

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Department of Administration **Bill No.** HB 2592 / SB 444 **Bill Sec.** 24

Analyst: Wu **Analysis Page No.** Vol. 1, p. 319 **Capital Budget Page No.** 16

| Project | Agency Estimate 2022 | Governor's Recommendation 2022 | JCSBC Recommendation 2022 |
|--------------------------------|-----------------------------|--------------------------------------|---------------------------------|
| Capital Projects: | | | |
| Capitol Complex R&R | \$ 3,450,113 | \$ 3,450,113 | \$ 3,450,113 |
| Debt Service Principal: | | | |
| Statehouse Renovations | \$ 1,765,000 | \$ 1,765,000 | \$ 1,765,000 |
| John Redmond Reservoir | 1,080,000 | 1,080,000 | 1,080,000 |
| KU Medical Ed. Bldg. | 940,000 | 940,000 | 940,000 |
| Series 2015A Refinancing | 16,180,000 | 168,995,000 | 168,995,000 |
| Series 2015G NBAF | 10,640,000 | 174,220,000 | 174,220,000 |
| Series 2016H Refinancing | 4,935,000 | 4,935,000 | 4,935,000 |
| Series 2019F/G Refinancing | 4,257,558 | 4,257,558 | 4,257,558 |
| Series 2020R Refinancing | 11,960,000 | 11,960,000 | 11,960,000 |
| Series 2020S Refinancing | 530,000 | 530,000 | 530,000 |
| <i>Subtotal-Debt</i> | <u>\$ 52,287,558</u> | <u>\$ 368,682,558</u> | <u>\$ 368,682,558</u> |
| TOTAL | <u>\$ 55,737,671</u> | <u>\$ 372,132,671</u> | <u>\$ 372,132,671</u> |
| Financing: | | | |
| SGF | \$ 39,504,696 | \$ 355,899,696 | \$ 355,899,696 |
| State Highway Fund | 16,232,975 | 16,232,975 | 16,232,975 |
| Federal Funds | 0 | 0 | 0 |
| All Other Funds | 0 | 0 | 0 |
| TOTAL | <u>\$ 55,737,671</u> | <u>\$ 372,132,671</u> | <u>\$ 372,132,671</u> |

Agency Estimate

The **agency** requests a revised estimate of \$55.7 million in on-budget capital improvement expenditures in FY 2022, including \$39.5 million SGF and \$16.2 million in transfers from the State Highway Fund. In FY 2022, capital project expenditures include only rehabilitation and repair expenditures for Capitol Complex buildings (\$3.5 million). This funding includes maintenance, asbestos abatement, minor building refurbishments, and replacement of major equipment components that break down during operations. Debt service expenditures include principal payments for bonds related to debt service refinancing (\$36.7 million) and the National Bio and Agro-Defense Facility (NBAF) (\$10.1 million).

The Governor recommends \$372.1 million in on-budget capital improvement expenditures in FY 2022, including \$355.9 million SGF and \$16.2 million in transfers from the State Highway

Fund. This represents an increase of \$316.4 million, or 525.5 percent, above the agency's revised estimate and is attributable to the Governor's proposal to pay off Series 2015A (\$169.0 million) and Series 2015G (\$174.2 million) bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015A consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building, while Series 2015G includes the State's portion of NBAF debt service.

The request also includes \$4.5 million in off-budget capital improvements expenditures in FY 2022. These expenditures include only debt service principal payments on bonds related to the Eisenhower State Office Building, the Curtis State Office Building, and the Myriad Building where the DCF Topeka Service Center is located.

Governor's Recommendation

The **Governor** recommends \$372.1 million in on-budget capital improvement expenditures in FY 2022, including \$355.9 million SGF and \$16.2 million in transfers from the State Highway Fund. This represents an increase of \$316.4 million, or 525.5 percent, above the agency's revised estimate and is attributable to the Governor's proposal to pay off Series 2015A (\$169.0 million) and Series 2015G (\$174.2 million) bonds early, ahead of the scheduled final debt service payment in FY 2035. Series 2015A consists of four debt service refunding bonds, debt service for the John Redmond Reservoir, and debt service for a University of Kansas Medical Center health education building, while Series 2015G includes the State's portion of NBAF debt service.

Joint Committee on State Building Construction Recommendation

The **Joint Committee on State Building Construction** concurs with the Governor's recommendation in FY 2022.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2022.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2022.

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

The **Committee of the Whole** concurs with the Governor's recommendation in FY 2022.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2022.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation in FY 2022.

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

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2022.

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

The **Conference Committee** concurs with the Governor's recommendation in FY 2022.

Omnibus Action (HB 2510)

No action taken related to capital improvements in FY 2022.