

## MINUTES

### JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

September 15-16, 2010  
Dodge City, Larned, and Hutchinson

#### Members Present

Representative Jo Ann Pottorff, Vice-chairperson  
Senator Pat Apple  
Senator Jay Emler  
Senator Marci Francisco  
Senator Laura Kelly  
Representative Steve Brunk (Thursday only)  
Representative Bill Feuerborn  
Representative Mitch Holmes

#### Members Absent

Senator Dwayne Umbarger, Chairperson  
Representative Bob Grant

#### Area Legislators Attending Thursday

Senator Terry Bruce  
Representative Jan Pauls

#### Staff Present

Audrey Dunkel, Kansas Legislative Research Department  
Cody Gorges, Kansas Legislative Research Department  
Dylan Dear, Kansas Legislative Research Department  
Daniel Yoza, Office of the Revisor of Statutes  
Gary Deeter, Committee Secretary

#### Hosts

Steve Duncan, Superintendent, Kansas Soldiers' Home, Fort Dodge  
Russell Jennings, Commissioner, Juvenile Justice Authority  
Kyle Rohr, Superintendent, Larned Juvenile Correctional Facility  
Karen Rohling, Warden, Larned Correctional Mental Health Facility

Ray Reno, Deputy Warden, Larned Correctional Mental Health Facility  
Robert Connell, Superintendent, Larned State Hospital  
Cory Turner, Director of Psychological Services, Larned State Hospital  
Leisa Dipman, Director, State Security, Larned State Hospital  
Dr. Austin Deslauriers, Director, Sexual Predator Treatment Program, Larned State Hospital  
Mary Odom, Chief Financial Officer, Support Services, Larned State Hospital  
Tom Tunnel, President, Kansas State Fair Board  
Denny Stoecklein, General Manager, Kansas State Fair

### **Wednesday, September 15**

The Joint Committee gathered at the Kansas Soldiers' Home, Fort Dodge, where Superintendent Steve Duncan provided a tour of the facilities on the site, formerly a fort occupied by 700 soldiers. The Kansas Soldiers' Home was established in 1889 when it became the property of Kansas. Originally 43,000 acres, the present site occupies 760 acres. Mr. Duncan explained that the demand for residential housing for veterans is declining (the Kansas Soldiers' Home is unique in the nation), but the need for nursing-home services is increasing. Currently, of the 55 cottages, 6 are empty and in need of repair; 13 are empty, but available for occupancy; and the remainder are occupied. Halsey Hall, the nursing home building, is Medicare- and Medicaid-certified.

Answering Committee members' questions, Mr. Duncan said the cottages' rental rate is \$1,200 per month; however, rents are based on income, and no veteran pays more than 50 percent of the established rate; the average rent payment is \$300 per month. Committee members suggested future uses for the cottages: renting them to employed veterans or providing housing for professional staff. The latter use could be a perquisite for recruiting staff.

Russell Jennings, Commissioner, Juvenile Justice Authority, welcomed the Committee to the Larned Juvenile Justice Correctional Facility and introduced Kyle Rohr, Superintendent, who provided statistics for, and gave a tour of, the facility. Having a capacity of 152, the present population is 105 male juvenile offenders living in five units, each of which will house up to 15 individuals. Educationally, he noted that the facility offers a GED, a high-school diploma and vocational training through the local school district, and an associate degree through Barton County Community College. Mr. Rohr pointed out the limited access for laundry and food service and the crowded conditions for storing supplies and equipment. He emphasized the need for building a new 40-foot by 80-foot warehouse. Rob Manry, Business Administrator, noted that the cost of the building would be about \$60 per square foot.

Karen Rohling, Warden, and Ray Reno, Deputy Warden, Larned Correctional Mental Health Facility, welcomed the Committee and conducted a tour of the five 30-bed units housing adult male offenders with mental-health problems. She noted that a separate 218-bed facility houses minimum-security offenders under the custody of the Kansas Department of Social and Rehabilitation Services; the latter facility also houses the chemically dependent treatment program. Ms. Rohling observed that the facility was "in good shape;" the only need she identified was an increase in staff for the segregation unit.

Robert Connell, Superintendent, Larned State Hospital, welcomed the Committee, saying that the hospital currently served 463 patients. He introduced the directors for the three treatment programs: Cory Turner, Director of Psychological Services; Leisa Dipman, Director, State Security; and Dr. Austin Deslauriers, Director of the Sexual Predator Treatment Program. He then provided

a bus tour of the facility buildings. He noted the laundry facility was destroyed by fire and the need for a new building, commenting that the commercial rate for laundry is 53 cents per pound. Mary Odom, Chief Financial Officer, stated that, when the hospital did its own laundry, the cost was 29 cents per pound. Based on those figures, she said the proposed new facility (projected cost, \$1.6 million) would pay for itself in three years. Mr. Connell, directing members' attention to the Sexual Predator Unit, requested funds for enhanced security fencing and commented on the plan to expand services to the unit by renovating the Meyer Building. He also noted the need to expand the space for the Crisis-Stabilization Unit, since the census sometimes exceeds the 90-bed limit.

### Thursday, September 16

Denny Stoecklein, General Manager, Kansas State Fair, welcomed the Committee to the Kansas State Fair. He said last year was the best-ever State Fair and this year, to date, gate receipts are up 1.4 percent. He reported that 384 non-fair events were held on the grounds in FY 2010. He introduced Tom Tunnel, President, Kansas State Fair Board, who arranged a tour of certain areas of the fair grounds:

- The Bretz Arena, upgraded with aluminum bleachers and concrete-and-brick sidewalks with a capacity of 2,000; the improvements were funded through wood-carving sales;
- A modern cabin built by inmate labor for the Kansas Department of Wildlife and Parks;
- Bison Arena, one of the oldest unimproved buildings, built by the federal Works Projects Administration in the 1930s; and
- The grandstand, built in the late 1920s, having a seating capacity of 9,600 with a visually-challenged stage and an under-utilized half-mile dirt track. The Board is considering other structures that may serve the fair better in the future.

Lunch was served in the Cottonwood Building. Mr. Stoecklein reviewed some of the capital improvement needs of the State Fair. He expressed gratitude for the bonds that made possible extensive improvements on the fair grounds. However, he noted that, for five of the past ten years, the state has not met its obligation to match the State Fair's payment of \$300,000 into the State Fair Capital Improvements and Maintenance Fund, thus creating a \$1,343,000 deficit (Attachment 1). He explained that the deficit was becoming more onerous, requiring the State Fair to make early bond payments, a burden which will become even more severe next year, since the City of Hutchinson and Reno County will complete their obligation to supplement the bond payments (Attachment 2). He warned that building maintenance will suffer if funds are diverted to meet the bond payments.

Responding to questions, Mr. Stoecklein said that new workers compensation rates dropped from 10 percent to 1 percent, enabling the Board to obtain the necessary insurance.

Board Member Brad Rayl commented that the Board may be able to negotiate more favorable bond payments, but, if not, the state will have to make up the deficit, since the bonds are held by the state and the state owns the 280 acres that make up the State Fair grounds.

Answering another question, Mr. Stoecklein said that Westar Energy reduced its charges for electrical service by changing the billing date from September (peak load rates) to October (off-peak rates).

A member commended Mr. Stoecklein and the Board for the improvements made to the grounds and buildings. Mr. Tunnell noted the need for a statutory change to allow the Family Motor Coach Association to hold a national rally at the fair grounds in 2013. A member agreed that such a statutory change was needed.

The meeting was adjourned at 12:35 p.m. The next meeting is scheduled for Wednesday, November 10, 2010, in the Statehouse.

Prepared by Gary Deeter  
Edited by Audrey Dunkel

Approved by the Committee on:

December 15, 2010

(Date)

**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	No match made
2011	\$300,000 budgeted by KSF; \$50,000 added from Fee Fund by the Division of the Budget	No match made
2012		\$300,000 requested, but indications are not to expect it

*Attachment 1  
JCSBC 9-16-10*

## Capital Improvement Budget Forecasting

Fund Activity	Date	Amount	Fund Balance
<b>Ending FY08 Balance</b>			<b>\$ 378,241.54</b>
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)	\$ <b>168,528.49</b>
Capital Improvement Deposit Transfer - Fee Fund	6/30/2009	\$ 200,000.00	\$ 368,528.49
Interest earned		\$ 15,751.00	\$ 384,279.49
<b>Ending FY09 Balance</b>			<b>\$ 384,279.49</b>
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	\$ 2,910.28	\$ 499,048.13
Bond Payment, Interest	3/16/2010	\$ (210,682.72)	\$ 288,365.41
Capital Improvement Deposit Transfer - Fee Fund	3/17/2010	\$ 12,481.17	\$ 300,846.58
Bond Payment, Interest	3/18/2010	\$ (300,846.58)	\$ -
Capital Improvement Deposit Transfer - Fee Fund	6/30/2010	\$ 287,518.83	\$ 287,518.83
Capital Improvements Expenditures	6/30/2010	\$ (113,947.19)	\$ 173,571.64
Interest earned April through June		\$ 237.00	\$ 173,808.64
<b>Ending FY10 Balance</b>			<b>\$ 173,808.64</b>
Capital Improvement Deposit Transfer - State	7/15/2010	\$ -	\$ 173,808.64
City/County Contribution	3/1/2011	\$ 300,000.00	\$ 473,808.64
Capital Improvement Deposit Transfer - Fee Fund	3/1/2011	\$ 223,691.36	\$ 697,500.00
Interest earned through March (estimate)	3/7/2011	\$ 2,500.00	\$ 700,000.00
Bond Payment, Principal and Interest	4/1/2011	\$ (700,000.00)	\$ -
Capital Improvement Deposit Transfer - Fee Fund	6/30/2011	\$ 126,308.64	\$ 126,308.64
Capital Improvements Expenditures	6/30/2011	\$ (116,591.62)	\$ 9,717.02
Interest earned April through June		\$ -	\$ 9,717.02
<b>Ending FY11 Balance</b>			<b>\$ 9,717.02</b>
Capital Improvement Deposit Transfer - State	7/15/2011	\$ -	\$ 9,717.02
Capital Improvements Expenditures	6/30/2012	\$ (118,923.46)	\$ (109,206.44)
Bond Payment, Principal and Interest	4/1/2012	\$ (700,000.00)	\$ (809,206.44)
Capital Improvement Deposit Transfer - Fee Fund	6/30/2012	\$ 300,000.00	\$ (509,206.44)
Interest earned		\$ -	\$ (509,206.44)
<b>Ending FY12 Balance</b>			<b>\$ (509,206.44)</b>

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

*Attachment 2*  
*JCSBC 9-16-10*