

MINUTES OF THE HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 1:30 P.M. on March 17, 2008 in Room 531-N of the Capitol.

All members were present except:
Annie Kuether- excused

Committee staff present:
Julian Efird, Legislative Research
Reed Holwegner, Legislative Research
Melissa Doebelin, Office of Revisor of Statutes
Melba Waggoner, Committee Assistant

Conferees appearing before the committee:
Representative Joe Humerickhouse
Gary Hibbs, Manager of Facilities Planning, Design and Construction for the Division of Facilities Management and the Department of Administration
Trudy Aron, American Institute of Architects
Eric King, Board of Regents
Scott Heidner, lobbyist representing ACEA (Association of Consulting Engineers of America)
Jerry Sloan, Budget Fiscal Officer
Kathy Porter, Office of Judicial Administration
Doug Smith, for the Kansas Credit Attorneys Association (KCAA) and the Kansas Collectors Association, Inc. (KCA)

Written Testimony only was received from:
Richard Smith, Chief Judge of the Sixth Judicial District and Legislative and Chairman of the Kansas District Judge's Association

Others Attending:
See attached list

Representative Lane made a motion to approve the minutes of Feb 25 & 26. Seconded by Representative Kelley. Motion carried.

HB 2744: Procedures for state agencies to acquire architectural, engineering and land surveying services for certain projects for state agencies and setting fees for such services.

The hearing for **HB 2744** was opened by Chairman Yoder.

The first proponent was Rep Humerickhouse, who gave a short background on the bill. The State Building Construction Committee was given charge last summer, by the Legislative Coordinating Council, to take a look at what the state is doing as far as engineering, land surveys and architectural work. The committee worked together with the Joint Facilities Team to write this bill

The next proponent was Eric King, Director of Facilities for the Board of Regents. He testified in his capacity as Chairman of the Joint Facilities Team. This group of individuals was originally established as one of Governor Sebelius' BEST teams, with the charge of identifying potential efficiencies and improvements related to planning and construction in state government. This group, consisting mainly of architects and planners, has met on a monthly basis for several years.

The Joint Facilities Team has spent much time and effort analyzing differences between statutes that relate to various design professionals. The team believes there are common problems and that the changes proposed in **HB 2744** will provide clarity and consistency. The key elements found in the bill are outlined in (Attachment 1).

The third proponent testifying, was Gary Hibbs, Manager of Facilities Planning, Design and Construction for the Division of Facilities Management and the Department of Administration. His testimony (Attachment 2) centered around the last portion of Eric King's testimony. Mr. Hibbs gave a detailed presentation regarding architect and engineer fees for building construction projects. He explained that the various state agencies in the Joint Facilities Team, have created products to help evaluate and negotiate fees for Architects and Engineers. These guidelines are shown in his written testimony (Attachment 2).

Chairman Yoder asked several questions about the reviewing of fees guidelines and who is responsible. Mr Hibbs stated it is the intent of the bill that fees not be set in statue, but that the Secretary of Administration shall maintain published guidelines for fees. These guidelines would be reviewed periodically.

CONTINUATION SHEET

MINUTES OF THE House General Government Budget Committee at 1:30 P.M. on March

Julian Efir explained that reviewing the guidelines is normally a delegated authority of the legislature. They delegate to the executive branch agency. You have to decide whether you want to delegate authority or not delegate authority. They can be reviewed by a legislative entity but not subject to their approval because then you're not truly delegating your authority to the executive branch agency.

Mr Hibbs explained that they bring information to the joint building committee. That committee thoroughly reviews it. They don't give approval but it is assumed that the fact, that it doesn't get thrown out, gives some authority to say they've accepted it.

Next proponent was Trudy Aron, Executive Director of the American Institute of Architect in Kansas. Her testimony is (Attachment 3). She stated that Kansas is the only state that has a fee schedule in statute. The current fee schedule in statute is inflexible. This new bill is something they have wanted for years. The American Institute of Architects fully supports this bill.

Scott Heidner, representing the Association of Consulting Engineers of America stated that they are also in agreement with this bill.

Representative Kelley asked if it is possible for a school to contract locally for a needed project, or do they have to go through the state. Mr Hibbs explained that construction projects need to go through the state and be put out for competitive bid (the lowest responsible bid). The state charges a fee for this process because they are a fee based agency. However this fee has nothing to do with this bill. They are entirely separate. This bill is only about fees for the private sector, architects and engineers which agencies are hiring to do their design work.

Representative Yoder asked if the fees in the bill are for setting maximum amounts. It was explained that they are not maximum amounts but that they are guidelines. The final fee can be more or less than the guideline, depending on the requirements of the job.

There was some discussion about hiring out of state firms. It is the intent of those designing this bill that local firms should be hired but they would also like to have the flexibility of hiring a nearby (for example Kansas City) firm when that firm has special expertise in the project being planned.

The motion was made by Representative Roth and seconded by Rep Lane, to report **HB 2744** favorably for passage. Motion carried.

HB 2968: Increase docket fees by \$9 to fund nonjudicial salary increases.

Proponent Jerry Sloan, Budget and Fiscal Officer, gave testimony on **HB 2968**. It will increase docket fees by \$9 and place the new money in the newly-established Judicial Branch Nonjudicial Salary Adjustment Fund to fund a nonjudicial salary increase in FY 2009 (Attachments 4, 5, and 6) In 2000 the Nonjudicial Salary Initiative provided for regular salary increases based on economic indicators. In spite of these increases, nonjudicial salaries have fallen short of the amount needed to remain competitive. The percentage increase required for FY 2009 in order to return to the competitiveness of their original pay is 15.75%.

(Attachment 7) is a written resolution by the Kansas District Magistrate Judges Association. They are in support of this bill.

Proponent Richard Smith, Chief Judge of the Sixth Judicial District and Legislative Chairman of the Kansas District Judge's Association, gave written testimony only (Attachment 8).

Kathy Porter, Judicial – answered questions from the committee.

Doug Smith from KCAA and KCA gave written testimony, with a short oral explanation. They agree with the need to increase nonjudicial salaries but they are fundamentally opposed to using dockets fees as a funding source for salaries. This is explained in (Attachment 9).

A motion was made by Representative Burroughs and seconded by Representative Roth to report **HB 2968** favorably for passage. Motion carried.

The meeting was adjourned at 3:07. Future meetings are on call of the Chair.

GENERAL GOVERNMENT BUDGET COMMITTEE GUEST LIST

DATE 3/17/08 1:30 P.M.

| NAME | REPRESENTING |
|----------------------|------------------------|
| Destin Meyer | Piegas, Smith, P Assoc |
| Marilyn Jacobs | DOA |
| Katelyn Porter | Judicial Branch |
| Wh. M. Zamm | KS Bar Assn. |
| Gary Hibbs | DFM / DOA |
| Judy Alon | Am Inst of Architects |
| Eric King | KEAR |
| Joe Hummerhouse | Representative |
| Doug Smith | KCA - KCAA |
| Scott Heidner | ACEC Kanser |
| Kini Fowler | Judicial Branch |
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General Government Budget Committee Hearing on HB 2744

Eric King, Director of Facilities
March 17, 2008

Good afternoon Chairman Yoder and Members of the Committee. Thank you for this opportunity to appear before your committee. I am here this morning in my role as Chairman of the Joint Facilities Team. This group of individuals was originally established as one of Governor Sebelius' BEST teams early in her first term of office with the charge of identifying potential efficiencies and improvements related to planning and construction in state government. The group of agency architects/planners found merit in meeting to discuss common issues, and has continued to meet on a monthly basis for several years now.

The Joint Facilities Team has spent considerable time and effort analyzing differences between statutes related to various design professionals. We believe that the changes proposed in HB 2744 will provide consistency and clarity. With your permission, I will briefly go through the key elements found in the bill:

1. Aligns statutes pertaining to all design professionals related to building construction. Current statutes contain differences between requirements for architects and requirements for engineers, surveyors, etc. that perform similar work for the State. For example, architects are required to maintain a Kansas office - engineers and surveyors are not. We believe that the requirement for a Kansas office add costs to certain state projects where a firm from an adjoining state is in closer proximity to a project, or where special expertise requires a firm from an adjoining state to joint venture with a firm with a Kansas office. Another example of statutory differences is that architects are subject to the maximum fee requirements in K.S.A. 75-1263, engineers, surveyors, and landscape architects are not.

2. Expand definitions to include other design professionals.

The definitions under K.S.A. 75-1250 through 75-1267 and amendments thereto have been expanded to include engineers and land surveyors.

3. Update previously approved project limits.

The 2007 legislature approved limits on construction projects. Once these limits are exceeded, the secretary of administration shall convene a negotiating committee, the state building advisory commission shall prepare a list of qualified firms, etc. The limits are \$750,000 for architectural services and \$500,000 for engineering services. The approved limits have been inserted appropriately.

General Government Budget Com.

Attachment 1-1

Date 3-17-08

Budget HB 2744

4. Extraneous and outdated language has been removed.

As an example, the department of administration concluded that that the repetitive design exception “if the division of architectural services has a staff of greater than one chief architect and five designers” is no longer applicable. It was also noted that the division of architectural services as an agency unit no longer exists.

5. Eliminate statutory maximum fee requirements and replace with published guidelines.

Probably the most significant proposed change is the recommendation to eliminate the maximum fee requirements for architects. This has become a target for architects regardless of the size or complexity of the project. Too, a considerable amount of subjectivity has been encountered in arriving at a negotiated fee, and there has been a lack of consistency among agencies. The Joint Facilities Team conducted a comparison of fees in several states and developed a matrix based on the building type (complexity), amount of the project, and the type of construction (new, remodeling or combination). We believe that this method will provide consistency among the agencies, protects the state’s interests, and provide a fair and reasonable fee for the services the state expects to receive. We further recommend that a review be conducted by the department of administration on a regular basis, and that any proposed updates would be reviewed with the Joint Committee on State Building Construction.

Mr. Gary Hibbs, Division of Facilities Management will provide additional information on the fee matrix.

6. Changes to the term “inspection”.

Working with the American Institute of Architects (AIA) Kansas and the American Council of Engineering Companies of Kansas (ACEKS), it came to the attention of the Joint Facilities Team that the term “inspection” has become a liability problem with insurance carriers for design professionals. Working with department of administration legal counsel, we have proposed alternate language that assuages those concerns while protecting the interests of the State.

7. Increase the amount for change orders reviewed with the Joint Committee on State Building Construction.

Change orders exceeding \$75,000 are required to be reviewed with the Joint Committee on State Building Construction. The \$75,000 amount has been in effect for many years while construction costs have escalated significantly. The Joint Facilities Team recommended a modest increase to \$100,000 and the Joint Committee on State Building Construction concluded that \$125,000 would be more appropriate. We concur with this decision.

8. Allow the department of administration to collect fees for services provided on Regents projects funded with private gifts.

Projects funded with private gifts have been exempted from department of fees in the past. The Regents agree that a fair fee for services rendered is appropriate.

It is important to note that the Joint Facilities Team worked closely with other stakeholders, specifically AIA Kansas and the American Council of Engineering Companies of Kansas (ACECKS) and they are supportive of the recommended changes contained in HB 2744.

Thank you for your time. I would be pleased to respond to any questions.

**EVALUATION OF ARCHITECT / ENGINEER FEES
for BUILDING CONSTRUCTION PROJECTS**

General Government Budget Committee

March 17, 2008

Chairman Yoder and members of the committee, I am Gary Hibbs, Manager of Facilities Planning, Design and Construction for the Division of Facilities Management and the Department of Administration. Thank you for the opportunity to present to you today regarding architect and engineer fees for building construction projects.

The Joint Facilities Team, a shared-services group of agency facilities representatives, consisting of the Board of Regents, the Department of Corrections, the Department of Social Rehabilitation Services, the Juvenile Justice Authority, the Adjutant General Department, the Department of Transportation, the Highway Patrol, and all other agencies who contract for building construction projects, as part of their self-directed charge, have been evaluating the fees structure used by the State of Kansas and agencies to pay for architect/engineer (A/E) design services. This evaluation has been on-going for the past 18 months. We are pleased to present to you today our evaluation and recommendations.

K.S.A. 75-1263 – Fees for Project Architects; Determination and Payment, establishes the criteria for calculating fees paid to the design team for A/E services. The current criterion is a defined maximum fee percentage, which is adjusted downward on an incremental scale of ¼% per \$2,250,000 of construction cost increase, to a defined minimum fee percentage. Currently those limits are 7% and 5%. An additional maximum 4% can be added to the base fee for project complexity. If the design team is not required to provide the normal level of services, the fee is reduced by negotiation for the value of services not to be provided. The original statute was created in 1974; revised in 1978, 1979, 1986, and 1990. The 1990 revision adjusted the incremental ranges of the construction costs from \$1,000,000 to \$2,250,000. One unusual aspect of the Kansas calculation method is the incremental fee percentages are applied to the corresponding incremental construction cost ranges. Most states use a set percentage applied to the total construction cost.

The concept and objective of the Joint Facilities Team evaluation was to:

- Compare the process used by other states to determine A/E fees;
- Create consistent and equitable fee negotiations between all agencies and all design firms;
- Establish fee ranges to reflect the current level of services required by the State of Kansas;
- Eliminate the current practice of design firms to characterize all projects as "the most complex";
- Define the following criteria using schedules and guidelines as tools to use in all negotiations:

- Cost of Construction
- Complexity Factor
- Construction Type
- Services Required

EVALUATION OF ARCHITECT / ENGINEER FEES
For BUILDING CONSTRUCTION PROJECTS

The team evaluated nine states that use an approach similar to Kansas and that were readily available on the internet. We examined 12 examples using various adjustments to the following four factors:

- Percentage of increase for small to large cost of construction;
- Percentage of increase for less to more project complexity;
- Compared averages of fee amount of other states to the State of Kansas;
- Compared overall process of other states to the State of Kansas.

We selected an example that appeared to be the most balanced of the 12 examples examined.

The concept and objective evaluation addressed the following issues and the listed solutions of the four identified criteria.

- **Cost of Construction**
 - Issue: Recognize that current costs limits used in KSA 75-1263 are out-of-date.
 - Solution: **Adjusted the set points of the construction costs**
- **Complexity Factor**
 - Issues: Currently no standard
Informally based on prior projects
No consistency between agencies
 - Solution: **Established a list of building types based on typical components used by agencies. Assigned 5 levels of complexity.**
- **Construction Type**
 - Issues: Currently no set standard
Informally based on prior projects
No consistency between agencies
 - Solution: **Established 3 specific types – new, remodel, and combination**
- **Services Required**
 - Issues: Currently an informal process is used
Not consistent
 - Solutions: **Developed a list of services typically required by state agencies.
Developed a checklist to identify what is required or not required for a specific project.**

The recommendation developed from the evaluation, and after review and discussion with the architectural and engineering professions, is a matrix of fees based on the four criteria of construction cost, project complexity, construction type, and services required. The negotiated fee percentage is multiplied as a simple calculation to the estimated cost of construction to establish the A/E services fee for the project.

Examples of the lists and guidelines prepared as tools and a comparative example of new versus existing fees are attached.

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A/E FEE GUIDELINES
Based On
COST and BUILDING TYPE (COMPLEXITY)

| Project Design Fee Range | | | | | | | | | | | | | | | | | | |
|--|-----------|----------|---------|-------------|----------|---------|-------------|----------|---------|-------------|----------|---------|-------------|----------|---------|--------------|----------|---------|
| Construction Cost | \$750,000 | | | \$1,500,000 | | | \$2,500,000 | | | \$5,000,000 | | | \$7,500,000 | | | \$10,000,000 | | |
| Complexity / Construction Type | New | Combined | Remodel | New | Combined | Remodel | New | Combined | Remodel | New | Combined | Remodel | New | Combined | Remodel | New | Combined | Remodel |
| Utilitarian (Considerably Less Than Average) | 7.00% | 8.00% | 9.00% | 6.75% | 7.75% | 8.75% | 6.50% | 7.50% | 8.50% | 6.25% | 7.25% | 8.25% | 6.00% | 7.00% | 8.00% | 5.75% | 6.75% | 7.75% |
| Conventional (Less Than Average) | 7.75% | 8.75% | 9.75% | 7.50% | 8.50% | 9.50% | 7.25% | 8.25% | 9.25% | 7.00% | 8.00% | 9.00% | 6.75% | 7.75% | 8.75% | 6.50% | 7.50% | 8.50% |
| Moderately Complex (Average) | 8.50% | 9.50% | 10.50% | 8.25% | 9.25% | 10.25% | 8.00% | 9.00% | 10.00% | 7.75% | 8.75% | 9.75% | 7.50% | 8.50% | 9.50% | 7.25% | 8.25% | 9.25% |
| Comparatively Complex (More Than Average) | 9.25% | 10.25% | 11.25% | 9.00% | 10.00% | 11.00% | 8.75% | 9.75% | 10.75% | 8.50% | 9.50% | 10.50% | 8.25% | 9.25% | 10.25% | 8.00% | 9.00% | 10.00% |
| Complex (Considerably More Than Average) | 10.00% | 11.00% | 12.00% | 9.75% | 10.75% | 11.75% | 9.50% | 10.50% | 11.50% | 9.25% | 10.25% | 11.25% | 9.00% | 10.00% | 11.00% | 8.75% | 9.75% | 10.75% |

Notes: Each complexity factor and each construction type are established at a normal or typical level of difficulty. Individual projects complexity and construction levels may be evaluated compared to the presumed levels.
 Combined projects include both new construction, such as an addition, and remodeling construction.
 Projects with a Construction Cost between the listed cost values shall have fee values interpolated within the corresponding Fee Ranges.
 Projects with a Construction Cost less than \$750,000 shall be negotiated as if the A/E delivery is "On-Call".
 Projects with a Construction Cost greater than \$10,000,000 shall be evaluated by extending multiples of a \$2,500,000 Construction Cost increase with a 0.25% reduction in Fee Range.
 Reference the separate list of Building Types and their assignment to the categories of Complexity.

2-3

A/E FEE GUIDELINES
Based On
COST and BUILDING TYPE (COMPLEXITY)

| Building Type (Complexity) | | | | |
|--|---|---|---|--|
| Utilitarian (Considerably Less Than Ave.) | Conventional (Less Than Average) | Moderately Complex (Average) | Comparatively Complex (More Than Average) | Complex (Considerably More Than Ave.) |
| Projects of simple, utilitarian character without complication or detail and with a high degree of repetition. | Projects of simple character requiring normal attention to design, detail, and with moderate repetition. | Projects of conventional character requiring normal attention to design and detail, complete mechanical and electrical systems. | Projects of specialized character requiring a high degree of skill in design, containing large amounts of complex scientific mechanical and electrical equipment. | Projects of detail character requiring elaborate planning and execution and devoid of repetition. |
| Agricultural Dam (Earthen) Construction Dam (Earthen) Renovation Grandstand Hangar Industrial Buildings Maintenance Shops Parking Structures Perimeter Security Towers Pre-engineered Structure Prototype Facilities (replication of previously designed facilities) Site Adaptations of Existing Designs Storage Facilities Warehouses | Apartments Armories Bakery Basic Building Structure without interior layout design Boat Ramps Bowling Alley Dining Facilities Dormitories Food Service Greenhouses Gymnasium Historical Facilities requiring only repairs Historical Monuments Laundry Detention / Correctional Facilities - Minimum Natatorium Offices Buildings without partitions Park Shelters Printing Plant Shop & Maintenance Facilities Site Work: Water, Sewers, Streets, Fences, Walks, Parking Lots, Park Trails, Landscaping, Signage, Site Lighting Stadium | Archive Building Auditorium Cellhouse Central Utility Plants Chapel Child Care Classrooms - General Day Care Facilities Detention / Correctional Facilities - Medium Dietary Facilities / Kitchens / Cafeterias Fire & Police Stations Fish Hatchery Floating Docks Recreational Facilities Heating Plant High Voltage Electrical Service / Distribution Laboratory (Dry) Lagoon Library Marinas Medical Office Facilities & Clinics Mental Hospitals - Non-secure Museum Offices Office Buildings with tenant improvements Power Plant Recreation Facility Restroom & Shower Buildings Schools: Sight / Hearing / Physically Impaired Shooting Range - Outdoor Shower Buildings Student Center Student Union / Center Swimming Pool - Natatorium Visitors / Interpretive Centers | Broadcast Studio Classroom - Specialized Computer Center Control Centers Detention / Correctional Facilities - Maximum Fish Hatcheries Food Service Facilities Historical Facilities requiring complete restoration Laboratory - Teaching (Wet) Medical Clinic Mental Hospitals - Secure Museums Observatories Residences Theaters Veterinary Hospital | Computing Center Hospitals Laboratory - Research (Wet) Medical Hospital Science & Medical Research Buildings |

Services Provided by the Project Architect/Engineer

| Description | Program | Additional |
|---|---------|------------|
| Project Administration | X | |
| Document Existing Facility | | X |
| Review of Existing Building Systems (MEP Structural, Fire alarm, Sprinkler etc) | X | |
| Extensive Review / Evaluation of Existing Building Systems | | X |
| Coordination of Owner Supplied Data | X | |
| Review of Program | X | |
| Programming | | X |
| Masterplanning | | X |
| Establish Project Time Schedule | X | |
| Design Review Meetings | X | |
| Facility Study to determine project scope | | X |
| Concept and Schematic Design | X | |
| Design Development | X | |
| Detailed Code Analysis / Code Footprint | X | |
| Code Analysis outside project scope | | X |
| Compliance with ADAAG | X | |
| Visit Like Facilities | | X |
| On-site Utilities Design | X | |
| Off-site Utilities Design | | X |
| Construction Phasing | | X |
| Coordination with Local Jurisdictions outside code compliance issues | | X |
| Public Information Meetings / Presentations | | X |
| Regulatory Reviews (EPA, FAA, KDHE, etc) | | X |
| Energy Code Compliance | X | |
| Renderings | X | |
| Presentation models and/or Fundraising materials | | X |
| Life Cycle Cost Analysis | | X |
| Specialty Consultants | | X |
| Building Security Systems | X | |
| Office/Classroom Telecommunications System design and Construction Documents | X | |
| Specialty Telecommunications System design and Construction Documents | | X |
| Energy Studies | | X |
| Environmental Studies | | X |
| Way finding design (Signage) | X | |
| LEED Certification | | X |
| Architectural Design and Construction Documents | X | |
| Structural Design and Construction Documents | X | |
| Mechanical Design Construction Documents | X | |
| Electrical Design Construction Documents | X | |
| Fire Alarm and Life Safety Systems Design and Construction Documents | X | |
| Fire Suppression Evaluation and Preliminary Design | X | |
| Fire Suppression system Final Design and Construction Documents | | X |
| Civil Design Construction Documents | X | |
| Landscape Design Construction Documents | X | |
| Food Service Design and Construction Documents | X | |

FEE NEGOTIATION CHECKLIST

Agency _____ Construction Budget _____ \$0.00
 Project Title _____
 Project Number _____

Administrative

Architect is required to have liability insurance for this project.
 Minimum amount of coverage is typically 5% _____ \$0.00

Visit Like Facilities
 Yes No

Life Cycle Cost Analysis
 Yes No List Systems _____

LEED Certification
 Yes No

Existing Documentation of Bldg
 Available from DFM Electronic Paper
 Available from Agency Electronic Paper
 Project architect/engineer to create
 Extensive verification and site investigation

Existing Facility Study used to determine project scope
 Yes No

Programming is required by the architect/engineer
 Yes No

Additional evaluation and examination of existing MEP systems including viability and life span.
 Yes No Which systems? _____

Design (Schematic/ Design Development)

Code Review / Analysis outside the scope of this project
 Yes No

Energy Code Compliance
 Yes No

Frequency of Reviews
 Per Manual (Concept, Schematic, DD)
 Other than Prescribed in Manual. Explain requirements _____

Review Documents
 Per Manual (5 sets 2-DFM, 3 to agency / user agency)
 Other than Prescribed in Manual. Explain requirements _____

Additional Reviews with committees or public information meetings.
 Yes No How many? _____

Coordination with local jurisdictions for utilities / services
 Yes No Explain _____

Regulatory Reviews (EPA, FAA, KDHE, etc)
 Yes No How many? _____

Rendering, presentation model or tools required for fund raising
 Rendering (computer generated is standard) Media other than Computer
 Presentation Model Fund raising media

Building Security Systems
 General Detention

Agency _____ Construction Budget \$0.00
Project Title _____
Project Number _____

Specialty Consultant(s) Required (Food Service, Acoustical, Detention etc.)

Yes No List consultants _____

Construction Documents

Frequency of Reviews

Per Manual (30%, 60%, Final)
 Other than Prescribed in Manual

Explain _____

Review Documents (Plans and Specifications)

Per Manual (5 sets 2-DFM, 3 to agency / user agency)
Other than Prescribed in Manual

Explain _____

Number of Bid Packages Required

One (1) More than one (1) How many? _____

Additional Reviews required by the funding or Certification agency.

Yes No How many? _____

Bidding

Is a Pre-Bid Conference required for this project

Yes No If yes, architect/engineer attendance is mandatory

Construction Administration

Attend Pre-construction Conference

Yes No

Provide Project Meetings and Site Visits

Yes No

Weekly Twice a month Other _____

Travel Distance from architect/engineer office to project site

Local 60 Miles More than 60 miles _____

Travel Time from architect/engineer office to project site

< 2 Hrs 2-4 Hrs > 4 Hrs _____

Construction Duration

< 6 months 6 to 12 Mo. 12-24 Mo. >24 Mo. _____

Special Testing

List Systems _____

Project Close Out

As-Builts

Per Manual (1 vellum copy to DFM, 1 CD/DVD to DFM, 2 CD/DVD to agency)
 Other than Prescribed in Manual

Explain _____

Commissioning of HVAC systems

Yes No

EVALUATION OF ARCHIECT/ENGINEER FEES For BUILDING CONSTRUCTION PROJECTS

General Government Budget Committee

March 17, 2008

FEE COMPARISONS

Example Proposed schedule, based on the proposed **Moderately Complex** (average) complexity compared to existing schedule, based on the minimum and maximum percentages.

| <u>Proposed Schedule</u> | | | | <u>Existing Schedule</u> | | | |
|--------------------------|---------|--------|-------------|--------------------------|--------|-------------|-----------|
| Construction Cost | Type | % Fee | A/E Fee | Construction Cost | % Fee | Effective % | A/E Fee |
| \$750K | New | 8.50% | \$ 63,750 | Under \$2.25M | 7.00% | (7.00) | \$ 52,500 |
| | Remodel | 10.50% | \$ 78,750 | | +4.0%* | (11.0) | \$ 82,500 |
| \$1.5M | New | 8.25% | \$123,750 | Under \$2.25M | 7.00% | (7.00) | \$105,000 |
| | Remodel | 10.25% | \$153,750 | | +4.0%* | (11.00) | \$165,000 |
| \$2.5M | New | 8.00% | \$200,000 | \$2.25M to \$4.5M | 6.25% | (6.93) | \$173,125 |
| | Remodel | 10.0% | \$250,000 | | +4.0%* | (10.93) | \$273,125 |
| \$5.0M | New | 7.75% | \$387,500 | \$4.5M to \$6.75M | 5.50% | (6.51) | \$325,625 |
| | Remodel | 10.75% | \$537,500 | | +4.0%* | (10.51) | \$525,625 |
| \$7.5M | New | 7.50% | \$562,500 | Over \$6.75M | 5.00% | (6.13) | \$459,375 |
| | Remodel | 10.50% | \$787,500 | | +4.0%* | (10.13) | \$759,375 |
| \$10.0M | New | 7.25% | \$725,000 | Over \$6.75M | 5.00% | (5.84) | \$584,375 |
| | Remodel | 10.25% | \$1,025,000 | | +4.0%* | (9.84) | \$984,375 |

*Note: Remodel % is negotiated under Existing Schedule; 4% increase is the maximum.

March 17, 2008



TO: General Government Budget Committee
FROM: Trudy Aron, Executive Director
RE: Support of HB 2744

President
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Topeka
President Elect
David S. Heit, AIA
Topeka
Secretary
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Overland Park
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Overland Park
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Manhattan
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Topeka
Daniel (Terry) Tevis, AIA
Lenexa
Jerry E. Volesky, AIA
Topeka
Eric Wittman, Assoc AIA
Wichita

Representative Yoder and Members of the Committee I am Trudy Aron, Executive Director of the American Institute of Architects in Kansas. Thank you for allowing us to testify in support of HB 2744.

AIA Kansas is a statewide association of architects and intern architects. Our 700 members are currently designing the facilities we will use into the future. We are committed to designing these facilities to leave a lighter carbon footprint on our environment.

HB 2744 consolidates various statutory requirements for architectural, engineering, and land surveying building design services for state agency projects into one common statute.

AIA Kansas has worked with the members of the Joint Facilities Team on this bill and supports it entirely. This bill provides a common set of requirements for the various design professions. Additionally, it removes from current statutes the fee schedule for architectural services for state agency projects. Kansas is the only state that has a fee schedule in statute.

Once the bill is passed, the Secretary of Administration will use published guidelines to negotiate fees based on the cost, the complexity, the type of construction, and the level of services needed for each specific project.

The current fee schedule in statute is inflexible. The State of Kansas is a sophisticated client and as such, will be able to better meet their needs by using a fee guideline that allows the State to determine the services needed for a particular project and a reasonable fee to be paid for those design services.

AIA Kansas urges you to pass HB 2744 out of committee favorably. Thank you.

I'll stand for questions.

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

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Budget HB 2744



State of Kansas

Office of Judicial Administration

Kansas Judicial Center
301 SW 10th
Topeka, Kansas 66612-1507

(785) 296-2256

House General Government Budget Committee

March 17, 2008

Thank you for the opportunity to discuss HB 2968. HB 2968 would increase docket fees by \$9 and place the new money in the newly-established Judicial Branch Nonjudicial Salary Adjustment Fund to fund a nonjudicial salary increase in FY 2009. As you are aware, state employee pay plan has deteriorated over the past several years. So much, that the typical cola can no longer be used as a patch. The House has already passed a bill that will provide funding for the first year of a multi-year plan to create a pay plan for the Executive Branch that would correct this problem. HB 2968 would provide funding for the first year of a three-year plan for the Judicial Branch.

In my budget testimony to you on February 4th, I discussed how the Judicial Branch pay plan was significantly changed based on an initiative in 2000, the Nonjudicial Salary Initiative. One of the major recommendations of the study at that time was that salary plan adjustments, based on economic indicators, were regularly needed so the pay plan would not again fall into disrepair. However, since the implementation of the new pay plan, the salary adjustments provided have fallen short of the amount needed to remain competitive. Since we are attempting to keep our salaries and wages competitive and not attempting to maintain the buying power of a salary, the economic indicator we follow is the Employment Cost Index and not the Consumer Price Index. While in many of the years the difference between the salary increase provided and the one indicated by the Employment Cost Index may have appeared relatively minor, the cumulative effect is definitely significant. The percentage increase required for FY 2009 in order to return to the competitiveness of our pay plan to where it was at implementation is 15.75%.

This Committee recommended the increase be phased in over three years and that the first year be funded by an increase in the docket fees. HB 2968 is the legislation that would implement that first year funding and thus, we support the bill.

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Budget HB 2968

| Type of Fee | Filings or Terminations | % of Cases Docket Fees Collected | Adjusted Filings or Terminations | Current Fee | Proposed Increase | Proposed Total | Incr From Proposal |
|---|-------------------------|----------------------------------|----------------------------------|-------------|-------------------|----------------|--------------------|
| Civil | | | | | | | |
| Chapter 60 Limited Action (61) | 25,689 | 98% | 25,175 | \$147.00 | \$9.00 | \$156.00 | \$226,577 |
| <=\$500 | 130,768 | 98% | 128,153 | \$28.00 | \$9.00 | \$37.00 | \$634,356 |
| >\$500 or <=\$5,000 | | 55% | 70,484 | \$48.00 | \$9.00 | \$57.00 | \$461,350 |
| >\$5,000 or <=\$10,000 | | 40% | 51,261 | \$94.00 | \$9.00 | \$103.00 | \$57,669 |
| Small Claims | 9,450 | 98% | 9,261 | \$30.00 | \$9.00 | \$39.00 | \$45,842 |
| | | 55% | 5,094 | \$50.00 | \$9.00 | \$59.00 | \$37,507 |
| Domestic Relations Post Decree Motion | 39,374 | 60% | 23,624 | \$147.00 | \$9.00 | \$156.00 | \$212,620 |
| | 11,732 | 1.0 motion per decree | 11,732 | \$33.00 | \$9.00 | \$42.00 | \$105,588 |
| Juvenile*** | | | | | | | |
| Child in Need of Care | 6,330 | 6% | 380 | \$25.00 | \$9.00 | \$34.00 | \$2,564 |
| Juvenile Offender | 13,883 | 10% | 1,388 | \$25.00 | \$9.00 | \$34.00 | \$9,371 |
| Criminal* | | | | | | | |
| Felony | 18,879 | 16% | 3,021 | \$163.00 | \$9.00 | \$172.00 | \$13,593 |
| Misdemeanor | 17,950 | 38% | 6,821 | \$128.00 | \$9.00 | \$137.00 | \$30,695 |
| Expungements | 500 | 100% | 500 | \$100.00 | \$9.00 | \$109.00 | \$4,500 |
| Probate | | | | | | | |
| Treatment of Alcohol or Drug or Treatment of Mentally Ill | 2,849 | 25% | 712 | \$27.50 | \$9.00 | \$36.50 | \$6,410 |
| Determination of Descent | 1,355 | 98% | 1,328 | \$42.50 | \$9.00 | \$51.50 | \$11,951 |
| Guardianship and Conservatorship | 2,041 | 50% | 1,021 | \$62.50 | \$9.00 | \$71.50 | \$9,185 |
| Annual Reports | 7,800 | 100% | 7,800 | \$5.00 | \$9.00 | \$14.00 | \$70,200 |
| Annual Accounting of Conservatorship over \$10,000 | 3,500 | 30% | 1,050 | \$5.00 | \$9.00 | \$14.00 | \$9,450 |
| Closing Conservatorship | | | | | | | |
| under \$10,000 | 1,000 | 100% | 1,000 | \$5.00 | \$9.00 | \$14.00 | \$9,000 |
| over \$10,000 | 1,000 | 100% | 1,000 | \$5.00 | \$9.00 | \$14.00 | \$9,000 |
| Probate of an Estate or a Will | 3,503 | 100% | 3,503 | \$102.50 | \$9.00 | \$111.50 | \$31,527 |
| Other Costs and Fees | | | | | | | |
| Performance Bonds | | | | | | | |
| Delinquent Personal Property Tax | | | | | | | |
| Hospital Lien | | | | | | | |
| Intent to Perform | | | | | | | |
| Mechanic's Lien | | | | | | | |
| Oil and Gas Mechanic's Lien | | | | | | | |
| Pending Action Lien | | | | | | | |
| Total | 3,435 | 100% | 3,435 | \$5.00 | \$9.00 | \$14.00 | \$30,915 |
| Employment Security Tax Warrant | | | | | | | |
| Sales and Compensating Tax Warrant | | | | | | | |
| State Tax Warrant | | | | | | | |
| Motor Carrier Lien | | | | | | | |
| Total | 4,812 | 100% | 4,812 | \$15.00 | \$9.00 | \$24.00 | \$43,308 |
| Marriage License | 19,696 | 100% | 19,696 | \$50.00 | \$9.00 | \$59.00 | \$177,264 |
| Driver's License Reinstatements | 18,770 | 100% | 18,770 | \$50.00 | \$9.00 | \$59.00 | \$168,926 |
| Traffic** | 213,863 | 92% | 196,754 | \$66.00 | \$9.00 | \$75.00 | \$1,416,629 |
| Fish and Game** | 2,421 | 83% | 2,009 | \$66.00 | \$9.00 | \$75.00 | \$14,468 |

TOTAL FEES COLLECTED

\$3,850,461

* Criminal fees are adjusted by 50% to reflect delayed implementation
 ** Traffic and Fish and Game fees are adjusted by 20% to reflect delayed collection
 *** Juvenile fees are adjusted by 25% to reflect delayed implementation

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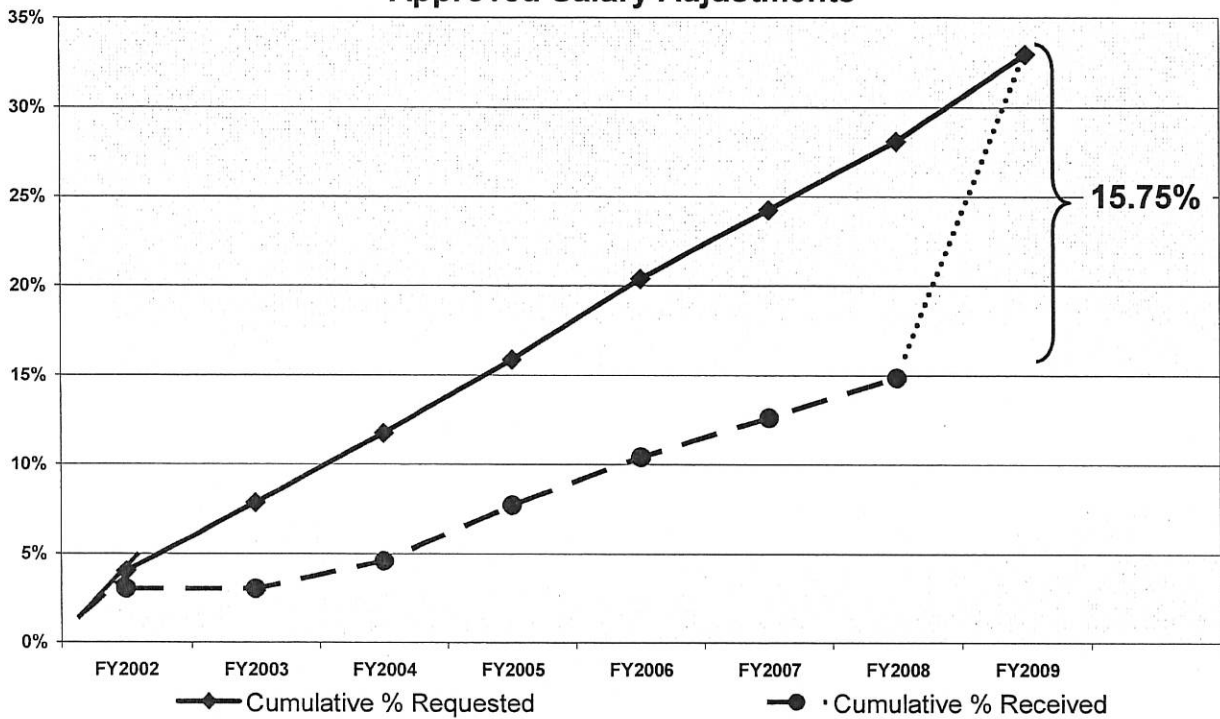
Budget HB 2968

Restoration of Competitiveness to the Judicial Branch Pay Plan

- Without salaries that can compete with those of other employers, the Judicial Branch will no longer be able to attract and retain qualified employees.
- Before the implementation of the NJSI (the Nonjudicial Salary Initiative) in FY 2001, the Judicial Branch experienced high turnover and difficulty in recruiting employees for many jobs. Job advertisements sometimes led to few or no applicants.
- Employees frequently cited low pay as a reason for leaving Judicial Branch employment, and surveys of competing employers confirmed that Judicial Branch pay was not competitive.
- After implementation of the NJSI, turnover declined and the overall competence and qualifications of job applicants improved, again confirming that low pay was a primary cause of the previous hiring difficulties.
- One of the principal recommendations of the NJSI study was that pay rates need to be adjusted regularly based on economic indicators in order to remain competitive.
- The Employment Cost Index (ECI), as reported by the U. S. Bureau of Labor Statistics, shows the previous year's increase in compensation costs for civilian workers, which is believed to be the adjustment needed to stay competitive with other employers.
- Each year since the FY 2001 implementation of the NJSI, the Judicial Branch budget has requested a salary adjustment based on the previous year's Employment Cost Index, but each year the approved salary increase, if any, has been less than the request based on the ECI.
- With the exception of FY 2003, in which there was no approved salary increase and the ECI was 3.7%, the difference between the ECI and the approved salary increase has not been dramatic. However, the cumulative effect has been dramatic, as shown in the attached graph and chart.
- As a result, each year Judicial Branch pay falls further behind where it needs to be in order to remain competitive with other employers. This is being reflected in higher turnover and more difficulty in recruiting.
- At this time, a 15.75% salary adjustment is needed for FY 2009 to return the Judicial Branch, as an employer, to a position of being able to compete with other employers for qualified employees.

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**Cumulative Salary Plan Adjustments Since NJSI
Requests Based on Employment Cost Index vs.
Approved Salary Adjustments**



**Comparison of Employment Cost Index and Approved Salary Adjustments
FY 2002 to FY 2009 – Impact on \$20,000 Salary Base**

| Fiscal Year | Annual Salary | ECI | Fiscal Year | Annual Salary | COLA | Percent Change |
|-------------|---------------|------|-------------|---------------|------|----------------|
| | 20,000 | | | 20,000 | | |
| FY 2002 | 20,800 | 4.0% | FY 2002 | 20,604* | 3.0% | |
| FY 2003 | 21,570 | 3.7% | FY 2003 | 20,604 | 0.0% | |
| FY 2004 | 22,346 | 3.6% | FY 2004 | 20,914 | 1.5% | |
| FY 2005 | 23,173 | 3.7% | FY 2005 | 21,541 | 3.0% | |
| FY 2006 | 24,077 | 3.9% | FY 2006 | 22,080* | 2.5% | |
| FY 2007 | 24,847 | 3.2% | FY 2007 | 22,522 | 2.0% | |
| FY 2008 | 25,617 | 3.1% | FY 2008 | 22,972 | 2.0% | |
| FY 2009 | 26,591 | 3.8% | FY 2009 | | | 15.75% |

*Reflects effect of staggered COLA distribution

Office of Judicial Administration
301 SW 10th Avenue
Topeka, KS 66612-1507
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KS. DISTRICT MAGISTRATE JUDGES ASSOC.

RESOLUTION

Let it be known that the Legislative Committee of the Kansas District Magistrate Judges' Association for the good State of Kansas has affirmed their support for the non-judicial salary initiative. The Court staff that we work with in our District Courts are professional, committed, and hard working and it is discouraging to lose qualified personnel to outside employers able to offer higher salaries.

Therefore, we are in support of any bills introduced with the language of raising non-judicial salaries in the next calendar year.

Respectfully submitted by

Judge Mike Freelove,
President of the Ks. District Magistrate Judges Assoc.

Judge Peggy Alford
Chairperson of the Legislative Committee.

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HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

Hon. Kevin Yoder, Chairman

Hon. Kasha Kelley, Vice Chairperson

Hon. Harold Lane, R.M. Member

March 17, 2008

1:30 p.m.

Room 531-N

Chief Judge Richard M. Smith

Sixth Judicial District

Legislative Chairman, KDJA

P.O. Box 350

Mound City, Kansas 66056-0350

judgelndc@earthlink.net

TESTIMONY IN SUPPORT OF HB 2968

My name is Richard M. Smith and I am the Chief Judge of the Sixth Judicial District and am legislative chairman of the Kansas District Judge's Association. Thank you for allowing our association to appear by written testimony. The executive committee of the KDJA stands in unanimous support of house bill 2968. This legislation will help all district courts in the State of Kansas by allowing them to more adequately compete with the private sector to attract and retain qualified employees.

All court systems both urban and rural currently suffer a competitive disadvantage when compared to the private sector. Statewide, Chief Judges have witnessed the loss of valuable employees who can find higher wages with employers in the private sector where, frankly, they do not face the difficult work environment of a district court. Our district has actually lost an employee to Wal-Mart.

District court personnel generally deal with a public sector customer base which is under great stress. This customer base are persons often times charged

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traffic infractions or are persons engaged in life altering litigation such as divorce and other civil actions. Our employees are charged with the responsibility of working with the public who are under these difficult circumstances while simultaneously charged with creating and maintaining a permanent record of the official actions of our courts. Many of these employees are responsible for receiving and accounting for great amounts of money. Others are charged with the responsibility of monitoring and supervising convicted persons with the goal of keeping our communities safe. Taken as whole there are no private sector positions which present all of these difficult circumstances.

The high turnover and difficulty in recruiting employees for many jobs has been recognized for many years. In 2000 the NJSI (non-judicial salary initiative) studied these issues and discovered that employees frequently cited low pay as a reason for leaving the judicial branch. Surveys of competing employers have confirmed that Judicial Branch pay is not competitive with the private sector. Notices of job vacancies too frequently result in no qualified applicants or no applicants at all.

Recruiting and keeping qualified personnel is essential to maintaining a court system of which we can all be proud. Any organization, public or private, is only as effective as the quality of its work force.

The Kansas District Judges Association asks you to support HB 2968.

Respectfully submitted

A large, stylized handwritten signature in black ink, appearing to read 'Richard M. Smith', with a long horizontal line extending to the right.

Richard M. Smith
Chief District Judge
Sixth Judicial District

KANSAS CREDIT ATTORNEYS ASSOCIATION AND KANSAS COLLECTORS ASSOCIATION, INC.

REMARKS CONCERNING HOUSE BILL NO. 2968

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

March 17, 2008

Chairman Yoder and Members of the House General Government Budget Committee:

Thank you for the opportunity to present remarks regarding House Bill 2968 on behalf of the Kansas Credit Attorneys Association and Kansas Collectors Association, Inc. The Kansas Credit Attorneys Association is a statewide organization of attorneys, representing law firms, whose practice includes considerable collection work, and Kansas Collectors Association, Inc., which is an association of collection agencies in Kansas. Our members represent the interests of retail merchants of all sizes and other small businesses in collection and legal matters resulting from the unpaid or past due payment for goods or services.

The KCAA and KCA appear today as opponents to House Bill No. 2968.

House Bill No. 2968 creates the judicial branch non-judicial salary adjustment fund and increases docket fees \$9 to provide resources for the fund. While increased compensation for non-judicial officers and court employees may be necessary, funding salary increases by means of a flat docket fee increase of \$9, without a step-up approach, unfairly falls on the backs of a select group of Kansas residents and Kansas businesses. Unfortunately, these Kansas residents and Kansas businesses are caught in the middle of this fiscal and political battle of budget priorities.

We understand the difficulties the Judicial Branch has with attracting qualified employees. The KCAA and KCA are fundamentally opposed to using docket fees as a funding source for salaries. Our members are always cautious of efforts to raise additional revenues through increased service fees with no corresponding improvement in services being offered to those who utilize the services.

Should merchants and small businesses have to weigh the cost of entering the judicial system into their attempts to recover money due them for the goods or services they provided someone? Some might argue that increased courts costs could be passed through. That is only after a case is filed, arguments heard, a favorable judgment rendered and the judgment collected.

Although civil cases, including collection matters, which are our members' primary practice area, make up a large portion of the case filings and the revenue generated, they require less of the court's resources in comparison to other types of cases, such as criminal and divorce matters. Remember that state and local governments, some of the biggest users of the court system, don't pay fees like everyone else.

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Private parties already pay their share of the docket fees and since taxpayers, as a whole, benefit from the judicial system we suggest increased compensation for non-judicial officers and court employees be funded by the state general fund, in the same manner as all other state employees.

We respectfully request that you consider our remarks as you work your way through this issue and reject HB 2968.

Thank you again for your time and consideration.

Douglas E. Smith
For the Kansas Credit Attorneys Association
and the Kansas Collectors Association, Inc.