

MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

October 3-4, 2011

Members Present

Representative Joann Pottorf, Chairperson
Senator Dwayne Umbarger, Vice-chairperson
Senator Marci Francisco
Senator Laura Kelly
Senator Jeff Longbine
Representative Steve Brunk
Representative Bill Feuerborn
Representative Bob Grant (Tuesday only)

Staff Present

Audrey Dunkel, Kansas Legislative Research Department
Ryan Weir, Kansas Legislative Research Department
Brian Turnbull, Fellow, Kansas Legislative Research Department
Chris Sevedge, Intern, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Gary Deeter, Committee Secretary

Conferees

Bernadette Gray-Little, Chancellor, University of Kansas
Eric King, Director of Facilities, Kansas Board of Regents
Jim Modig, Director of Design and Construction Management, University of Kansas
Don Rau, Director of Facilities Management, University of Kansas Medical Center
Abe Fattaey, Director of Facilities Planning, Kansas State University
Ray Hauke, Vice President for Administration and Fiscal Affairs, Emporia State University
Gary Brichacek, Assistant Director of Facilities Planning, Wichita State University
Lindell Haverstic, Architect, Office of Facilities Planning, Pittsburg State University
Shawn Naccarato, Director of Government and Community Relations, Pittsburg State University
Dana Cunningham, Director of Facilities Planning, Fort Hays State University
Bruce Shubert, Vice President, Administration and Finance, Kansas State University
John Currie, Athletic Director, Kansas State University
Mary Tolar, Director, School of Leadership Studies, Kansas State University

School of Pharmacy, Room 3004, West Campus, University of Kansas
Monday, October 3
Morning Session

The Chairperson called the meeting to order and recognized Bernadette Gray-Little, Chancellor, University of Kansas (KU), who welcomed the Committee to the KU campus.

Eric King, Director of Facilities, Kansas Board of Regents (KBOR), reviewed the quarterly report of the State Educational Institution Long-Term Infrastructure Maintenance Program, an initiative created by the 2007 Legislature to address deferred maintenance for KBOR institutions ([Attachment 1](#)). He listed the expenditures (\$71.1 million) from various sources:

- \$56.3 million from the State General Fund (SGF);
- \$13.1 million from university interest earnings; and
- \$738,979 from tax credit donations.

Mr. King noted that in FY 2010, the Legislature supplanted \$15 million from the SGF with \$13.7 million from the Educational Building Fund (EBF); further, the Legislature did not authorize \$10 million from the SGF for FY 2011 and FY 2012. The Legislature also did not authorize the issuance of the proposed third, fourth, and fifth series of bonds for FY 2010, FY 2011, and FY 2012.

Mr. King commented on various university projects funded through the deferred maintenance program and referenced information regarding individual university budgets, project status, and funding sources. He noted interest rates had reduced interest income for projects and the tax credit component, while still of interest to universities, had not produced as much income as anticipated.

Mr. King stated:

- Most of the EBF would have gone to deferred maintenance; however, the Regents received about half of what was expected.
- Savings funds were shifted to projects to replace cuts.
- Two universities have made significant use of the tax credit program: Emporia State University and Fort Hays State University.
- Federal approval was finally received for the energy credit projects, enabling the projects to meet federal deadlines.

Mr. King presented the Regents' five-year plans and capital improvement requests ([Attachment 2](#)). Student tuition interest funding was declined, so he suggested two additional funding sources for rehabilitation and repair, and for deferred maintenance: the EBF, and \$20 million from the Expanded Lottery Act Revenue Fund (ELARF).

Jim Modig, Director of Design and Construction Management, University of Kansas, provided a status report on deferred maintenance projects ([Attachment 3](#)). He stated phases one and two of the tunnel project have been completed, and the third phase will be funded by federal stimulus monies, American Recovery and Reinvestment Act (ARRA) funds. The \$23.2 million Measurement, Materials, and Sustainable Environment Center (M2SEC) building will be completed by June 2012; funding sources include ARRA (\$12.3 million) and private donations. Other projects nearing completion include Dyche Hall (\$1.5 million from ARRA and a National Science Foundation grant), Lied Center additions (\$2.5 million from private donations), the \$25 million project on the Edwards campus which will be finished by January 2012, and the \$14.7-million bond funded Gertrude Sellards Pearson Hall renovation. He also highlighted the Center for Design Research, an entirely gift-funded project, designed and constructed by students.

Mr. Modig listed several capital improvement requests from the University's five-year plan: expansion of the engineering program (\$65 million funded by revenue bonds), the Ekdaahl Dining renovation (\$3.4 million paid for by student union funds), and the remodeling of the Murphy Hall Swarthout Recital Hall (\$1.5 million to be funded by private donations). He said some projects were not completed due to budget cuts. He highlighted the 2009 State Educational Institutions Project Procurement Act (SB 9), stating that all construction principals have found it worthwhile to expedite the bid-to-award process, resulting in projects being completed in a more timely manner.

Don Rau, Director of Facilities Management, University of Kansas Medical Center, commented on several future projects ([Attachment 4](#)): a \$16-million addition to the Dyche Library, a Medical Education Building (\$78 million), a new parking facility (\$25 million), and phase 1 of the Kansas Masonic Cancer Research Institute (\$136 million). He then outlined current capital improvement projects:

- The Clinical Trials Center, \$22 million, funded by the Johnson County Education and Research Triangle, to be completed December 2011.
- The Medical Office Building (\$85 million, funded by hospital bonds) and accompanying parking facility (\$9.1 million, funded by parking revenue bonds), completed August 2011.
- The Wichita Pharmacy Expansion (\$4.5 million, funded by revenue bonds), completed September 2010.
- The Breidenthal Project, a \$5-million business-incubator building funded by the Kansas Bio-Science Authority (KBA), completed in June 2011.
- Wahl Hall renovation, which will help the Cancer Initiative achieve the National Cancer Institute designation. The \$34-million project is funded by the KBA and the medical center's existing funds.

Mr. Rau also noted the energy-savings-initiative funding provided through the Kansas Corporation Commission and the ARRA. He responded to questions from the Committee:

- After the Cancer Center is built, Wahl Hall will be used for additional laboratory space.

- The National Institutes of Health (NIH) expects the cancer center to grow by seven to eight percent per year.
- The NIH recommends spending \$3.5 per square foot for maintenance. The medical center currently is spending about \$2 per square foot.

Abe Fattaey, Director of Facilities Planning, Kansas State University (K-State), provided an update on the University's capital improvement projects and deferred maintenance (Attachment 5). Among the ongoing projects:

- Jardine Apartment Housing, a multi-year, \$102 million project funded by Housing Revenue bonds;
- Bramlage Coliseum and Snyder Family Stadium renovation, a \$75 million project funded by revenue bonds and private gifts;
- Remediation of the chemical waste landfill, \$4 million, the costs paid from Sponsored Research Overhead funds and bond funds;
- Construction of a Southeast Research-Extension Center, a 12,000-square-foot building at Parsons, the \$2 million cost funded by restricted fees and private gifts;
- Renovation of the Chemical Engineering Laboratory, the \$2 million cost partially funded by a \$1.6 million National Science Foundation/ARRA grant;
- Construction of a Sheep and Meat Goat Center, the \$2 million project funded by restricted fees and private gifts;
- Construction of a Veterinary Medicine Large Animal Holding Building, \$11.8 million, funded by restricted fees and private gifts; and
- \$13 million to relocate the Grain Science Center Feed Mill, by various funding sources.

Mr. Fattaey reviewed deferred maintenance activity at the University, discussing various projects and updating members on ARRA funded projects. He outlined a number of projects funded entirely by private gifts, and he noted projects awaiting legislative approval: parking improvements, additional student housing at the Salina campus, and expansion of engineering facilities. Mr. Fattaey stated one project employed the SB 9 Construction Procurement Act, but most projects were already in process before the legislation became effective.

Ray Hauke, Vice President for Administration and Fiscal Affairs, Emporia State University (ESU), presented the University's deferred maintenance projects, energy savings projects, and 5/10-year capital improvements plans (Attachment 6). He listed the deferred maintenance projects (totaling \$5 million), noting that 44 percent of the projects were completed under budget, and ARRA funds provided \$2.8 million, including an energy savings grant of \$900,000 from the U.S. Department of Energy through the Kansas Corporation Commission. He echoed Mr. King's request for additional deferred maintenance funding from EBF and ELARF, and he listed projects waiting for funding, illustrating the need by referencing various

building condition codes. He commented on the current \$25 million renovation of the ESU Memorial Union, which is being funded by student fees, revenue bonds, and private gifts. He noted that \$35,000 came from the tax-credit initiative. He included a ten-year plan to relocate the Art Building to the Stormont Facility.

Gary Brichacek, Assistant Director of Facilities Planning, Wichita State University, presented the University's capital improvements budget requests and five-year plans (Attachment 7). The five-year plans include parking lot maintenance (\$1.1 million, funded by parking fees), Eck Stadium renovations (\$6.8 million, funded by athletic fees and private gifts), and the Rhatigan Student Center expansion and renovation (\$28.4 million, the costs being met with revenue bonds and student fees). He listed deferred maintenance needs, including progress in completing maintenance projects. He also updated the Committee on construction of the Advanced Education in General Dentistry Clinic in Wichita.

The Committee was provided lunch by the Mortar and Pestle Grill in the Pharmacy Building.

Afternoon Session

Lindell Haverstic, Office of Facilities Planning, Pittsburg State University (PSU), outlined the deferred maintenance projects at the University (Hughes and Heckert Wells Halls, funded by ARRA, EBF, and University interest.) He commented on the JHO Student Center improvements, a \$7.5 million project; Tanner Hall renovations; and other capital improvement projects, including construction of a new president's University House to house PSU guests (Attachment 8). He noted an energy audit project (McPherson Hall Geo-Thermal Well Field, a \$4.75 million initiative) and listed future projects: The Fine and Performing Arts Center, Weede Indoor Event Center, the Kansas Technical College expansion, and the Business Conference Center.

Mr. Haverstic and Shawn Naccarato, Director of Government and Community Relations, Pittsburg State University, responded to questions from the Committee, stating the following:

- This is Tanner Hall's first renovation in 50 years.
- The School of Construction is expanding its academic program. Private funds will provide for capital improvement expansion.
- The University is working with the city to coordinate fine arts offerings; however, the city facility cannot accommodate major venues.

Dana Cunningham, Director of Facilities Planning, Fort Hays State University, presented two requests for capital improvements at the University: construction of a Center for Networked Learning (\$10.3 million) and parking lot improvements (\$400,000). Both will be funded by student fees (Attachment 9). He commented on current projects: a \$2 million campus electrical upgrade, including addition of a third generator; a privately funded \$4 million indoor practice facility; and construction of privately funded residential housing on the Agnew site (\$9.2 million).

Mr. Cunningham also stated the University is able to monitor electrical peak loads with real-time data, and thus, has been able to reduce its utility costs considerably.

Members were given a tour of the Pharmacy building by Dean Ken Audus, School of Pharmacy. Speaking in the main classroom, which has a seating capacity of 175, he said the classroom connects the current 150 pharmacy students at the Lawrence campus electronically with the 20 students at the Wichita campus. At the laboratory, members were given demonstrations of the hands-on training provided for pharmacy students.

Jim Modig served as travel guide during a bus tour of the campus. At the former Green Building, he described how an old building was made ADA compliant. At the engineering building (Eaton Hall), Dean Stuart Bell reviewed plans to expand the School of Engineering, noting that the top 25 Kansas product exports are engineering-intensive. He said the School graduates 70 percent of those who enroll in the engineering program, and he listed funding partners for the expansion: additional student fees, research grants, and corporate sponsorships.

**Bill Snyder Family Stadium, Kansas State University
Tuesday, October 4
Morning Session**

The Committee reconvened at 10:00 a.m. on the third level of the Bill Snyder Family Stadium on the Kansas State University (K-State) campus. Bruce Shubert, Vice President for Administration and Finance, Kansas State University, welcomed members and introduced John Currie, Athletic Director for K-State, who reviewed the University's athletic program (Attachment 10). Mr. Currie stated K-State has the highest all-sport graduation rate in the Big 12. He highlighted the past year's athletic accomplishments and listed national recognitions received by the University. He provided extensive details regarding the athletic program's financial status (items: \$6.8 million in scholarships in FY 2012, lowest debt service in the Big 12 Conference, \$53.7 million in revenue), noting that K-State's Athletic Department draws only 5.2 percent of the University's total operating budget. He outlined the systematic facility improvements, commented on the basketball training facility, and noted future planned capital improvements, including a time line and projected costs.

Mr. Shubert led a walking tour of the main campus with Committee members, pointing out projects cited by Mr. Fattaey the previous day, such as the upgraded electrical system, the energy savings projects, stabilizing Willard Hall, and renovating the "Frankenstein Room."

The tour concluded at the School of Leadership Studies, where Director Mary Tolar gave a tour of the \$11 million building, which was built entirely with private funds. She demonstrated the acoustics in the Town Hall auditorium, commented on the interactive learning emphasis, the wireless internet access, and the eclectic wall art. She noted that the leadership studies program is the largest academic program at the University, with 25 percent of freshmen students enrolled in the program.

The tour concluded with a buffet lunch in the Wayne Franklin Student Conference Center.

The next meeting of the Joint Committee is scheduled for December 9, 2011.

Prepared by Gary Deeter
Edited by Audrey Dunkel and Ryan Weir

Approved by the Committee on:

_____ March 13, 2012
(Date)