. Additionally, although funded through the university foundations, the Kansas Polymer Research Center and the Football Stadium West Expansion on the campus of Pittsburg State University and the Beech Museum Addition at Kansas State University are utilizing the Construction Management at Risk project delivery method.

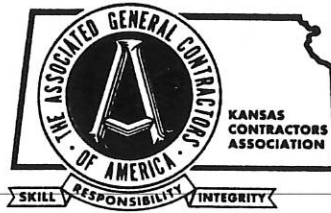
The AGC of Kansas appreciated the opportunity to work with the Governor's BEST team during their drafting of HB 2394 and applauds their effort. Much of the language included in this bill was taken from the AGC of Kansas "white paper". In most cases, the Construction Manager at Risk or Design-Builder is selected prior to the completion of the construction documents and the selection process utilizes additional factors related to the project that can be quantified into a "best value" selection. HB 2394 attempts to insure that a "best value" selection, rather than the "lowest responsible bid," protects the public interest and trust throughout the selection process. HB 2394 includes several prescriptive safeguards just for this reason.

It is not the intent of HB 2394, nor the desire, to use alternative project delivery methods on all public building projects, but rather to provide the public owner with a set of guidelines and laws that will assist them during special circumstances requiring special procurement and construction applications. It is also not the intent to use alternative delivery on highway construction projects or to dictate private sector contracts or selection processes.

Therefore, I respectfully ask that you recommend HB 2394 for passage. Thank you for your consideration.

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Attachment 5

THE KANSAS CONTRACTORS ASSOCIATION, INC.



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Testimony

By the Kansas Contractors Association
before the Senate Ways and Means Committee
on HB 2394
March 10, 2006

Mr. Chairman and members of the Committee, I am Bob Totten, Public Affairs Director for the Kansas Contractors Association. Our organization **represents over 300 companies** who are involved in the construction of highways and water treatment facilities in Kansas and the Midwest.

Today, I want to address our organization's concerns and present position regarding Alternative Delivery methods when companies submit bids. Our present policy is as follows:

The Kansas Contractors Association (KCA) strongly supports full and open competition among all parties providing construction and affiliated services. The construction industry's health and integrity depend on every qualified firm having an equal opportunity to compete.

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Attachment 6

The Kansas Contractors Association recommends that owners select the delivery systems that best fit their particular needs but with due regard for their independent interest in an open and competitive construction industry. KCA maintains that alternative delivery systems are appropriate for the public sector if the selection process is as open, objective, cost effective and free of political influence as the competitive bid system.

This position regarding alternative bid procurement does not come lightly as we have debated and discussed alternative delivery methods within our organization off and on for the past seven years. The bottom line is that we as an organization want the bidding process **for transportation projects** to be open, objective, cost effective and free of political influence. We believe in the competitive bid process and that transportation projects should be awarded to the lowest responsible bidder.

Last year when our sister chapter, the AGC of Kansas proposed HB 2394 which outlined guidelines for alternative bids for the building industry our organization initially opposed the bill. We were not comfortable the measure would adequately exempt alternative bidding procedures for the transportation industry.

Once the legislative session concluded, the leadership of the two construction chapters sat down and hammered out an agreement which is the revised version which I have placed before you today. Because of that agreement, we now urge you to support the revised version.

You must realize this support for the revised version which I have attached to my testimony has reservations. The official minutes of our board meeting held November 4, 2005 is as follows:

“That the KCA board support the AGC’s bill, revised House Bill 2394, as written with the language exempting and protecting the competitive-bid transportation industry, and that if during the legislative process the exemption language is removed, altered, changed or modified, the AGC of Kansas would agree to oppose the bill. The motion was passed 6 to 4.”

The strong exemption language is characterized throughout the revised version of the bill. Specifically, if you look on page 1, section F. there is a definition which outlines that these new procedures do not involve highway construction.

(f) "Building Construction" means furnishing labor, equipment, material or supplies used or consumed for the design, construction, alteration, renovation, repair or maintenance of a building or structure. Building construction does not include highways, roads, bridges, dams or turnpikes or related structures.

Similar language throughout the revised bill helps clarify the intent of this measure which insures highway construction is not involved in this process.

Although we agree on the revised version of the bill. I must say that if any of it changes or is altered, our support for the revised version will disappear.

I appreciate the time you have heard on this important issue to our industry and stand for questions.