

Joint Committee on State Building Construction

REPORT

Conclusions and Recommendations

The Joint Committee approved all agencies' five-year capital improvement plans. The Joint Committee also supports federal funding for the Kansas Highway Patrol's F Troop relocation project.

Proposed Legislation: None.

BACKGROUND

The Joint Committee was established during the 1978 Session. The Special Committee on Ways and Means recommended the bill creating the Joint Committee, 1978 HB 2765. It is composed of five members of the Senate and five members of the House of Representatives. Two members each are appointed by the Senate President, the Senate Minority Leader, the Speaker of the House of Representatives, and the House Minority Leader. The Chairperson of the Senate Committee on Ways and Means and the Chairperson of the House Committee on Appropriations serve on the Joint Committee or, in lieu of the Chairperson, a member of such committee will be appointed by that chairperson to serve (KSA 46-1701).

Terms of office are until the first day of the regular legislative session in odd-numbered years. A quorum of the Joint Committee is six members. The Chairperson and Vice-chairperson are elected by the members of the Joint Committee at the beginning of each regular session of the Legislature and serve until the first day of the next regular session. In odd-numbered years, the Chairperson is to be a Representative and the Vice-chairperson is to be a Senator. In even-numbered years, the Chairperson is to be a Senator and the Vice-chairperson is to be a Representative (KSA 46-1701).

The Joint Committee may meet at any location in Kansas on call of the Chairperson and is authorized to introduce legislation. Members receive the normal *per diem* compensation and expense reimbursements for attending meetings during periods when the Legislature is not in session (KSA 46-1701).

The primary responsibilities of the Joint Committee are set forth in KSA 46-1702. The Joint Committee is to review and make recommendations on all agency capital improvement budget estimates and five-year capital improvement plans, including all project program statements presented in support of appropriation requests, and to continually review and monitor the progress and results of all state capital construction projects. The Joint Committee also studies reports on capital improvement budget estimates that are submitted by the State Building Advisory Commission. The Joint Committee makes annual reports to the Legislature through the Legislative Coordinating Council (LCC) and other such special reports to the appropriate committees of the House of Representatives and the Senate (KSA 46-1702).

Each state agency budget estimate for a capital improvement project is submitted to the Joint Committee, the Division of the Budget, and the State Building Advisory Commission by July 1 of each year. Each estimate includes a written program statement describing the project in detail (KSA 2011 Supp. 75-3717b).

The budget estimate requirement does not apply to federally-funded projects of the Adjutant General or to projects for buildings or facilities of the Kansas Correctional Industries of the Department of Corrections that are funded from the Correctional Industries Fund. In those cases, the Adjutant General reports to the Joint Committee each January regarding the federally-funded projects, and the Director of Kansas Correctional Industries advises and consults with the Joint Committee prior to commencing such projects for the Kansas Correctional Industries (KSA 2011 Supp. 75-3717b and 75-5282).

The Secretary of Administration issues monthly progress reports on capital improvement projects including all actions relating to change orders or changes in plans. The Secretary of Administration is required to first advise and consult with the Joint Committee on each change order or change in plans having an increase in project cost of \$125,000 or more, prior to approving the change order or change in plans (KSA 2011 Supp. 75-1264). This threshold was increased from \$25,000 to \$75,000 in 2000 HB 2017, and to \$125,000 in 2008 HB 2744. Similar requirements were prescribed in 2002 for projects undertaken by the State Board of Regents for research and development facilities, state educational facilities (KSA 2011 Supp. 76-786) and in 2004 for projects undertaken by the Kansas Bioscience Authority (KSA 2011 Supp. 74-99b16).

For cases when the Joint Committee will not be meeting within 10 business days, and the Secretary of Administration determines that it is in the best interest of the state to approve a change order or change in plans with an increase in project costs of \$125,000 or more, 2000 HB 2017 provided an alternative to prior approval by the Joint Committee. Under these circumstances, a summary description of the proposed change order or change in plans is mailed to each member of the Joint Committee, who may request a presentation and review of the proposal at a meeting of the Joint Committee. If, within seven business days of the date the notice was mailed, two or more members notify the Director of Legislative Research of a request to have a meeting on the matter, the Director will notify the Chairperson of the Joint Committee, who will call a meeting as

soon as possible. At that point, the Secretary of Administration is not to approve the proposed action prior to a presentation of the matter at a meeting of the Joint Committee.

If the proposed matter is not requested to be heard by two or more members, the Secretary of Administration is deemed to have advised and consulted with the Joint Committee and may approve the proposed change order, change in plans, or change in proposed use.

In the comprehensive energy bill, 2009 Senate Sub. for HB 2369, the state is required to establish energy efficient performance standards for state-owned and -leased real property, and for the construction of state buildings. State agencies are required to conduct an energy audit at least every five years on all state-owned property, and the Secretary of Administration is prohibited from approving, renewing, or extending any building lease unless the lessor has submitted an energy audit for the building. Each year, the Secretary of Administration shall submit a report to the Joint Committee that identifies properties where an excessive amount of energy is being used.

COMMITTEE ACTIVITIES

The LCC approved four meeting dates for the Joint Committee on State Building Construction. Those meetings were held August 15, September 10, November 13, and December 6. During the 2012 interim meetings, the Joint Committee reviewed agencies' five-year capital improvement plans. All plans were approved.

At its September 10, 2012, meeting, the Joint Committee traveled to Hutchinson and Wichita to review state-owned buildings. The first visit was to the National Guard Armory in Hutchinson to hear Jeffery Terrell, Facilities Manager Branch Chief, Kansas Adjutant General's Office, provide an overview of Kansas National Guard facilities: 2.55-million square feet and 222 buildings, the latter of which include 35 community armories and 79 ancillary buildings.

Mr. Terrell responded to members' questions:

- The Governor's request of 10 percent

across-the-board cuts from all state agencies may mean closing more armories, but the new Readiness Center being built in Wichita will add 120,000 square feet.

- The average armory's annual maintenance costs total approximately \$20,000 and the total recurring cost per armory is about \$32,000.
- Since its inception in 2001, a bond program has provided needed renovation for a number of armories, enabling expenditures totaling \$32 million.
- Many other states build new armories. By contrast, Kansas has renovated and maintained current facilities, thus minimizing new construction costs but resulting in higher maintenance costs.
- Colonel Chris Burr added that, when the Wichita Readiness Center is completed, at least one armory in Wichita will be closed. The federal Department of Defense (DOD) has determined, based on soldier census, Kansas is currently 746,000 square feet short of space.
- Any new facility in addition to the Readiness Center will require 100 percent state funding.
- Mr. Terrell explained the DOD recommends \$7.46 per square foot (psf) for maintenance and repair; during the past fiscal year, Kansas funded maintenance at \$.98 psf, and this fiscal year at \$1.40 psf. Further cuts would be detrimental to future maintenance for Kansas National Guard facilities.

The Committee then traveled to the Kansas State Fair. Fair Board President Jeff Deeds welcomed members, and General Manager Denny Stoecklein reviewed capital improvement issues related to the Fair. He expressed appreciation for the Legislature's funding of its statutory obligation (\$300,000) for the year; however, failure to fund previous years has left a \$1.3 million shortfall. He

listed three major projects to be done: roof replacement on the Eisenhower and the Expocenter buildings and changing lighting to light-emitting diode (LED). He stated the Fair hosts over 400 non-Fair events during the year, the recreational vehicle park has been expanded and is full during the Fair, and the WIC Company collaborated with the Future Farmers of America to build a new building on the Fair campus.

Board member Brad Rayl, commenting that one building (the White House) on the fairgrounds is owned by a private foundation, asked for input from Committee members on how to supplement the foundation's fund-raising efforts in order to renovate the building.

Anthony Fedele, State Americans with Disabilities Act (ADA) Coordinator, in evaluating the Fair's compliance with the ADA, said the Fair was making good progress in meeting ADA standards. The present focus is the need to fill pavement potholes.

After a brief tour of the White House, Committee members disbanded to meet later in Wichita.

Committee members gathered at the Wichita armory at 3535 Douglas, where Mr. Terrell and Sergeant Carl Long gave a tour of the facility. Mr. Terrell pointed out new outdoor LED lighting, which reduces electrical consumption by 39 percent. He noted that by using bond funds, over 1,000 fixtures across the state were retrofitted rather than replaced. Sergeant Long stated the facility, with 14 full-time staff, is used by more than 100 soldiers on weekends. He pointed out the need to replace the inefficient single-pane windows in the office sections of the building.

At the intersection of I-35 and K-96, Mr. Terrell gave a tour of the National Guard Readiness Center under construction, the single largest building ever built by the National Guard. He said the \$20.8 million facility is funded entirely with federal funds, but maintenance funding is 50 percent federal and 50 percent State General Fund. He added that the companion Field Maintenance Shop, an \$18.9 million structure, is funded and will be maintained entirely with federal funds. He noted the FY 2013 state budget

did not include maintenance funding for the Readiness Center, so a budget enhancement will be needed to meet the estimated \$148,000 annual utility bills.

At its December 6, 2012, meeting, the Joint Committee was provided the Excess Property report from the Kansas Department of Transportation (KDOT). Dan Scherschligt, Director of Engineering and Design, KDOT, presented information regarding the agency's inventory records of real property and real estate transactions; with this inventory the agency can locate potential excess property. He stated a thorough review had been completed and, at the end of FY 2012, 1,187 potential excess tracts of land had been identified. Of these, 113 were considered marketable, and 24 tracts comprising 96 acres were sold for a total of \$438,793. Mr. Scherschligt replied some land is returned to the original owners or is deeded to other government entities. A staff of right-of-way agents decides which properties are marketable.

William Vicory, Right-of-Way Bureau Chief, KDOT, explained some properties are too small to be marketable and some are only easements. Since the governing statutes for agency real estate sales require a purchase price of at least two-thirds of the appraised value, many potential

buyers are deterred from purchasing certain properties. He said KDOT always obtains three appraisals for real property.

The Joint Committee was provided an update on the F Troop relocation. Kim Torrey, Chief Financial Officer, Kansas Highway Patrol (KHP), announced, after 21 years of seeking to relocate Troop F, the initiative is nearing fruition by utilizing federal forfeiture funds to construct a new headquarters on KDOT property east of Wichita. She explained KDOT will assist in site preparation, saving KHP \$1.0 million. The Kansas Bureau of Investigation (KBI) will co-locate in the building, providing savings for both KHP and the KBI. The projected total cost will be \$3.5 million.

During the meeting conclusion and wrap-up, the Joint Committee supported the funding for the F Troop relocation project. One member recommended the reinstatement of the deferred maintenance tax credit for the regents universities.

CONCLUSIONS AND RECOMMENDATIONS

The Joint Committee approved all agencies' five-year capital improvement plans. The Joint Committee also supports federal funding for the KHP F Troop relocation project.