

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

February 4, 2010
Room 144-S—Statehouse

Members Present

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

Members Absent

Senator Jay Emler
Representative Steve Brunk

Staff

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

Conferees

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

Other Attending

See attached list.

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

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

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

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

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

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

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

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

2/4/10

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

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

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

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

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

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

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

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

Prepared by Gary Deeter
Edited by Audrey Dunkel

Approved by Committee on:

April 28, 2010

(Date)

50427 JCSBC-(4/26/10(3:26PM))

Joint Committee on State Building Construction

Review of Capital Improvements Requests for:

Wildlife and Parks
State Fair
Highway Patrol
Adjutant General

February 4, 2010

Attachment 1
JCSBC 2-4-10

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Department of Wildlife and Parks **Bill No.** xxx

Bill Sec. xxx

Analyst: O'Hara

Analysis Pg. No. xxx

Capital Budget Page No. 233

Project	Agency Estimate FY 2010	Gov. Rec. FY 2010	JCSBC Rec FY 2010
Projects:			
Parks Major Maintenance	\$ 2,087,147	\$ 2,087,147	\$ 0
Land Acquisition	1,153,670	1,153,670	0
Cabin Site Preparation	300,000	250,000	0
Wetlands	266,800	266,800	0
Public Lands Major Maintenance	2,493,839	2,493,839	0
River Access	80,115	80,115	0
Boating Access	346,210	346,210	0
Dam Repair	850,000	850,000	0
Trails Development	421,000	421,000	0
Road Maintenance	3,318,936	3,318,936	0
Bridge Maintenance	387,021	387,021	0
Federally Mandated Boating Access	2,270,362	2,270,362	0
Storage Building	40,000	40,000	0
Other Facilities Maintenance	318,949	318,949	0
Special Assessment – Kaw River State Park	186,846	186,846	0
TOTAL	\$ 14,520,895	\$ 14,470,895	\$ 0
Financing:			
State General Fund	\$ 461,049	\$ 461,049	\$ 0
Special Revenue Funds	9,313,468	8,996,418	0
Federal Funds	4,746,378	5,013,428	0
TOTAL	\$ 14,520,895	\$ 14,470,895	\$ 0

Agency Estimate

The agency estimates FY 2010 expenditures totaling \$14.5 million, including \$461,049 from the State General Fund. The State General Fund revised FY 2010 estimate includes a State General Fund reduction of \$116,794 from the state parks capital improvements budget as a result of the Governor's July 2009 State General Fund allotments. The revised FY 2010 estimate is an increase of \$6.5 million, or 80.7 percent, above the agency's FY 2009 actual expenditures. The increase above the agency's FY 2009 actual expenditures is attributed to reappropriated funding that carried forward from FY 2009 to FY 2010. The agency states it is not unusual for projects to be approved in one fiscal year, begun the next fiscal year, and finished the fiscal year after that. Many projects take place on federally-owned land and must

be submitted for approval through the Army Corps of Engineers or the Bureau of Reclamation, and other delays are sometimes the result of regular waiting periods for engineering plans, bidding for projects, and seasonal weather issues.

The revised FY 2010 estimate also includes a supplemental request of \$50,000, all from the Cabin Revenue Fund, to increase expenditures in the Cabin Site Preparation Program for site preparation for up to three additional cabin sites. The funds are used to prepare foundations and provide infrastructure needs such as water, electrical, and sewer services.

Governor's Recommendation

The **Governor** recommends FY 2010 expenditures totaling \$14.5 million, including \$461,049 from the State General Fund. The Governor concurs with the agency's State General Fund revised FY 2010 estimate. The Governor's recommendation is a decrease of \$50,000, or 0.3 percent, below the agency's revised FY 2010 estimate. The Governor does not recommend the agency's supplemental request, which totals \$50,000, all from the Cabin Revenue Fund.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Department of Wildlife and Parks **Bill No.** xxx **Bill Sec.** xxx

Analyst: O'Hara **Analysis Pg. No.** xxx **Capital Budget Page No.** 233

Project	Agency Request FY 2011	Gov. Rec. FY 2011	JCSBC Rec FY 2011
Projects:			
Parks Major Maintenance	\$ 1,875,000	\$ 500,000	\$ 0
Land Acquisition	2,100,000	2,100,000	0
Cabin Site Preparation	300,000	300,000	0
Wetlands	400,000	400,000	0
Public Lands Major Maintenance	392,500	392,500	0
River Access	150,000	150,000	0
Trail Development	585,000	585,000	0
Road Maintenance	1,681,000	637,472	0
Bridge Maintenance	200,000	200,000	0
Federally Mandated Boating Access	1,140,000	1,140,000	0
Debt Service Principal	45,000	45,000	0
TOTAL	\$ 8,868,500	\$ 6,449,972	\$ 0
Financing:			
State General Fund	\$ 1,506,300	\$ 6,300	\$ 0
Special Revenue Funds	5,177,200	4,033,672	0
Federal Funds	2,185,000	2,410,000	0
TOTAL	\$ 8,868,500	\$ 6,449,972	\$ 0

Agency Request

The **agency** requests expenditures totaling \$8.9 million, including \$1.5 million from the State General Fund. The request is a decrease of \$5.7 million, or 38.9 percent, below the agency's revised FY 2010 estimate. The request includes an enhancement request of \$1.5 million, all from the State General Fund. Absent the enhancement request, the agency's State General Fund request for capital improvements totals \$6,300, which is attributed to debt service principal payments. The remainder of the decrease is due to capital improvement projects that are anticipated to conclude in FY 2010 and reappropriated funding that was carried forward from FY 2009 to FY 2010 that is budgeted to be spent in FY 2010. The agency requests increases in several of the programs to reflect anticipated payments, maintenance, and construction.

Governor's Recommendation

The **Governor** recommends expenditures totaling \$6.4 million, including \$6,300 from the State General Fund. The recommendation is a decrease of \$2.4 million, or 27.3 percent, below

the agency's FY 2010 request, and a decrease of \$8.0 million, or 55.4 percent, below the Governor's FY 2010 recommendation. The Governor does not recommend the agency's enhancement request, which totals \$1.5 million, all from the State General Fund. The Governor also recommends suspending a transfer from the State Highway Fund to the agency's Department Access Roads Fund in FY 2011 totaling \$1,043,528. In addition, the Governor recommends an addition of \$125,000, all from federal funds, for facilities at the State Parks.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Kansas State Fair

Bill No. xxx

Bill Sec. xxx

Analyst: O'Hara

Analysis Pg. No. xxx

Capital Budget Page No. 233

Project	Agency Estimate FY 2010	Gov. Rec. FY 2010	JCSBC Rec FY 2010
Projects:			
Rehabilitation and Repair	\$ 261,896	\$ 261,896	\$ 0
Debt Service Principal	0	0	0
TOTAL	\$ 261,896	\$ 261,896	\$ 0
Financing:			
State General Funds	\$ 0	\$ 0	\$ 0
All Other Funds	261,896	261,896	0
TOTAL	\$ 261,896	\$ 261,896	\$ 0

Agency Estimate

The **agency** estimates FY 2010 capital improvement expenditures of \$261,896, all from the agency's special revenue funds, which is a decrease of \$654,766, or 71.4 percent, below FY 2009 actual expenditures for capital improvements, which totaled \$916,662 and included a debt service principal payment of \$745,000. The revised FY 2010 estimate includes funding for rehabilitation and repair projects, which is part of the agency's Preventative Maintenance Program for maintenance and upkeep of the State Fairgrounds after the completion of the Capital Improvement Master Plan. The agency was not approved for debt service principal expenditures by the 2009 Legislature for FY 2010 as part of an overall debt restructuring plan.

Governor's Recommendation

The **Governor** concurs with the agency's revised FY 2011 estimate.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Kansas State Fair

Bill No. xxx

Bill Sec. xxx

Analyst: O'Hara

Analysis Pg. No. xxx

Capital Budget Page No. 233

Project	Agency Request FY 2011	Gov. Rec. FY 2011	JCSBC Rec FY 2011
Projects:			
Rehabilitation and Repair	\$ 116,592	\$ 116,592	\$
Debt Service Principal	1,255,000	1,255,000	
TOTAL	\$ 1,371,592	\$ 1,371,592	\$ 0
Financing:			
State General Fund	\$ 1,255,000	\$ 1,255,000	\$
All Other Funds	116,592	116,592	
TOTAL	\$ 1,371,592	\$ 1,371,592	\$ 0

Agency Request

The agency requests capital improvement expenditures of \$1.4 million, including \$1.3 million from the State General Fund, which is an increase of \$1.1 million, or 423.7 percent, above the revised FY 2010 estimate. The agency requests \$116,592, all from special revenue funds, for rehabilitation and repair projects. In addition, the agency requests \$1.3 million, all from the State General Fund, for debt service principal payments in FY 2011.

Governor's Recommendation

The Governor concurs with the agency's FY 2011 request.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Kansas Highway Patrol **Bill No. --** **Bill Sec. --**
Analyst: Klaassen **Analysis Pg. No. --** **Capital Budget Page No. --**

Project	Agency Estimate FY 2010	Gov. Rec. FY 2010	JCSBC Rec FY 2010
Projects:			
Debt Service Principal	\$ 290,000	\$ 290,000	\$ 0
Rehabilitation and repair scales and building	130,800	130,800	0
Scale replacement	137,000	137,000	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
KHP Operations Fund	457,000	457,000	0
VIN Fee Fund	50,000	50,000	0
HP Training Center Fund	50,800	50,800	0
TOTAL	<u>\$ 557,800</u>	<u>\$ 557,800</u>	<u>\$ 0</u>

Agency Estimate

The **agency** estimates FY 2010 capital improvement expenditures of \$557,800, all from special revenue funds. The estimate includes a debt service principal payments totaling \$290,000 for the Fleet Center and the Vehicle Identification Number Facility in Olathe. The capital improvements budget also includes expenditures of \$267,800 for rehabilitation, repair, and scale replacement.

Governor's Recommendation

The **Governor** concurs with the agency's request for FY 2010 capital improvements expenditures.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Kansas Highway Patrol **Bill No. --** **Bill Sec. --**

Analyst: Klaassen **Analysis Pg. No. --** **Capital Budget Page No. --**

Project	Agency Request FY 2011	Gov. Rec. FY 2011	JCSBC Rec FY 2011
Projects:			
Debt Service Principal	\$ 305,000	\$ 305,000	\$ 0
Rehabilitation and repair scales and building	146,560	51,560	0
Scale replacement	127,000	95,000	0
Academy roof and boiler replacements	579,917	0	0
TOTAL	\$ 0	\$ 0	\$ 0
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
KHP Operations Fund	477,000	350,000	0
VIN Fee Fund	50,000	50,000	0
HP Training Center Fund	631,477	51,560	0
TOTAL	\$ 0	\$ 0	\$ 0

Agency Request

The **agency** requests FY 2011 capital improvement expenditures totaling \$1,158,477, all from special revenue funds. The request includes debt service principal payments of \$305,000 on the Fleet Center and the Vehicle Identification Number Facility in Olathe; rehabilitation, repair, and scale replacement totaling \$273,560; and \$579,917 for labor, materials and equipment to replace four roofs and a boiler at the Kansas Highway Patrol Training Academy in Salina.

Governor's Recommendation

The **Governor** recommends FY 2011 capital improvements expenditures totaling \$451,560, all from special revenue funds. The Governor's recommendation includes the following: 1) the Governor concurs with the agency's request for \$305,000 for debt service principal, 2) reduction and transfer of Academy roof and boiler replacement funds (\$579,917 from the Highway Patrol Training Center Fund) to the KHP Operations Fund to be used for salaries and wages as part of the reduced resources package, 3) reducing scale replacement and rehabilitation and repair expenditures by \$127,000 and leaving funds in the KHP Operations fund to be used for salaries and wages as part of the reduced resources package.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Adjutant General

Bill No. --

Bill Sec. --

Analyst: Klaassen

Analysis Pg. No. --

Capital Budget Page No. --

Project	Agency Estimate FY 2010	Gov. Rec. FY 2010	JCSBC Rec FY 2010
Projects:			
Debt Service Principal	\$ 300,000	\$ 300,000	\$ 0
Federal Match - Armories	1,000,000	1,000,000	0
Fusion Center Completion	810,309	810,309	0
Stimulus Funds	977,000	977,000	0
Field Maintenance Shop Wichita	2,790,235	2,790,235	0
National Guard Museum Expansion Fund	758,687	270,000	0
TOTAL	\$ 6,636,231	\$ 6,147,544	\$ 0
Financing:			
State General Fund	\$ 788,687	\$ 300,000	\$ 0
All Other Funds	5,847,544	5,847,544	0
TOTAL	\$ 6,636,231	\$ 6,147,544	\$ 0

Agency Estimate

The **agency** estimates FY 2010 capital improvements expenditures totaling \$6,636,231. The estimate includes expenditures totaling \$788,687, all from the State General Fund. Expenditures include:

FY 2010 State General Fund (\$788,687):

- \$300,000 for debt service principal; and
- \$488,687 requested as a supplemental for the 35th Infantry Division addition to the Kansas National Guard Museum detailed later.

FY 2010 Fee Funds (\$1,080,309):

- \$270,000 in lottery proceeds already available within the no-limit National Guard Museum expansion fund; and
- \$810,309 for completion of the Fusion Center from the Adjutant General Expense Fund.

FY 2010 Federal Funds (\$4,767,235):

- \$1.0 million in matching funds for the armory renovation program;
- \$2,790,235 in Architectural and Engineering costs associated with the new Field Maintenance Shop and the Armory in Wichita; and
- \$977,000 in federal stimulus funds. The projects supported by these funds are all validated energy projects which will reduce energy consumption. These projects include a new Training Site Headquarters building at Ft. Riley, seven upgrades to existing lighting, floor coatings for aviation maintenance facilities, an energy study for our military lodging facility in Salina, upgrades and replacement of two HVAC systems in Topeka and two office/bathroom remodels in Topeka. State matching share was required for lighting projects at the Manhattan Armory and Kansas City Armory. The state share for the armory projects will be financed with Armory Renovation Bond Funds.

Capital Improvements Supplementals and Enhancements Detail:

FY 2010 Armory Renovation Bond Authority. The 2005 Legislature approved the issuance of \$9.0 million in bonds for armory renovation, with three bond issues of \$3.0 million each to be made in FY 2007, FY 2008, and FY 2009. The FY 2007 and FY 2008 bonds have been issued, however, the agency states that due to the increased work load relating to the Great Plains Training Center and continued deployments of the Director of Facilities Management's staff, the agency was not able to request approval to issue the third set of Armory Bonds before the 2009 Session closed. These bonds may also be approved by the State Finance Council, but due to budgetary and other reasons a meeting was not held in June 2009 and the authority to issue the remaining \$3.0 million in bonds must now be requested as a supplemental in FY 2010. If authority to issue the bonds is approved in FY 2010, the agency does not anticipate any debt service payments until after FY 2011 for this set of Armory Bonds.

The **Governor** supports the agency's request to seek Legislative approval of the last \$3.0 million bond issuance for armory renovation.

FY 2010 and FY 2011 National Guard Museum Expansion Funds. 2008 Senate Substitute for House Bill 2923, Section 6, provides an amount equal to 30.0 percent of net profits from the Veteran's Benefit Instant scratch-off tickets from July 1, 2008 to June 30, 2010 to fund the 35th Infantry Division Museum and museum education center, an expansion of the current Kansas National Guard Museum. The Language in the bill requires the Lottery Commission to transfer the proceeds from this game to the State General Fund. Once the funds have been transferred they are available but must be appropriated to the Adjutant General's Department for the museum expansion. \$488,687 is requested to be appropriated in FY 2010 and FY 2011 for this project. The FY 2010 amount includes \$270,000 in lottery proceeds already available within the expansion fund.

The **Governor** does not recommend the enhanced funding (\$488,687), but concurs with the agency's request to spend the existing balance in the museum expansion fund (\$270,000).

Governor's Recommendation

The **Governor** recommends FY 2010 capital improvements expenditures totaling \$6,147,544, including \$300,000 from the State General Fund, for capital improvements. The

only change from the agency's FY 2010 request is due to a reduction of \$488,687, all from the State General Fund, which was requested for the National Guard Museum Expansion. The Governor concurs with the agency's request for debt service principal (\$300,000) and special revenue fund expenditures.

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Adjutant General

Bill No. --

Bill Sec. --

Analyst: Klaassen

Analysis Pg. No. --

Capital Budget Page No. --

Project	Agency Request FY 2011	Gov. Rec. FY 2011	JCSBC Rec FY 2011
Projects:			
Debt Service Principal	\$ 1,820,000	\$ 1,820,000	\$ 0
Federal Match - Armories	1,000,000	1,000,000	0
Field Maintenance Shop Wichita	64,333,235	64,333,235	0
National Guard Museum Expansion Fund	488,687	0	0
Liberal Motor Vehicle Storage	381,291	0	0
Great Plains Training Center Site No. 1	6,847,425	0	0
TOTAL	<u>\$ 74,870,638</u>	<u>\$ 67,153,235</u>	<u>\$ 0</u>
Financing:			
State General Fund	\$ 9,537,403	\$ 1,820,000	\$ 0
All Other Funds	65,333,235	65,333,235	0
TOTAL	<u>\$ 74,870,638</u>	<u>\$ 67,153,235</u>	<u>\$ 0</u>

Agency Request

The **agency** requests FY 2011 capital improvements expenditures totaling \$74,870,638. The request includes expenditures totaling \$9,537,403 from the State General Fund. Expenditures include:

FY 2011 State General Fund (\$9,537,403):

- \$1,820,000 for debt service principal;
- \$7,717,403 in requested enhancements, which include:
 - \$488,687 for the 35th Infantry Division addition to the Kansas National Guard Museum;
 - \$6,847,425 for the creation of the Great Plains Regional Training Center Site 1; and
 - \$381,291 for the Liberal Motor Vehicle Storage.

FY 2011 Federal Funds (\$65,333,235):

- \$1.0 million in matching funds for the armory renovation program;

- \$2,790,235 in Architectural and Engineering costs associated with the new Field Maintenance Shop and the Armory in Wichita; and
- \$61,543,000 for the construction costs of the Wichita Field Maintenance Shop (\$22.8 million, 121,921 sq. ft.) and Armory (\$38.8 million, 209,000 sq. ft.).

The 100.0 percent federally funded Armory and Field Maintenance Shop in Wichita will house the 287th Sustainment Brigade. Both structures will be built in the same area with a common access point, and land for the project was obtained from the City of Wichita via a 99 year no-cost lease.

Capital Improvements Enhancements Detail:

FY 2010 and FY 2011 National Guard Museum Expansion Funds. 2008 Senate Substitute for House Bill 2923, Section 6, provides an amount equal to 30.0 percent of net profits from the Veteran's Benefit Instant scratch-off tickets from July 1, 2008 to June 30, 2010 to fund the 35th Infantry Division Museum and museum education center, an expansion of the current Kansas National Guard Museum. The Language in the bill requires the Lottery Commission to transfer the proceeds from this game to the State General Fund. Once the funds have been transferred they are available but must be appropriated to the Adjutant General's Department for the museum expansion. \$488,687 is requested to be appropriated in FY 2010 and FY 2011 for this project. The FY 2010 amount includes \$270,000 in lottery proceeds already available within the expansion fund.

The **Governor** does not recommend the enhanced funding (\$488,687), but concurs with the agency's request to spend the existing balance in the museum expansion fund (\$270,000).

FY 2011 Liberal Motor Vehicle Storage. The agency requests \$381,291, all from the State General Fund, to expand the Motor Vehicle Storage Compound at the Liberal Army National Guard Armory. The agency reports that the armory supports two units which has increased the requirement for additional parking of military semi tractors and trailers. The agency states that the current fence is rusted beyond repair, and that the site requires regrading to channel water runoff away from the recently remodeled Armory. Funds would be used to excavate and grade 7,200 square yards and surface with crushed rock, and replace 1,075 lineal feet of substandard fencing.

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

FY 2011 Great Plains Regional Training Center Spoke No. 1. The agency requests \$6,847,425, all from the State General Fund, for a regional training site in conjunction with the newly developed Great Plains Regional Training Center. This regional training facility will facilitate public safety, with national guard members and first responders receiving training not otherwise available either financially or geographically, and allow for multi-use and multi-disciplinary training on various levels and provide a regional area for emergency response. It will also be used to provide Kansas National Guard members with a regional area to train tactical, strategic and homeland security and defense tasks.

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

Governor's Recommendation

The **Governor** recommends FY 2011 capital improvements expenditures totaling \$67,153,235, including \$1,820,000 from the State General Fund, for capital improvements. The

difference when compared to the agency request is due to State General Fund reductions of \$7,717,403, due to not recommending any enhanced funding for capital improvements (projects not recommended include: National Guard Museum Expansion (\$488,687) Great Plains Regional Training Center Site 1 (\$6.8 million), and Liberal Motor Vehicle Storage (\$381,291)).

The **Governor** concurs with the agency's request for debt service principal (\$1.8 million) and special revenue funds expenditures.

**Kansas State Fair
State Fair Capital Improvements Fund**

The operating costs for the Kansas State Fair are primarily financed from special revenue funds consisting of receipts from State Fair and non-fair activities on the State Fairgrounds. These receipts include admission fees to the State Fair, grandstand entertainment, premium book advertising, building rentals, sales and concessions, and parking fees. The State Fair alone generates over 90.0 percent of the agency's total receipts, in addition to non-fair use of the State Fairgrounds by close to 400 events throughout the year. Receipts are deposited in the agency's State Fair Fee Fund.

In addition to the revenue generated by the State Fair, KSA 2-223 provides that the agency, on recommendation of the State Fair Board, transfer an amount that is not less than 5.0 percent of the annual gross receipts that are deposited in the State Fair Fee Fund to the State Fair Capital Improvements Fund. Furthermore, the statute provides that an amount not exceeding \$300,000 will be transferred to the State Fair Capital Improvements Fund from the State General Fund on July 1 of each year. The Legislature has suspended this match in FY 2002, FY 2004, FY 2005, and most recently, FY 2010.

For FY 2010, the **agency** requests \$200,000 be transferred from the State General Fund to the State Fair Capital Improvements Fund as a supplemental request. This request represents the amount of State General Fund match that should have been transferred in FY 2010; however, the 2009 Legislature did not authorize the match. The agency indicates that it will be approximately \$18,250 short in its State Fair Capital Improvements Fund to make a required \$700,000 bond payment on April 1, 2010.

The **Governor** does not recommend the supplemental request to transfer \$200,000 from the State General Fund to the State Fair Capital Improvements Fund and in addition, recommends the agency transfer all or part of its contribution earlier than required from the State Fair Fee Fund to the State Fair Capital Improvements Fund in order to make the required bond payment.

For FY 2011, the **agency** requests \$843,000 be transferred from the State General Fund to the State Fair Capital Improvements Fund. The agency states that the state has not made its statutory transfer in four of the past nine fiscal years, which has created a void of \$1,043,000 over the past nine years within the State Fair Capital Improvement Fund. The agency requests \$843,000 in FY 2011 from the State General Fund, which in addition to the agency's FY 2010 supplemental request, would fund the match amounts that the state did not transfer in previous fiscal years.

For FY 2011, the **Governor** recommends a transfer of \$50,000 from the State Fair Fee Fund to the State Fair Capital Improvements Fund, which would increase the transfer from the State Fair Fee Fund to the State Fair Capital Improvements Fund from \$300,000 to \$350,000 in FY 2011. The Governor also recommends that the agency transfer all or part of its contribution earlier than required from the State Fair Fee Fund to the State Fair Capital Improvements Fund in order to make the required bond payment.

Attachment 2
JCSBC 2-4-10



February 4, 2010

To: Senator Dwayne Umbarger and members of the
Joint Committee on State Building Construction

From: Denny Stoecklein
General Manager
Kansas State Fair

Good afternoon, Mr. Chairman, and members of the Committee.

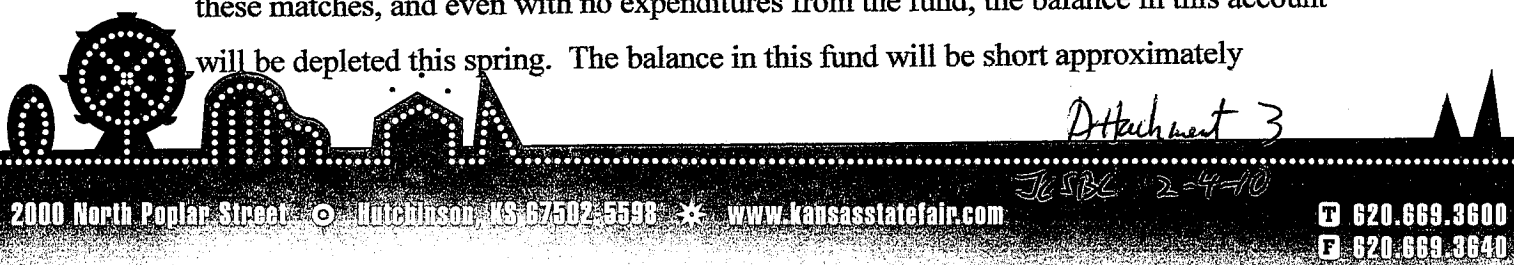
The primary focus of the Kansas State Fair's Capital Improvement Plan is for the Agency to complete its obligation towards the repayment of bonds issued for its Master Plan.

The Agency's commitment has been \$400,000 per year, which continues through Fiscal Year 2012. During the years the Agency is completing this commitment, planned capital improvement expenditures will be limited and will focus on small projects and preventative maintenance items.

An item of great concern to the Agency in both the FY 2010 and FY 2011 budgets is the absence of the revenue transfer to the State Fair Capital Improvement Fund by the State. With no transfer in FY 2010, this is the fourth year (FY 2002, 2004, 2005, 2010) the State has failed to make its statutorily-obligated match, totaling \$1,043,000. Without these matches, and even with no expenditures from the fund, the balance in this account will be depleted this spring. The balance in this fund will be short approximately

Attachment 3

JCSBC 2-4-10



\$13,000 when the next bond payment is due in April, 2010. It will also limit what projects we're able to accomplish from the SFCIF for the next several years

In order to meet the bond payment obligation in April, 2010, it has been recommended the State Fair make its contribution to the SFCIF earlier than the required June 30. For FY 2011, without the State's required match, the amount needed in April, 2011 will be over \$225,000. Again, it is being recommended the State Fair make its contribution earlier than planned. It is also recommended in FY 2011 the State Fair increase its budgeted \$300,000 contribution to \$350,000. This strategy causes us concern as our budgeted \$300,000 transfer in FY 2011 is based on estimates of revenues for the 2010 State Fair. Should these projections not be realized, it's possible we won't have the funding to make even the \$300,000 contribution much less an additional \$50,000.

The continuation of this match is very important. Without this match, the SFCIF will be depleted of funds in FY 2011, leaving no money for maintenance of the facilities we've recently renovated.

Some on-going expenses we experience through the SFCIF include our annual contract fees for electrical and plumbing contractors, totaling approximately \$60,000-\$70,000.

Some examples of upcoming projects that will require attention in the near future:

- Roof projects
 - Eisenhower Building - \$60,000
 - Pride of Kansas Building - \$124,000
 - Expo Center - \$175,000
- Asphalt repairs
 - An ongoing need to minimize trip hazards throughout the grounds
 - \$40,000 spent in FY 2010

Without the State's support of the State Fair Capital Improvement Fund, these projects will have to be deferred to a point at which they can be addressed.

Capital Improvement Budget Forecasting

Fund Activity	Date	Amount	Fund Balance
Ending FY08 Balance			\$ 378,241.54
Capital Improvement Deposit Transfer - State	7/15/2008	\$ 300,000.00	\$ 678,241.54
Capital Improvements Expenditures	6/30/2009	\$ (109,713.05)	\$ 568,528.49
City/County Contribution	3/1/2009	\$ 300,000.00	\$ 868,528.49
Bond Payment, Principal and Interest	4/1/2009	\$ (700,000.00)	\$ 168,528.49
Capital Improvement Deposit Transfer - Fee Fund	6/30/2009	\$ 200,000.00	\$ 368,528.49
Interest earned		\$ 15,751.00	\$ 384,279.49
Ending FY09 Balance			\$ 384,279.49
Capital Improvement Deposit Transfer - State	7/15/2009	\$ -	\$ 384,279.49
Bond Payment - Interest	9/22/2009	\$ (188,141.64)	\$ 196,137.85
City/County Contribution	3/1/2010	\$ 300,000.00	\$ 496,137.85
Interest earned through March (estimate)	3/7/2010	\$ 2,821.13	\$ 498,958.98
Bond Payment, Principal and Interest	4/1/2010	\$ (511,858.36)	\$ (12,899.38)
Capital Improvement Deposit Transfer - Fee Fund	6/30/2010	\$ 300,000.00	\$ 287,100.62
Capital Improvements Expenditures	6/30/2010	\$ (114,305.51)	\$ 172,795.11
Interest earned April through June		\$ -	\$ 172,795.11
Ending FY10 Balance			\$ 172,795.11
Capital Improvement Deposit Transfer - State	7/15/2010	\$ -	\$ 172,795.11
City/County Contribution	3/1/2011	\$ 300,000.00	\$ 472,795.11
Interest earned through March (estimate)	3/7/2011	\$ 1,800.00	\$ 474,595.11
Bond Payment, Principal and Interest	4/1/2011	\$ (700,000.00)	\$ (225,404.89)
Capital Improvement Deposit Transfer - Fee Fund	6/30/2011	\$ 300,000.00	\$ 74,595.11
Capital Improvements Expenditures	6/30/2011	\$ (116,591.62)	\$ (41,996.51)
Interest earned April through June		\$ -	\$ (41,996.51)
Ending FY11 Balance			\$ (41,996.51)
Capital Improvement Deposit Transfer - State	7/15/2011	\$ -	\$ (41,996.51)
Capital Improvements Expenditures	6/30/2012	\$ (118,923.46)	\$ (160,919.97)
Bond Payment, Principal and Interest	4/1/2012	\$ (700,000.00)	\$ (860,919.97)
Capital Improvement Deposit Transfer - Fee Fund	6/30/2012	\$ 300,000.00	\$ (560,919.97)
Interest earned		\$ -	\$ (560,919.97)
Ending FY12 Balance			\$ (560,919.97)

The \$300,000 contribution from the Fair Fee Fund is dependent upon no major repairs and a successful fair year

City/County's last payment is in 2011
 Kansas State Fair's last payment is in 2012

**State Fair Capital Improvement Fund
Matching History**

The State Fair Capital Improvements and Maintenance Fund was authorized by K.S.A. 2-223 in 1988.

On June 30, 1989, and each succeeding June 30, the Fair is to contribute at least five (5) percent from its qualified receipts to maintain and generate further balances in the Fund. On July 1, 1989, and each succeeding July 1, the State of Kansas will transfer an amount equal to that contributed by the Fair, but not to exceed \$300,000 in any one annual, single fiscal year.

Fiscal Year	State Fair Contribution	State Contribution
1989	\$87,551	N/A
1990	Exempt	\$87,551
1991	\$149,779	Exempt
1992	\$107,927	\$149,779
1993	\$117,016	\$107,927
1994	\$145,657	\$117,016
1995	\$153,164	\$145,657
1996	\$196,882	\$153,164
1997	\$113,168	\$196,882
1998	\$260,000	\$113,168
1999	\$300,000	\$260,000
2000	\$300,000	\$300,000
2001	\$300,000	\$300,000
2002	\$158,000	No match made
2003	\$243,000	\$158,000
2004	\$300,000	No match made
2005	\$200,000	No match made
2006	\$25,000	\$200,000
2007	\$300,000	\$25,000
2008	\$300,000	\$300,000
2009	\$200,000	\$300,000
2010	\$300,000 budgeted	No match made
2011	\$300,000 budgeted	\$300,000 requested (currently not recommended by Division of the Budget)
2012		\$300,000 requested



DEPARTMENT OF WILDLIFE AND PARKS

Mark Parkinson, Governor
J. Michael Hayden, Secretary

www.kdwp.state.ks.us

February 2, 2010

Senator Dwayne Umbarger, Chairperson
Joint Committee on State Building Construction
State Capitol Building Room 144-S
Topeka, KS 66612

Dear Senator Umbarger:

The FY 2011 Governor's Budget Report (GBR), has recommended for the Kansas Department of Wildlife and Parks (KDWP) a FY 2011 capital improvements budget that totals \$6,554,972. The recommendations do not include any capital improvement expenditures recommended from the State General Fund. Attached is a table with the FY 2011 GBR capital improvement recommendations.

For FY 2011, KDWP is recommended an amount of \$500,000 from the Federal Land and Water Conservation Fund (LWCF) for Parks Major Maintenance. The need for funding to maintain the state parks is ongoing. The best solution for the long-term maintenance needs of the parks would be a dedicated funding source; however, given the current state fiscal condition no request is included at this time.

The FY 2011 GBR recommendation includes funding for a maintenance building at the Kaw River State Park which will also serve the Kaw River Wildlife Areas. The cost of the new building is estimated at \$500,000 and is divided between Parks Major Maintenance (LWCF funding) and Public Lands Major Maintenance (Wildlife Fee Fund).

The remaining items in the FY 2011 capital improvement GBR recommendation are continuing programs and include \$400,000 for wetlands acquisition and development, \$2,100,000 for land acquisition, \$542,500 for public lands maintenance, \$200,000 for bridge maintenance, \$300,000 for cabin site preparation, \$150,000 for river access projects, \$1,140,000 for federally mandated boating access projects, and \$585,000 for trails development. It should be noted that the amount of State Highways funds transferred to KDWP for Parks Road Maintenance has been reduced from \$1,617,470 in FY 2010 to \$637,472 for FY 2011. An amount of \$1,012,347 from the State Highway Fund transfer is being used to support state parks operations.

In addition to the FY 2011 GBR capital improvements recommendations, I would like to take the opportunity to update the Committee on two other issues. KDWP is continuing with the existing program to provide public use cabins at state parks and public land areas. This program has been well received by the public and the Department now provides 75 cabins located in 16 state parks and four public land areas.

OFFICE OF THE SECRETARY

1020 S Kansas Ave., Suite 200, Topeka, KS 66612-1327

Voice: (785) 296-2281 • Fax: (785) 296-6953

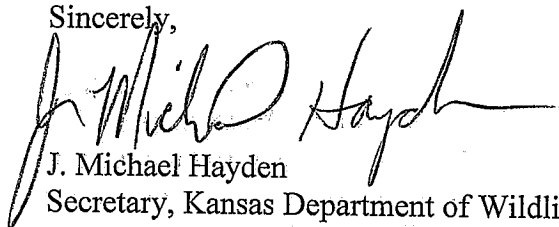
Attachment 4
JCSBC 2-4-10

The construction of the cabins is financed by a non-profit support organization for the Department (WILDSCAPE), constructed by inmates at three State Department of Corrections facilities, and construction supervision and training is provided by the Greenbush Education consortium. In addition, KDWP has recently engaged the Skyline Manufactured Housing Company of Arkansas City to also construct cabins. This company has completed two cabins in a very satisfactory manner and the KDWP is considering a contract for the construct of five more cabins.

The second issue is the acquisition of 3,000 acres of land by KDWP in Labette County. This land was formerly the Parsons Army Ammunition Plant and KDWP is "close" to the acquisition of 1,000 acres from the U.S. Department of Defense and 2,000 acres from the Great Plains Development Authority. This acquisition has been on-going for several years and KDWP is optimistic that it will be completed soon.

If you or your staff has any questions, please advise. Thank you for your consideration of this request.

Sincerely,

A handwritten signature in cursive script that reads "J. Michael Hayden". The signature is written in black ink and is positioned above the typed name and title.

J. Michael Hayden

Secretary, Kansas Department of Wildlife and Parks

Attachments(1)

FY 2011 Gov Rec

4-3

Priority		SGF	BFF	BF-Fed	Mig Wtfwl	Cabins	WFF	WF -F	Nongm - Fed	LWCF	Other Funds	Roads Fund	Total
1	River Access		\$ 150,000										\$ 150,000
2	Parks Maj Maint	\$ -											\$ 500,000
3	Land Acquisition									\$ 500,000			\$ 2,100,000
4	Cabin Site Prep					\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 100,000				\$ 2,100,000
5	Wetlands Acquisition/Development				\$ 200,000								\$ 300,000
6	Public Lands Major Maintenance			\$ 25,000			\$ 367,500	\$ 200,000					\$ 400,000
7	Road Maint									\$ 150,000			\$ 542,500
8	Bridge Maint											\$ 637,472	\$ 637,472
9	Federally Mandated Boating Access						\$ 1,140,000				\$ 200,000		\$ 200,000
10	Trails Development										\$ 585,000		\$ 1,140,000
											\$ 585,000		\$ 585,000
													\$ -
		\$ -	\$ 150,000	\$ 25,000	\$ 200,000	\$ 300,000	\$ 2,507,500	\$ 1,200,000	\$ 100,000	\$ 500,000	\$ 935,000	\$ 637,472	\$ 6,554,972

(a) \$200,000 for bridge maint from Bridge Repair Fund; \$150,000 - Fed Lic WA Fund

Attachment 5
 JCSBC 2-4-10

Status of State Building Funds					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Gov. Rec.	Governor's Estimate	Governor's Estimate
<u>Educational Building Fund</u>					
Beginning Balance	\$ 13,772,498	\$ 17,515,790	\$ 17,360,468	\$ (2,063,942)	\$ 1,729,975
Released Encumbrances/Adjs.	--	--	--	--	--
Receipts	33,493,892	33,936,742	32,592,641	34,268,917	34,971,715
Resources Available	\$ 47,266,390	\$ 51,452,532	\$ 49,953,109	\$ 32,204,975	\$ 36,701,690
Less Expenditures	\$ 29,750,600	\$ 34,092,064	\$ 52,017,051	\$ 30,475,000	\$ 30,475,000
<u>State Institutions Building Fund</u>					
Beginning Balance	\$ 12,813,718	\$ 12,116,898	\$ 10,024,109	\$ 7,536,078	\$ 10,524,320
Released Encumbrances/Adjs.	36,271	--	--	--	--
Receipts	16,551,274	16,960,860	16,347,821	17,187,246	17,539,965
Resources Available	\$ 29,515,494	\$ 29,077,758	\$ 26,371,930	\$ 24,723,324	\$ 28,064,285
Less Expenditures	\$ 17,398,596	\$ 19,053,649	\$ 18,835,852	\$ 14,199,004	\$ 14,199,004
<u>Correctional Institutions Building Fund</u>					
Beginning Balance	\$ 1,913,101	\$ 2,741,172	\$ 2,068,591	\$ --	\$ --
Released Encumbrances/Adjs.	--	--	--	--	--
Receipts	5,012,332	4,798,305	4,797,985	4,992,000	4,992,000
Resources Available	\$ 6,925,433	\$ 7,539,477	\$ 6,866,576	\$ 4,992,000	\$ 4,992,000
Less Expenditures	\$ 4,184,261	\$ 5,470,886	\$ 6,866,576	\$ 4,992,000	\$ 4,992,000
* Unfinished or delayed FY 2010 projects will result in lower FY 2010 expenditures and a positive balance.					

Educational Building Fund

KSA 76-6b01 authorizes a 1.0 mill tax levy on real property for the Educational Building Fund (EBF), for the use and benefit of the state institutions of higher education.

KSA 76-6b02 limits the use of the funds in the EBF to the construction, reconstruction, equipment and repair of buildings and grounds at the state educational institutions under the control and supervision of the State Board of Regents and for payment of debt service on revenue bonds issued to finance such projects, all subject to appropriation by the Legislature.

State Institutions Building Fund

KSA 76-6b04 authorizes a 0.5 mill tax levy on real property for the State Institutions Building Fund (SIBF), for the use and benefit of state institutions caring for persons who are mentally ill, retarded, visually handicapped, with a handicapping hearing loss or tubercular or state institutions caring for children who are deprived, wayward, miscreant, delinquent, children in need of care or juvenile offenders and who are in need of residential care or treatment, or institutions designed primarily to provide vocational rehabilitation for handicapped persons.

State institutions include, but are not limited to, those institutions under the authority of the Commissioner of Juvenile Justice.

KSA 76-6b05 limits expenditures from the fund to be used for the construction, reconstruction, equipment and repair of buildings and grounds at institutions specified in K.S.A. 76-6b04, and amendments thereto, and for payment of debt service on revenue bonds issued to finance such projects, all subject to appropriation by the Legislature.

Correctional Institutions Building Fund

KSA 79-4803 transfers an amount equal to 10.0 percent of the balance of all moneys credited to the state gaming revenues fund to the Correctional Institutions Building Fund (CIBF), to be appropriated by the Legislature for the use and benefit of state correctional institutions.