

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 6, 2007, in Room 514-S of the Capitol.

All members were present except:  
Representative Kay Wolf - excused

Committee staff present:  
J. G. Scott, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Julian Efird, Legislative Research Department  
Aaron Klaassen, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:  
Marilyn Jacobson, Interim Director, Division of Facilities Management  
Peggy Hanna, State Treasurer's Office

Others attending:  
See attached list.

- Attachment 1 Presentation on State Owned Buildings by Marilyn Jacobson
- Attachment 2 Fiscal Note on **HB 2246**
- Attachment 3 Testimony on **HB 2246** by Peggy Hanna

**HB 2388** was referred to Social Services Budget Committee.

Representative Williams moved to introduce legislation to allow fire departments to close roads for safety reasons. The motion was seconded by Representative Lane. Motion carried.

Representative McLeland moved to introduce legislation pertaining to school finance and special education. The motion was seconded by Representative Powell. Motion carried.

Representative McLeland moved to introduce legislation concerning the school for the blind and the school for the deaf. The motion was seconded by Representative Powell. Motion carried.

Representative George moved to introduce legislation to reinstate a \$250,000 death benefit for National Guardsmen killed during combat duty. The motion was seconded by Representative Henry. Motion carried.

Representative George moved to introduce legislation to equalize funding for community colleges that merged with technical schools. The motion was seconded by Representative Bethell. Motion carried.

Chair Schwartz recognized Marilyn Jacobson, Interim Director, Division of Facilities Management, who presented a briefing on state buildings managed by the Department of Administration (Attachment 1). Ms. Jacobson stated that the Department of Administration manages 64 buildings/land assets in Shawnee County. A building condition assessment process is used to establish rankings on the condition of these building systems. The use of this assessment process indicates that a majority of the existing State owned/managed office buildings in the Capitol Complex are in a critical condition of disrepair.

Options under consideration by the Department include:

- Reconstruction of Docking State Office Building (DSOB) in which the building would be taken down to its base structure and rebuilt. Occupants would be moved out of the building into leased space. This option would preserve the existing heat plant and the cooling towers. Estimated cost would be \$77.5 million.

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- Phased reconstruction of DSOB in which the building would be reconstructed in two phases with half of the occupants moved into leased space at a time. This option would also preserve the existing heat plant and cooling towers. Cost of this option would be an additional \$9.3 million.
- Construction of new building on land south of the present DSOB location. Cost of this option would range from \$53.5 million to \$114 million depending on square footage and seat capacity.
- The demolition of the DSOB with retention of the heating plant and cooling towers would cost approximately \$10.4 million.
- Construction of new parking garage at a cost between \$9.6 million - \$19.3 million depending on site and configuration. Possible site would be the DSOB site.
- Individual repairs to DSOB while occupied is estimated at \$148 million.
- Reconstruction of Landon Building with occupants moved to leased space at an estimated cost of \$71.3 million.
- Individual repairs to Landon while occupied at an estimated cost of \$83 million.
- Renovation of Dillon House estimated at \$3 million.

The Committee discussed the need to investigate the possibility of selling the state-owned buildings and leasing space from private entities to house the state agencies. Another possibility discussed was the feasibility of moving some agencies into leased buildings in surrounding areas of the State.

### **Hearing on HB 2246 - Amendments to unclaimed property act allowing interest to be paid to certain claimants.**

Aaron Klaassen, Legislative Research Department, explained that **HB 2246** would amend the statute on distribution of unclaimed property by allowing interest to be paid to a claimant on any funds deposited with the State from a savings account, certificate of deposit or interest-bearing account.

A fiscal note on **HB 2246** was distributed to the Committee ([Attachment 2](#)). Mr. Klaassen noted that the State Treasurer estimates the effect to be less than \$100,000 State General Fund (SGF) each year.

The Chair recognized Peggy Hanna, State Treasurer's Office, who testified in support of **HB 2246** ([Attachment 3](#)). Ms. Hanna stated that this legislation would allow any interest earned on principal in a savings account, certificate of deposit or from an interest-bearing account to be paid, along with the principal, to a property owner or their heirs. Currently, the interest is retained by the State in the State General Fund (SGF).

Responding to a question from the Committee, Ms. Hanna stated that the State Treasurer's Office is funded through various fee funds and a "rake" of funds collected from unclaimed property. The Committee questioned the feasibility of paying interest to the claimant when banks actually charge fees on unused accounts held over five years.

### **The hearing on HB 2246 was closed.**

The meeting was adjourned at 10:00 a.m. The next meeting will be at 9:00 a.m. on February 7, 2007.

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Sharon Schwartz, Chair

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