

MINUTES OF THE JT. COMMITTEE ON STATE BUILDING CONSTRUCTION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 12:15 a.m. on February 6, 2006 in Room 123-S of the Capitol.

Members present:

Senator Dwayne Umbarger
Senator Greta Goodwin
Representative Joe Humerickhouse
Representative Steve Brunk
Representative Melvin Neufeld
Representative Bill Feuerborn
Representative Bob Grant

Committee staff present:

Deb Hollon, Michele Alishahi, Leah Robinson, Matt Spurgin, Becky Krahl, Legislative Research Department
Mike Corrigan, Office of the Revisors
Helen Abramson, Committee Secretary

Conferees appearing before the committee:

Jim Garner, Department of Labor
Terry Marmet, Kansas State Historical Society
Jennie Chinn, Kansas State Historical Society
Charles Simmons, Department of Corrections

Others attending:

See Attached List

Chairman Umbarger called the meeting to order.

Staff distributed report of change orders occurring during the month of January 2006 of less than \$75,000 which were approved by the Department of Administration and the current status of major projects under construction.

Staff presented the capital improvements request for the Kansas Insurance Department (Attachment 1). The agency estimates FY 2006 expenditures totaling \$122,500, all from special revenue funds. The revised estimate includes \$30,000 for ongoing rehabilitation and repair projects, \$30,000 for ongoing carpet and flooring replacement, \$25,000 to repair or replace a retaining wall and stairs leading to the basement of the building, and \$37,500 for debt service principal payments to allow for improvements to the heating and cooling system in the Insurance Department

Building. An additional \$37,500 in debt service interest payments was requested in the agency's operating budget.

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

The agency requests FY 2007 capital improvement expenditures totaling \$99,000, all from special revenue funds. The request includes \$31,500 for ongoing rehabilitation and repair projects, \$30,000 for ongoing carpet and flooring replacement, and \$37,500 for debt service principal payments associated with improvements to the building's heating and cooling systems. An additional \$37,500 in debt service interest payments is requested in the agency's operating budget.

The Governor concurs with the agency's FY 2007 capital improvement request.

Staff presented the capital improvement request for the Department of Labor (Attachment 2). The agency estimates FY 2006 capital improvement expenditures of \$854,650. The estimate includes \$224,395 for the construction of a new parking lot at 401 SW Topeka Boulevard, and \$350,000 for the purchase of the Eastman Building on the grounds of the former Topeka State Hospital. Both of these expenditures are funded through the Employment Security Administration Fund (ESAF) - Property, which are proceeds of funds from the sale of property originally purchased with federal funds. Other projects include \$33,255 to repair the roofs at 414 and 416 SW Jackson Street and \$40,000 for general rehabilitation and repair. A total of \$207,000 for debt service principal payments were requested.

The Governor recommends FY 2006 capital improvements of \$1,204,650. The Governor concurs with the agency's request for FY 2006, and adds an additional \$350,000 from the Special Projects Fund for remodeling of the Eastman Building.

For FY 2007, the agency requests \$467,000 for capital improvements. The request includes \$125,000 to replace the HVAC system at 1309 S. Topeka Boulevard, \$130,000 for rehabilitation and repair, and \$212,000 for debt service principal payments.

The Governor concurs with the agency's request for FY 2007.

The Governor's Budget Report included an additional \$1,495,000 debt service principal payment as a capital improvement/debt service expenditure. This debt service payments is related to bonds for the agency's unemployment insurance technology upgrade project. Since the principal of this payment is not on capital improvements (buildings and property), but on capital outlay expenditure, and the agency reflects this recommendation.

Representative Humerickhouse moved approval of the Governor's recommendation for the Department of Labor FY 2006 and FY 2007 capital improvement projects. Representative Grant seconded. Motion carried.

Staff presented the capital improvement request for FY 2006 and FY 2007 for the Kansas State Historical Society (Attachment 3).

For FY 2006, the agency estimates a total of \$689,019 for capital improvement expenditures, including \$340,619 from the State General Fund. The agency was appropriated \$125,000 for

emergency repairs and maintenance from the State General Fund for FY 2006. The agency had a re-appropriation of \$1,199 from capital improvement funding appropriated from the State General Fund from FY 2005, which was not spent and carried forward to FY 2006. The agency also was appropriated \$30,000 from the State General Fund as the state's match toward grant funding of \$120,000 for capital improvements at the Grinter Place State Historic Site.

The agency requests an additional \$184,420 as a supplemental appropriation in the FY 2006 revised estimate due to the need to repair the skylights at the State Historical Society Museum and Research Center in Topeka. The skylights have seals that have worn out with age allowing water to collect between the two panes of glass. When the water freezes, it causes the skylights to shatter and fall to the ground. The skylights are located both in the inside of the entrance of the building and on the canopy over the entrance and walkway between the museum and the research center.

The agency estimates \$348,400 from special revenue funds for other capital improvements projects. These projects include \$120,000 for the Grinter Place State Historic Site; \$27,820 for Constitution Hall; \$59,000 for the Fort Hays Officers' Quarters; \$50,477 for the Shawnee Indian Mission; and \$10,594 for the William Allen White House. The agency's estimate includes \$81,708 from special revenue funds that did not match with any projects.

The Governor concurs with the agency's FY 2006 estimate for capital improvements, including the supplemental request of \$184,420 from the State General Fund for repair of the skylights at the State Historical Society Museum and Research Center in Topeka.

Staff noted that the agency has reported that the requested budget for capital improvements for FY 2006 was in error and the correct request should be \$608,510, of which \$340,619 is from the State General Fund and \$267,891 from special revenue funds.

For FY 2007, the agency requests capital improvement expenditures of \$920,039 from the State General Fund. The request includes \$125,000 to fund emergency repairs and maintenance. The remainder of the agency's request for projects includes \$515,039 for museum repair and \$280,000 for historic sites preservation and development.

Staff noted that the agency has reported that the request for FY 2007 capital improvements should have been \$1,034,435, including \$640,039 from the State General Fund and \$394,400 from special revenue funds. The projects funded by special revenue funds include \$200,000 for the Shawnee Indian Mission and \$194,400 for the Fort Hays Guardhouse. In the revised figures, the agency did not include any reference to the \$280,000 for historic sites preservation and development, which was included in the five-year capital improvements plan and seemed to be included in the submitted budget.

The Governor recommends \$125,000 from the State General Fund for emergency repairs and maintenance. No other capital improvement expenditures are recommended.

Terry Marmet, Director of Historical Sites, informed the Committee that work on the skylight repair will proceed just as soon as the funds are appropriated and the project goes through the bid process. He also related that the new seals for the skylights have a life expectancy of 50 years. However, the price of the seals could increase if a warranty of 50 years is required. Mr. Marmet stated he will appear again before the Committee with more details at a later date.

Jennie Chinn, Executive Director, Kansas State Historical Society (KSHS), informed the Committee that the expenses surrounding the Society's 50 buildings continue to rise, while their budget does not. The Society's gas bill per unit has risen dramatically this winter. Even with lowering thermostats, closing down some historic structures for the winter, and placing a surcharge on third-party rentals of the facility, the agency is projecting a shortage of \$35,000 to \$45,000 to pay the gas bill this fiscal year. To cover this expense the agency is leaving vacant positions open for some months and transferring salary dollars to pay for utilities. The agency has tried to work through these challenges by raising non-state dollars whenever possible.

Representative Feuerborn moved to approve the Governor's recommendations for FY2006 and FY 2007 for the Kansas State Historical Society. Representative Grant seconded. Motion carried.

Staff presented the capital improvement request for FY 2006 and 2007 for the Department of Corrections (Attachment 4). The agency estimates FY 2006 capital improvements of \$11,622,590 including: \$4,485,845 from the State General Fund; \$6,321,745 from the Correctional Institutions Building Fund (CIBF); and \$815,000 from Correctional Industries Fund for Kansas Correctional Industries (KCI). The revised estimate includes \$5,516,745 for rehabilitation and repairs, including \$4,701,745 from the CIBF and \$815,000 from the Correctional Industries Fund for KCI. The debt service principal of \$6,105,845, including \$4,485,845 from the State General Fund, includes \$1,140,845 from the State General Fund for the Facilities Conservation Improvement Program.

The Governor concurs with the agency's estimate.

The agency requests for FY 2007 capital improvements of \$17,217,226, an increase of \$5,594,636 (48.1 percent) above the FY 2006 estimate. The request includes \$12,058,230 for rehabilitation and repairs, an increase of \$6,541,485 (118.58 percent) above the FY 2006 estimate. The request includes enhancements totaling \$8,282,060 for:

- \$1,689,697 from the State General Fund requested by the Department of Corrections for debt service to leave the \$1,689,697 in CIBF to be used toward rehabilitation and repair.;
- \$5,997,363 from the State General Fund requested by Lansing Correctional Facility including:
 - \$5,617,790 to replace maximum security clinic and infirmary;
 - \$379,573 to expand a medium visiting center (a 5,000 square foot block building near the existing visitors room which decreased in size in 1997 when 280 inmates were added to the medium security compound); and
- \$595,000 from the State General Fund requested by Norton Correctional Facility for construction of a medium security dining room.

The request also includes \$5,518,996 for debt service principal, including \$3,980,000 for the Department of Corrections and \$1,178,996 for the Facilities Conservation Improvement Program. The agency's debt service request is a decrease of \$985,000 (19.8 percent) below the FY 2006 estimate. The debt service on the bond issues for the Wichita Work Release Facility and the Lansing and Topeka Correctional facilities will be completed with the scheduled payments to be made in FY 2006. Based on the established debt service schedules for current bond issues, the estimated payments for principal and interest cost remaining after FY 2007 are: \$.,620,000 for

Ellsworth Correctional Facility; \$12,493,000 for Revenue Refunding Bond Issue A; \$471,000 for Labette Correctional Conservation Camps, and \$19,728,000 for El Dorado Correctional Facility - RDU Project.

The Governor recommends FY 2007 capital improvements of \$8,935,166, a decrease of \$2,687,424 (23.1 percent) below the FY 2006 recommendation and a decrease of \$8,282,060 (48.1 percent) below the Department's request. The recommendation does not include the enhancement requests. The request includes \$3,776,190 for rehabilitation and repair and concurs with the Department's request of \$5,158,996 for debt service principal.

Chuck Simmons, Deputy Secretary, Department of Corrections, noted that the dining room at Norton was moved to the 1st floor from the 2nd floor. There are security issues in using the stairway between the first floor kitchen and the second floor dining room..

Discussion followed regarding the Work Release Program building in Wichita. Presently the location remains the same as the facilities are located outside the construction area.

Representative Humerickhouse moved for approval of the Governor's recommendation for the Department of Corrections. Representative Neufeld seconded. Carried.

Representative Grant moved for approval of the Governor's recommendation for the Insurance Department. Senator Goodwin seconded. Carried.

Chairman Umbarger adjourned the meeting at 1: 15 p.m.

The next meeting is scheduled for February 8, 2006.

Prepared by Helen Abramson, Committee Secretary
Edited by Debra Hollon, Legislative Research Department

Approved: March 16, 2006