MINUTES

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION

February 12, 2015
Room 159-S—Statehouse

Members Present

Representative Steve Brunk, Chairperson
Senator Kay Wolf, Vice-chairperson
Senator Marci Francisco
Senator Laura Kelly
Senator Forrest Knox
Representative John Alcala
Representative J. Steve Alford
Representative Mark Hutton
Representative Adam Lusker

Member Absent

Senator Larry Powell

Staff Present

Shirley Morrow, Kansas Legislative Research Department
Mark Dapp, Kansas Legislative Research Department
David Fye, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Jill Wolters, Office of Revisor of Statutes
Daniel Yoza, Office of Revisor of Statutes
David Wiese, Office of Revisor of Statutes
Gary Deeter, Committee Secretary

Others Attending

See attached sheet.

The meeting was called to order at 12:10 p.m. by Chairperson Brunk.

David Fye, Kansas Legislative Research Department (KLRD), reviewed the FY 2015, FY 2016, and FY 2017 capital improvement budgets for the Kansas Department of Insurance (Attachment 1). He reported the agency estimate for FY 2015 totaled $95,000, all for rehabilitation and repair. The agency requested the same amount for FY 2016 and FY 2017. The Governor concurred for all three fiscal years.

A motion was made by Representative Hutton and seconded by Senator Francisco to concur with the Governor's recommendations for FY 2015, FY 2016, and FY 2017. The motion passed unanimously.

Mr. Fye outlined the FY 2015, FY 2016, and FY 2017 capital improvement budgets for the Kansas Commission on Veterans' Affairs Office. The agency's estimate for FY 2015 of $2.9 million included $102,000 from the State General Fund (SGF); the total represents an increase of 25.2 percent, all from special revenue funds, the increase attributed to encumbered carryover funds. The Governor recommends expenditures of $2.1 million, the decrease due to the Governor's recommendation to exclude the carryover encumbrances.

Mr. Fye stated the FY 2016 capital improvement budget request of $2.4 million includes $34,000 from the SGF, a decrease of $525,121. The Governor recommended expenditures of $1.6 million, a decrease of 31.8 percent, the lower figure attributed to the Governor's recommendation to postpone renovating the Pershing Barracks Access. For FY 2017 the agency's request of $1.3 million, which includes $9,900 from the SGF, represents a decrease of $1 million. The Governor's recommendation increased expenditures to $2.1 million to address the Pershing Barracks Access renovation.

A motion was made by Representative Lusker, seconded by Senator Wolf, to concur with the Governor's recommendations for FY 2015, FY 2016, and FY 2017. The motion passed unanimously.

Mr. Fye outlined the FY 2015, FY 2016, and FY 2017 capital improvement budgets for the Kansas Department for Aging and Disability Services (KDADS); the budgets include the four state hospitals. For FY 2015 the agency estimate of $10.7 million is drawn from the State Institutions Building Fund (SIBF). He noted, because the Rainbow Mental Health Facility was closed, the appropriated $2.9 million was transferred to the agency's rehabilitation and repair fund. The Governor concurred with the agency's estimate.

For FY 2016 the agency requested expenditures of $7.5 million, all from the SIBF. The Governor concurred with the agency's request. The agency requested $7.7 million for FY 2017, an amount with which the Governor concurred. Mr. Fye noted that each fiscal year's request includes rehabilitation and repair for the four state hospitals.

Answering questions, Amy Penrod, Director of Finance and Budget for KDADS, explained rehabilitation and repair funds never cover all the needed repairs; the additional $2.9 million from the Rainbow facility will address some of these deficiencies. Amy Deckard, KLRD, replied to another question that ten years ago bonds were issued for deferred maintenance; the increase in debt service in FY 2016 was a result of refinancing the bonds and shortening the amortization.

A motion was made by Senator Kelly, seconded by Representative Alcala, to concur with the Governor's recommendations for FY 2015, FY 2016, and FY 2017. The motion passed unanimously.

Mr. Fye presented the FY 2015, FY 2016, and FY 2017 capital improvement budgets for the Kansas Neurological Institute (KNI). He explained the FY 2015 estimate and the FY 2016 and FY 2017 requests of $210,121 represent 15-year bond payments for the agency's participation in the state's Facility Conservation Improvement Program.

A member requested more information to ascertain whether the conservation initiative provided a reasonable return on investment. Another member suggested a field trip to KNI. Members requested a copy of a report that proposed closing KNI.

A motion was made by Senator Kelly, seconded by Representative Lusker, to concur with the Governor's recommendations for FY 2015, FY 2016, and FY 2017. The motion passed unanimously.

Mr. Fye briefed the Committee on the FY 2015, FY 2016, and FY 2017 capital improvement budgets for the Larned State Hospital. The hospital estimates an additional $7,808 for FY 2015, and requested the same amount for FY 2016 and FY 2017. The Governor concurred with all three requests.

A motion was made by Representative Hutton, seconded by Senator Kelly, to concur with the Governor's recommendations for FY 2015, FY 2016, and FY 2017. The motion passed unanimously.

Mr. Fye reviewed the FY 2015, FY 2016, and FY 2017 capital improvement budgets for the Parsons State Hospital. The hospital's estimate for FY 2015 and the requests for FY 2016 and FY 2017 total $151,449, $157,784, and $167,384 respectively; the amounts each year represent bond principal payments for the hospital's participation in the Facility Conservation Improvement Program. The budget amounts are all funded by the SIBF. The Governor concurred with the hospital's requests.

A member requested the guaranteed performance report for KNI and the Parsons State Hospital.

A motion was made by Representative Lusker, seconded by Senator Wolf, to concur with the Governor's recommendations for FY 2015, FY 2016, and FY 2017. The motion passed unanimously.

Ms. Penrod, answering a member's question, explained the repetitive amounts each year for Larned are not contracted repairs, but represent incremental funds to replace worn areas by staff. Responding to another question, Shirley Morrow, KLRD, explained the current fiscal year capital improvement budget nearly always is higher, since it represents carryover funds from a previous year. Agencies are given two years to expend state institutions building funds for a project, creating an apparent carryover increase in the current year's budget.

A motion was made by Senator Francisco, seconded by Representative Alford, to approve the Committee minutes for February 3 and February 5, 2015. The motion passed unanimously.

The meeting was adjourned at 1:05 p.m. The next meeting is scheduled for noon, Tuesday, February 17, 2015, in Room 159-S.

Prepared by Gary Deeter
Edited by Shirley Morrow

Approved by the Committee on:

February 24, 2015
(Date)