

## MINUTES OF THE JT. COMMITTEE ON STATE BUILDING CONSTRUCTION

The meeting was called to order by Chairman Dwayne Umbarger at 12:30 p.m. on February 9, 2006 in Room 123-S of the Capitol.

### Members present:

Senator Dwayne Umbarger  
Senator Greta Goodwin  
Senator Pat Apple  
Senator Jim Barone  
Representative Joe Humerickhouse  
Representative Steve Brunk  
Representative Melvin Neufeld  
Representative Bill Feuerborn  
Representative Bob Grant

### Committee staff present:

Deb Hollon, Michele Alishahi, Amy Van House, Legislative Research Department  
Mike Corrigan, Revisor's office  
Helen Abramson, Committee Secretary

### Conferees appearing before the committee:

Kyle Smith, Kansas Bureau of Investigation  
Ed Pavey, Kansas State University  
Dan Heater, Kansas State University  
Katrin Osterhaus, Division of Post Audit  
Eric King, Board of Regents  
Eric Sexton, Kansas State University

### Others attending:

See Attached List

Chairman Umbarger called the meeting to order at 12:30 PM.

Staff presented to the Committee the FY 2006 and FY 2007 capital improvements for the Kansas Highway Patrol (Attachment 1).

For FY 2006, the Kansas Highway Patrol (KHP) estimates capital improvements expenditures of \$2,528,326. The estimate includes debt services principal payments of \$736,817 for the KHP Training Center, the Fleet Center, the Vehicle Identification Number Inspection Facility in Olathe, and for Motor Carrier Inspection Port Modernization. The estimate includes

expenditures of \$1,500,000 for constructing an airplane hanger at Billard Airport in Topeka and \$291,509 for rehabilitation, repair, and scale replacement.

The Governor recommends FY 2006 capital improvement expenditures of \$2,486,509. The Governor concurs with the agency estimate with the exception of debt service payments on the Motor Carrier Inspection Port Modernization. The Governor does not recommend debt service payments on this project since it has not yet been started.

For FY 2007, the agency requests capital improvements expenditures of \$1,020,190. The request includes debt service principal payments of \$768,957 for KHP Training Center, the Fleet Center, the Vehicle Identification Number Inspection Facility in Olathe, and for Motor Carrier Inspection Port Modernization. Expenditures of \$251,509 are requested for rehabilitation, repair, and scale replacement at the KHP Training Center in Salina, eleven scale facilities, twelve port facilities, the administration building, and the Valley Center Troop Building. Repairs include roof repair or replacement, patching of parking lot surfaces, sidewalk replacement, guttering, windows, doors, weather-proofing, painting, and loss recovery.

The Governor concurs with the agency's FY 2007 capital improvement request.

Staff presented FY 2006 and FY 2007 for capital improvement for the Kansas Bureau of Investigation (Attachment 2).

For FY 2006, the Kansas Highway Patrol (KHP) estimates capital improvement expenditures of \$245,000 from the State General Fund for the debt service principal payment on the Headquarters building in Topeka.

The Governor concurs with the agency's estimate.

For FY 2007, the agency requests capital improvements expenditures of \$875,295 from the State General Fund. The request includes the debt service principal payment of \$250,000 for the Headquarters building in Topeka. Also included in the request is an enhancement package totaling \$625,295.

The Governor recommends FY 2007 capital improvements expenditures of \$488,075 including \$350,000 from the State General Fund. The recommendations includes the debt service principal payment of \$250,000 for the Headquarters Building in Topeka. The Governor also recommends enhancement funding of \$100,000 from the State General Fund to be expended at the discretion of the agency.

Kyle Smith, Deputy Director, KBI, stated that the agency was approached by IMA Insurance, a insurance company located next door to the KBI Headquarters which is interested in selling the building (Copy is on file at the Legislative Research Department). It has 13,000 square feet of office space in a building built in 1986. The offer also includes 40 Herman Miller units and was appraised in 2001 at \$950,000. It has 60 parking spaces and two conference rooms, an atrium, and, according to the agency, would help it meet its space needs. This would not be a complete

solution as it is not a new laboratory, but finger printing employees could be moved out of their current space to the new building. That move would free up space for DNA staff and laboratories in the existing facilities. Appraisals are presently being conducted. More information will be provided to the Committee on March 8, 2006 when touring the two buildings.

The Governor recommends expenditures of \$100,000 from the State General Fund for discretionary capital improvement enhancements.

Mr. Smith noted that the IMA has not yet put any price on the building. The cost may be able to be spread out over three years. IMA has not given public notice so, at the present time, there are no other parties interested in purchasing the building.

Staff presented FY 2006 and FY 2007 capital improvement request for the Adjutant General's Department (Attachment 3).

For FY 2006, the Adjutant General's Department estimates expenditures of \$1,850,000 for capital improvements. The estimate includes expenditures of \$850,000 from the State General Fund for debt service principal payments on bonds issued for the renovation of the state's armories. The estimate also included expenditures of \$1,000,000 from the federal Military Fee Fund to match funds in the armory renovation program. The federal government may provide a 50.0 percent match for some armory renovation projects.

The Governor concurs with the agency's estimate.

For FY 2007, the agency requests expenditures of \$2,160,000 for capital improvements. The request includes expenditures of \$1,160,000 for debt service principal payments on bonds issued for the renovation of the state's armories. The request also includes expenditures of \$1,000,000 from the Military Fee Fund to match funds in the armory renovation program. The federal government may provide a 50.0 percent match for armory renovation projects.

The Governor concurs with the agency's request.

Staff presented FY 2006 and FY 2006 capital improvement request for the Board of Regents and State Universities (Attachment 4).

For FY 2006, the Board of Regents (BOR) requests a total of \$68.2 million systemwide. That includes \$32.4 million from the Educational Building Fund, \$31.0 million from other funds, \$2.0 million from the State General Fund and \$2.0 million from the General Fees Fund.

The Governor concurs with the agency's request.

For FY 2007, the agency requests \$77.8 million for capital improvement expenditures. The request includes \$22.1 million from the State General Fund for ongoing leases and debt service (\$2.2 million) as well as funding for new projects (\$19.9 million). Also included in the request is \$26.5 million from the Educational Building Fund for systemwide rehabilitation and repair (\$15.0

million) and debt service on the principal of the "Crumbling Classrooms" bond issuance (\$11.5 million). Kansas State University requests bonding authority of \$17.5 million for a parking facility.

The Governor recommends FY 2007 capital improvement expenditures of \$57.9 million. The recommendation includes \$2.2 million from the State General Fund for ongoing projects and debt service, but does not include funding for new projects. The Governor concurs with the non-State General Fund portion of the request including bonding authority at Kansas State University for \$17.5 million.

Staff noted that the parking facility project at Kansas State University has not been reviewed by the Joint Committee. Also, a few years ago, Kansas State University had a project for parking facilities, but it was withdrawn. This is the same project.

Ed Pavey, Kansas Law Enforcement Training Center (KLETC), gave an overview of the Center located in Yoder, Kansas (Attachment 5). It was created in 1968 to serve as a central headquarters for all law enforcement training. Almost 400 officers are trained yearly in basic training programs and another 2,500 officers in continuing education programs. There are four critical capital improvement needs at the Training Center. Additional dormitory space to accommodate 126 beds is needed. Presently 142 officers are sleeping in a facility that was meant to sleep 107. Another need is an on-campus multipurpose space that would accommodate training classes or lectures for large groups of police officers. The largest classroom hold 78 students and therefore KLETC runs simultaneous basic training. There are 120 basic training students in residence. KLETC also needs an emergency vehicle operations driver training course. Currently, a flat concrete, WWII-era airport tarmac is being used where exposed rebar and unlevel surfaces make it increasingly hazardous. Another need is a tactical shooting training house. Presently a dorm area is being used. Land is available at the Training Center to build a shooting training house.

Mr. Pavey presented a architectural program for the KLETC capital improvement projects that was prepared by the University of Kansas (Attachment 6). Total cost including a 4 percent contingency is estimated at \$16,421,600, to fund the four capital improvement projects. Presently, HB 2570 in the House Appropriations Committee would establish a \$2.00 license tag fee increase which will fund all of the capital improvements for the Center.

Mr. Pavey explained that the base cost per person for basic training is \$9,086 for 14 weeks. The national average is \$13,000, but weeks vary and hiring practices are different. Other states fund their operations differently from such sources as insurance premiums, docket fees, and the general fund.

Dan Heater, Architect, Kansas State University, presented a program statement for the university's parking structure (Attachment 7). Kansas State University is planning to fund construction of a 1,406 space parking facility by a sale of revenue bonds, financed with parking

system revenue. The project is to be financed over a 20 year period. The facility will be located immediately south of the student union and will be strategically located for the student union, the alumni center and visitors and conference attendees. It will be located on two existing parking lots for a net gain of 1,000 spaces. Start of construction is estimated in the spring of 2007 with completion estimated in January 2008.

In response to a question, Mr. Heater noted that parking permit fees will double for faculty, staff, and students with the increase phased in over a three year period.

Mr. Heater presented a program statement for the Center for Leadership Studies and Programs for Kansas State University (Attachment 8). It will be funded by private gifts and already one-third of the revenue needed has been raised. It is a three story, 31,200 square feet proposed facility. It will allow location for about 12,000 students who are enrolled in this program. The students are presently housed in two rentals that belong to the Kansas State Endowment Association. This \$8.8 million center will house a very large multi-use community hall. The estimated schedule for construction is approximately two years.

Representative Humerickhouse moved for Committee's approval of Governor's FY 2006 and FY 2007 capital improvement recommendations for the Kansas Highway Patrol, Kansas Bureau of Investigation, Adjutant Generals Department, and Board of Regents. Representative Grant seconded. Motion carried.

Katrin Osterhaus, Legislative Division of Post Audit, reviewed the report, *Regents Institutions: Reviewing Proposals for Increased Maintenance Funding at the State's Colleges and Universities* (copy is on file at the Legislative Research Department). Ms. Osterhaus called the Committee's attention to page 3 of the audit showing how nearly \$180 million of capital improvements were spent. In 1996, the original request was for \$288 million and the Legislature authorized bonds for \$163 million. The Board of Regents also had available an additional \$15 million because of favorable interest rates and also refinancing of bonds. The Board of Regents spent about \$40 million for rehabilitation and repair projects and that category was originally stated to the Post Audit as \$181 million.

Regarding the "Crumbling Classrooms" initiative, it is important to recognize it is not brand new money, as there is a one mill statewide property tax levy that is collected to fund university building maintenance. The law authorizing "Crumbling Classrooms" initiative specified that \$15 million in annual bond repayments come out of the Educational Building Fund. The table on page 4 of the audit shows how the bond repayment from 1998 to 2012 reduced what would otherwise be available for building maintenance. In 2004, the Board of Regents' published a study which estimated a cost of \$584 million to cover deferred maintenance needs at the six state universities including any utilities infrastructure items, such as water mains. The study also pointed out that there is an annual maintenance need of \$74 million, which is much higher than is currently generated through the property tax revenue.

The Board of Regents hired a facilities maintenance management consultant who reviewed the preliminary results of the study, and determined that the methodology used generally was

sound. Based on information contained in the study, about \$95 million would be needed to address maintenance and repair issues for those buildings rated as poor or unsatisfactory. On page seven of the report, the amount of funding needed is shown for buildings, utilities, and infrastructure components that are in critical shape. At the time of conducting the interview in July, 2005, the Board of Regents had not identified specific projects or requested additional funding. Because of that, and because Post Audit could not identify specific projects done in "Crumbing Classrooms," Post Audit could only do a very general comparison on a building to building level. That comparison is shown on page eight of the Post Audit report. The Post Audit review showed that 134 of the 138 buildings that received funding under the "Crumbing Classrooms" initiative also are identified as needing funds to fix maintenance backlogs in the 2004 study. Officials stated that this does not necessarily indicate duplication, as different areas of the building may need to be fixed.

In conclusion, Ms. Osterhaus remarked that there is a second appendix in the Post Audit report which contains a table with more detailed information on how "Crumbling Classroom" initiative funds were spent by the six universities (Kansas University Medical Center is shown as a separate campus) and by category.

Discussion followed concerning the differences among universities regarding the funding for buildings and utilities and infrastructure components that are in critical shape. It was pointed out that the type of building (facilities that have a lot of technical items and number of buildings) makes a big difference. Eric King, Director of Facilities Management, Board of Regents, stated that part of the difference is the age of the buildings on campus and some universities have local tax revenue that others do not.

Eric Sexton, Wichita State University, remarked about the age of the campuses and that the local revenue at his campus does not go for maintenance of state facilities, as they are local tax dollars.

Chairman Umbarger remarked that the Joint Committee has a large task before them regarding the rehabilitation and repair of university facilities and that it will take some kind of leadership from the legislature to address this issue.

Chairman Umbarger adjourned the meeting at 1:30 p.m.

The next meeting is scheduled February 13, 2006.

Prepared by Helen Abramson, Committee Secretary  
Edited by Debra Hollon, Legislative Research Department

Approved: March 16, 2006