

# JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

## CAPITAL IMPROVEMENTS

**Agency:** Adjutant General's Department    **Bill No.** HB 2588 / SB 422    **Bill Sec.** 92

**Analyst:** Riedel                      **Analysis Pg. No.** Vol. 2, pg. 1353                      **Capital Budget Page No.** 213

| Project   | Agency<br>Request<br>2023   | Governor's<br>Recommendation<br>2023 | JCSBC<br>Recommendation<br>2023 |
|---|-----------------------------|--------------------------------------|---------------------------------|
| <b>State General Fund Projects:</b>                       |                             |                                      |                                 |
| Rehabilitation and Repair                                 | \$ 993,974                  | \$ 993,974                           | \$ 993,974                      |
| Deferred Maintenance                                      | 38,300,000                  | 2,500,000                            | 2,500,000                       |
| SDB Remodel   | 20,951,443                  | 20,951,443                           | 20,951,443                      |
| New Hays Armory   | 18,135,000                  | 18,135,000                           | 18,135,000                      |
| Warehouse   | 6,000,000                   | 0                                    | 0                               |
| <i>Subtotal-SGF</i>                                       | <u>\$ 84,380,417</u>        | <u>\$ 42,580,417</u>                 | <u>\$ 42,580,417</u>            |
| <b>Special Revenue Fund (SRF) / Federal Fund Projects</b> |                             |                                      |                                 |
| NGB Ops/Maint. R&R Fed Match                              | \$ 5,000,000                | \$ 5,000,000                         | \$ 5,000,000                    |
| JFHQ Construction   | 5,000,000                   | 5,000,000                            | 5,000,000                       |
| <i>Subtotal-SRF&amp;FED</i>                               | <u>\$ 10,000,000</u>        | <u>\$ 10,000,000</u>                 | <u>\$ 10,000,000</u>            |
| <b>TOTAL</b>  | <b><u>\$ 94,380,417</u></b> | <b><u>\$ 52,580,417</u></b>          | <b><u>\$ 52,580,417</u></b>     |
| <b>Financing:</b>   |                             |                                      |                                 |
| State General Fund  | \$ 84,380,417               | \$ 42,580,417                        | \$ 42,580,417                   |
| Federal Funds   | 10,000,000                  | 10,000,000                           | 10,000,000                      |
| All Other Funds   | 0                           | 0                                    | 0                               |
| <b>TOTAL</b>  | <b><u>\$ 94,380,417</u></b> | <b><u>\$ 52,580,417</u></b>          | <b><u>\$ 52,580,417</u></b>     |

### Agency Request

The **agency** requests \$94.4 million, including \$84.4 million SGF, for capital improvements for FY 2023. This request includes six enhancement requests totaling \$86.9 million, including \$83.9 million SGF, for the remodel of the State Defense Building (SDB), a new armory in Hays, the purchase of an emergency supply warehouse, additional rehabilitation and repair, and deferred maintenance project expenditures. The request is composed of the following:

- **SGF MONEYS.** The request includes \$993,974 for rehabilitation and repair expenditures, \$38.3 million for deferred maintenance, \$21.0 million for the remodel of the SDB, \$18.1 million for the land and construction of a new armory in Hays, and \$6.0 million for the purchase of an emergency supply warehouse.

- **ALL OTHER FUNDS.** The request includes \$10.0 million, all from federal funds, for eligible projects. This includes matching funds for two of the agency's enhancement requests for additional rehabilitation and repair and deferred maintenance projects for FY 2023. Further, the request includes \$5.0 million from federal funds for construction of a new Joint Forces Headquarters (JFHQ) on federal property at Forbes Field in Topeka. The total project cost is estimated at \$16.5 million, with construction concluding in FY 2025.

Enhancement requests for capital improvement projects for FY 2023 are as follows:

- **REHABILITATION AND REPAIR.** The agency requests \$1.0 million, including \$500,000 SGF, for additional routine rehabilitation and repair among the 38 armories and other National Guard facilities, for FY 2023. These expenditures would support physical security upgrades, groundskeeping, code compliance, and utility infrastructure replacement. The agency notes the cooperative agreement with the federal National Guard Bureau generally provides a 50.0 percent matching rate, with a few exceptions at 25.0 percent matching rate for readiness centers (armories).
- **DEFERRED MAINTENANCE.** The agency requests \$5.0 million, including \$2.5 million SGF, to continue renovation and modernization of the 38 armories and other National Guard facilities, for FY 2023. These expenditures would support large restoration projects, HVAC replacements, roof replacements, interior upgrades, and building exterior improvements. The agency notes the cooperative agreement with the federal National Guard Bureau generally provides a 50.0 percent rate, with a few exceptions at 25.0 percent matching rate for readiness centers (armories). The agency indicates deferred maintenance work would occur at armories in Concordia, Dodge City, Paola, Salina, Smith Center, and Wichita for FY 2023.
- **DEFERRED MAINTENANCE - ARPA.** The agency request \$35.8 million, all SGF, to address deferred maintenance among all remaining National Guard facilities. The agency suggests discretionary funds provided through the federal American Rescue Plan Act (ARPA) may be suitable to be used instead of SGF moneys for this purpose. The agency notes that National Guard readiness centers (armories) were last updated between 2001 and 2012 and many systems have reached the end of their life cycle.
- **SDB REMODEL.** The agency requests \$21.0 million, all SGF, for the complete remodeling of the current State Defense Building (SDB) and the State Emergency Operations Center (SEOC). The Kansas Division of of Emergency Management (KDEM) is currently housed in the basement of the the SDB in Topeka. The agency states that the current space is inadequate for the day-to-day operations of the SEOC. The complete remodeling includes construction, partial demolition, and engineering costs, as well as the acquisition and integration of technology. The agency states that remodeling of the current facility is the most suitable option, as it sits within a secured site and is the location of the current SEOC and Joint Operations Center and supports the consolidation of multiple agency offices, such as the Comptroller's Office and Human Resources Office. The agency suggests that discretionary funds provided through ARPA may be suitable to be used instead of SGF moneys for this purpose.
- **NEW HAYS ARMORY.** The agency requests \$18.1 million, all SGF, to establish a new National Guard armory in Hays. This estimate includes the purchase of a 15-

acre site (\$2.1 million), yet to be determined, and the construction of a 49,792-square foot National Guard Readiness Center (\$16.0 million). The agency suggests discretionary funds provided through ARPA may be suitable to be used instead of SGF moneys for this purpose. The agency states that the current armory in Hays is over 60 years old and located in a flood plain, which does not support new construction. The current facility lacks adequate administrative and classroom space, kitchen facilities, and affords limited maintenance bay capacity, all of which inhibits training. The agency estimates construction would be complete by FY 2026.

- **WAREHOUSE - ARPA.** The agency requests \$6.0 million, all SGF, for the purchase of a warehouse in Topeka to enable the storage and statewide distribution of personal protective equipment (PPE), and other emergency supplies. The agency suggests discretionary funds provided through ARPA may be suitable to be used instead of SGF moneys for this purpose. In response to the COVID-19 pandemic, large quantities of PPE, and other response supplies, were warehoused at a leased facility. This facility provides KDEM the capability to maintain a 60-day supply, which the agency indicates is critical due continued supply-chain disruptions during the COVID-19 pandemic and would be a valuable capability for future disasters. The proposed facility is a 34,429-square foot warehouse located at Forbes Field in Topeka, which is in proximity to major interstate highways and an airfield. Additionally, the agency indicates the site could be suitable as an temporary alternate location for the SEOC.

### **Governor's Recommendation**

The **Governor** recommends expenditures totaling \$52.6 million, including \$42.6 million SGF, for capital improvements for FY 2023. This is an SGF decrease of \$41.8 million below the agency's FY 2023 request. The decrease is due to the Governor not recommending the agency's enhancement requests for additional deferred maintenance of all remaining armories (\$35.8 million), nor the purchase of a supply warehouse (\$6.0 million). The recommendation does not include ARPA funding for any projects, but notes that such federal funding should be pursued with the SPARK Taskforce.

### **Joint Committee on State Building Construction Recommendation**

The **Joint Committee on State Building Construction** concurs with the Governor's recommendation for FY 2023 with the following notation:

1. The Committee recommends the agency request \$35.8 million from the American Rescue Plan Act Fund through the appropriate SPARK Advisory Panel to address deferred maintenance among all remaining National Guard armories for FY 2023. These deferred maintenance expenditures are not included in the Governor's recommendation.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation for FY 2023, with the following adjustments:

1. Delete \$21.0 million SGF for the State Defense Building remodel pending outcome of the agency request for funding from the American Rescue Plan Act (ARPA) Fund through the SPARK Executive Committee for FY 2023 and review this deletion at Omnibus. The Committee expresses support for this project and recommends that SGF moneys be added if ARPA funds are not available.

2. Delete \$18.1 million SGF for a new Hays armory pending outcome of the agency request for funding from the ARPA Fund through the SPARK Executive Committee for FY 2023 and review this deletion at Omnibus. These expenditures include the purchase of land (\$2.1 million) and building construction (\$16.0 million). The Committee notes the project's urgency, as the current armory is functionally obsolete and located in a flood plain, and recommends that SGF moneys be added if ARPA funds are not available.

#### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2023.

#### **House Committee of the Whole Recommendation (House Sub. for Sub. for SB 267)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

#### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation for FY 2023, with the following notion:

1. The Subcommittee requests the agency provide the Senate Committee on Ways and Means additional information regarding expenditures totaling \$18.1 million for a new armory in Hays for FY 2023, including plans for the purchase of land (\$2.1 million) and facility construction (\$16.0 million).

#### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation for FY 2023.

#### **Senate Committee of the Whole Recommendation (Sub. for SB 444)**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

#### **Conference Committee Recommendation (House Sub. for Sub. for SB 267)**

The **Conference Committee** concurs with the Governor's recommendation for FY 2023, with the following adjustments:

1. Delete \$21.0 million SGF for the State Defense Building remodel pending outcome of the agency request for funding from the federal American Rescue Plan Act (ARPA) Fund through the SPARK Executive Committee for FY 2023 and review this deletion at Omnibus.

#### **Omnibus Action (HB 2510)**

No action taken related to capital improvements for FY 2023.