

Approved: May 7, 2008
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on March 5, 2008, in Room 123-S of the Capitol.

All members were present except:

Senator Carolyn McGinn - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
Kristen Clarke Kellems, Assistant Revisor of Statutes
Mike Heim, Assistant Revisor of Statutes
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Theresa Gordzica, Chief Business & Financial Planning Officer, University of Kansas
Senator Marci Francisco
Corey Peterson, Executive Vice President, Associated General Contractors of Kansas, Inc.
Trudy Aron, Executive Director, American Institute of Architects
Bob Totten, Public Affairs Director, Kansas Contractors Association
Diane Gjerstad, Wichita Public Schools

Others attending:

See attached list.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2008 and FY 2009 were available to the committee.

Subcommittee reports on:

Kansas Department of Transportation (Attachment 1)

Subcommittee Chairman Dwayne Umbarger reported that the subcommittee on the Kansas Department of Transportation concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments and notations.

Senator Schodorf moved, with a second by Senator Taddiken, to adopt the subcommittee budget report on the Kansas Department of Transportation in FY 2008 and FY 2009. Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 638--Authorizing the state board of regents to convey certain real estate in Lawrence on behalf of KU

Staff briefed the committee on the bill.

The following conferees testified on the bill:

Theresa Gordzica, Chief Business and Financial Planning Officer, University of Kansas, testified in support of **SB 638** (Attachment 2). Ms. Gordzica explained that the bill authorizes the Kansas Board of Regents to sell the property described as Lots 11 and 12 in Block 13 in Lane's Second Addition, also known as 1043

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Indiana. It was noted that the University does not wish to continue to invest limited resources on the building ut believes there may be private parties interested in rehabilitating the building. Ms. Gordzica noted that the University of Kansas wants to be in good favor with the Oread Neighborhood Association and would be all right with lots 7, 8, 9 and 10 being added to the bill.

Senator Marci Francisco testified as a neutral conferee on **SB 638** (Attachment 3). Senator Francisco spoke on behalf of the Oread Neighborhood Association and she expressed concerns regarding possible parking issues related to the property.

The Chairman closed the public hearing on **SB 638**.

Chairman Umbarger opened the public hearing on:

SB 649--State educational institutions may expend non-state moneys for capital improvement projects

Staff briefed the committee on the bill.

The following conferees testified on **SB 642**:

Theresa Gordzica, Chief Business and Financial Planning Officer, University of Kansas, testified in support of **SB 638** (Attachment 4). Ms. Gordzica explained that the University requested the changes proposed in the bill primarily so they can respond more quickly when a project is developed and funded and provided some examples. She noted that exempting the universities from the capital improvements process would not give universities the ability to construct and repair at will. The Board of Regents will retain its oversight and approval role in capital improvement projects and all capital improvement projects under the proposed will still need to be presented to the Joint Committee on State Building Construction.

Written testimony was submitted by Reginald "Reggie" Robinson, President and CEO, Kansas Board of Regents (Attachment 5).

The Chairman closed the public hearing on **SB 638**.

Chairman Umbarger opened the public hearing on:

SB 642--Unified school districts; alternative building construction procurement

Mike Heim, Assistant Revisor, briefed the committee on the bill (Attachment 6).

The Chairman welcomed the following conferees on the bill:

Corey Peterson, Executive Vice President, Associated General Contractors of Kansas, Inc., who testified in support of **SB 642** (Attachment 7). Mr. Peterson explained that nationally both public and private owners are now utilizing alternative project delivery methods for construction projects in lieu of the traditional "design-bid-build" method where the lowest responsible bidder is selected. He noted that following the hearing on **SB 485**, the Associated General Contractors met with Johnson and Sedgwick Counties and came up with several minor amendments to their bill including some amendments that also made sense for the school bill, so there were included in the attached balloon which is attached to his written testimony.

Trudy Aron, Executive Director, American Institute of Architects in Kansas, testified as a proponent on **SB 642** (Attachment 8). Ms. Aron explained that **SB 642** allows school districts options on how they design and/or construct schools and currently most districts procure design and construction as three distinct and separate actions - design, bid, build. **SB 642** allows, but does not mandate, two other delivery methods. In closing, Ms. Aron noted that AIA Kansas believes that in most instances, school districts should use the usual design-bid-build delivery.

Diane Gjerstad, Wichita Public Schools, testified in opposition to **SB 642** (Attachment 9). Ms. Gjerstad mentioned that just as the Associated General Contractors took time to research and analyze the impact of

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expanding public policy to include new alternative methods, they believe school districts should be given time to thoughtfully review, discuss and analyze whether these new alternative construction methods are in the best interest of the taxpayers and their elected board of education represent.

Bob Totten, Public Affairs Director, Kansas Contractors Association, testified as a neutral conferee on **SB 642** (Attachment 10). Mr. Totten explained that as an organization, they want the bidding process for transportation projects to be open, objective, cost effective and free of political influence. He noted that the highway construction industry supports the bill as it does not change the way school districts will procure bids on roads and highways and stand alone parking.

Written testimony was submitted by Dan Moran, Builders' Association and Kansas City Chapter, AGC, (Attachment 11).

The Chairman closed the hearing on **SB 642**.

The meeting adjourned at 12:05 p.m. The next meeting was scheduled for March 6, 2008.