

Report of the Joint Committee on State Building Construction to the 2023 Kansas Legislature

CHAIRPERSON: Senator Rick Billinger

VICE-CHAIRPERSON: Representative Marty Long

RANKING MINORITY MEMBER: Senator Marci Francisco

OTHER MEMBERS: Senators J.R. Claeys, Tom Hawk, and Gene Suellentrop; and Representatives John Alcalá, Michael Houser, Susan Humphries, and Jarrod Ousley

CHARGE

Study, Review, and Make Recommendations on Capital Improvement Expenditures and Other State-owned Properties and Leases

The Committee is authorized by KSA 2022 Supp. 46-1701, which includes provisions allowing the Committee to meet on call of its Chairperson at any time and any place within the state and to introduce legislation. The Committee is authorized to study, review, and make recommendations on all agency five-year capital improvements plans, leases, land sales, and statutorily required reports by agencies, and to travel throughout the state to observe state-owned buildings.

Joint Committee on State Building Construction

ANNUAL REPORT

Conclusions and Recommendations

All five-year capital improvement plans were reviewed by the Committee with the following recommendations:

- The amount appropriated to the Kansas Bureau of Investigation for annual rehabilitation and repair should be increased from \$100,000 to \$300,000;
- The on-call construction contract limit for state projects should be raised to \$1.5 million;
- The Senate Committee on Ways and Means and House Committee on Appropriations should discuss and add additional appropriations to the Correctional Institutions Building Fund from gaming revenues; and
- The minimum amount for a project to require a bid should be increased from \$5,000 to \$25,000.

Proposed Legislation: None

BACKGROUND

The Joint Committee on State Building Construction (Committee) was established during the 1978 Legislative Session. The Special Committee on Ways and Means recommended the bill creating the Committee, 1978 HB 2722, as a result of its interim study of state building construction procedures.

The Committee was expanded from six member to ten members by 1999 HB 2065. It is composed of five members of the Senate and five members of the House of Representatives. Two members each are appointed by the Senate President, the Senate Minority Leader, the Speaker of the House of Representatives, and the House Minority Leader.

The Chairperson of the Senate Committee on Ways and Means and the Chairperson of the House Committee on Appropriations serve on the Committee or appoint a member of such committee to serve (KSA 46-1701).

The Committee may meet at any location in Kansas on call of the Chairperson and is authorized to introduce legislation (KSA 46-1701).

The primary responsibilities of the Committee are set forth in KSA 46-1702. The Committee is to review and make recommendations on all agency capital improvement budget estimates and five-year capital improvement plans, including all project program statements presented in support of appropriation requests, and to continually review and monitor the progress and results of all state capital construction projects. The Committee also studies reports on capital improvement budget estimates that are submitted by the State Building Advisory Commission. The Committee makes annual reports to the Legislature through the Legislative Coordinating Council (LCC) and other such special reports to the appropriate committees of the House of Representatives and the Senate.

Each state agency budget estimate for a capital improvement project is submitted to the Committee, the Division of the Budget, and the

State Building Advisory Commission by July 1 of each year. Each estimate includes a written program statement describing the project in detail (KSA 75-3717b). The budget estimate requirement does not apply to federally funded projects of the Adjutant General's Department or to projects for buildings or facilities of the Kansas Correctional Industries of the Department of Corrections that are funded from the Correctional Industries Fund. In those instances, the Adjutant General reports to the Committee each January regarding federally funded projects, and the Director of the Kansas Correctional Industries advises and consults with the Committee prior to commencing such projects for the Kansas Correctional Industries (KSA 75-3717b and 75-5282).

The Secretary of Administration issues monthly progress reports on capital improvement projects, including all actions relating to change orders and changes in plans. The Secretary of Administration is required to first advise and consult with the Committee on each change order or change in plans that increases project cost by \$125,000 or more, prior to approving the change order or change in plans (KSA 75-1264). Similar requirements were prescribed in 2002 for projects undertaken by the Kansas Board of Regents for research and development facilities and the state educational facilities (KSA 76-786).

If the Committee will not be meeting within ten business days, and the Secretary of Administration determines it is in the best interest of the State to approve a change order or change in plans with an increase in project costs of \$125,000 or more, KSA 75-1264(d) provides an alternative method for achieving approval by the Committee. A summary description of the proposed change order or change in plans is transmitted to each member of the Committee, and a member may request a presentation of the proposal at a meeting of the Committee. If, within seven business days of the date the notice was transmitted, two or more members notify the Director of Legislative Research of a request to have a meeting on the matter, the Director will notify the Chairperson, and the Chairperson will call a meeting as soon as possible. At that point, the Secretary of Administration is not to approve the proposed action prior to presentation of the matter at a meeting of the Committee. If fewer than two members request the proposed matter be heard by

the Committee, the Secretary of Administration is deemed to have advised and consulted with the Committee and may approve the proposed change order or change in plans.

The "comprehensive energy bill," 2009 Senate Sub. for HB 2369, required the State to establish energy-efficient performance standards for state-owned and -leased real property and for the construction of state buildings. State agencies are required to conduct energy audits at least every five years on all state-owned property, and the Secretary of Administration is prohibited from approving, renewing, or extending any building lease unless the lessor has submitted an energy audit for the building or it is not economically feasible to conduct such energy audit (KSA 75-37,128).

Each year, the Secretary of Administration is required to submit a report to the Committee that identifies properties where an excessive amount of energy is being used (KSA 75-37,128).

COMMITTEE ACTIVITIES

The LCC approved four meeting dates for the Committee during the 2022 Interim. The Committee met September 7-8 and reviewed all agency five-year capital improvement plans, received the Department of Transportation's Excess Right-of-Way Annual Report, and received an update on construction of a building to house the Kansas Department of Health and Environment (KDHE) laboratory. On October 19, certain Committee members toured the Lansing Correctional Facility, and on November 10, certain Committee members toured the Hutchinson and Winfield Correctional Facilities, but no meetings occurred those two days.

Presentation of Five-Year Capital Improvement Plans

Department of Administration. A representative from the agency discussed the five-year plan and the building condition assessment component with the plan. There was discussion with the Committee on challenges regarding the availability of equipment, materials, and subcontractor labor and how that is affecting projects. Information was provided on the timeline

and specifics for the design of the new KDHE laboratory and the approach to addressing long lead times for equipment.

Kansas State Fair. An agency representative provided the five-year plan and answered questions from the Committee.

Department of Labor. A representative from the agency presented the five-year plan and explained there was a change in the legal opinion of how capital improvement projects should be funded by the agency. In the past, capital improvement projects were funded from the Workers Compensation Fund, and the new opinion is that the projects should be funded with a combination of State General Fund (SGF) and Workers Compensation Fund moneys. The split would be 60.0 percent SGF and 40.0 percent Workers Compensation Fund moneys.

Department of Wildlife and Parks. A representative from the agency provided a summary of the five-year plan and stated there is an increase in projects for FY 2024 due to additional federal funds available. The representative stated the agency is having issues with availability of contractors and equipment.

Kansas State School for the Blind. A representative provided a summary of the five-year plan, including two supplemental requests in FY 2023 for additional costs associated with heating, ventilation, and air conditioning equipment and rehabilitation and repair costs. The representative also reviewed seven enhancement projects for FY 2024.

Kansas State School for the Deaf. The agency representative provided information on the five-year plan and made one supplemental request for additional funds for rehabilitation and repair due to increased costs.

Adjutant General's Department. A representative from the agency provided information on the five-year plan and said the agency has experienced supply chain issues.

Kansas Board of Regents. An agency representative provided the five-year capital improvement plan for the Board and all universities and discussed the Educational

Building Fund. Representatives from state universities discussed the completed, current, and planned projects. Several addressed additional concerns:

- **Emporia State University.** The representative noted that some of the projects were necessary for accreditation requirements and federal Americans with Disabilities Act (ADA) accessibility.
- **Wichita State University.** The representative noted the universities are addressing maintenance issues due to the average age of mission-critical buildings, which for this university is 44 years old.
- **University of Kansas.** The representative stated the university uses a building assessment tool, a work order management system, and the input of their tradespeople in determining the projects.

All university personnel expressed gratitude for the additional funds appropriated by the Legislature during the 2022 Session for deferred maintenance and demolition.

Department for Children and Families. A representative of the agency provided information on the agency's five-year plan.

Judicial Branch. A representative from the agency discussed three capital improvement projects for the agency: the addition of compact shelving, the construction of a learning center, and the remodel of Court of Appeals office space and lounge.

Kansas Commission on Veterans Affairs Office. A representative from the agency discussed the projects at the Soldiers' Home, Veterans' Home, and cemeteries.

Kansas Highway Patrol. A representative presented the five-year plan and discussed relocating the dispatch command center in Salina. The representative also clarified information in the plan regarding the replacement of the Olathe scale.

Department of Commerce. A representative from the agency discussed the projects for the three workforce centers owned by the State.

Kansas Bureau of Investigation. A representative from the agency described the five-year plan and stated the agency would probably not extend the lease in FY 2025 for the Great Bend laboratory unless changes are made.

Department of Transportation. The representative presented the agency five-year plan and stated the agency is also seeing increases in building construction costs. The representative stated the agency supports increasing the spending limit to \$1.5 million for construction costs for on-call construction projects. The agency right-of-way disposal and acquisition report also was provided.

Department of Corrections. A representative from the agency discussed the Correctional Institutions Building Fund and noted that the transfer amount has not increased since it was set in the early 1990s. There was discussion on the statutory requirement for any project over \$5,000 to be bid. The agency asked that this statute be reviewed.

Kansas State Historical Society. An agency representative provided the five-year plan, noting changes in building material and labor costs, and answered questions from the Committee.

Kansas Department for Aging and Disability Services. An agency representative provided the five-year plan and answered questions from the Committee. There was discussion that the increased costs have delayed projects and some of the old, original buildings on the grounds of state hospitals are being razed.

Presentation of Lease Agreements

A representative of the Department of Administration presented leases for two Department of Revenue driver's license examination offices, one in Kansas City and one in Great Bend. The Committee recommended both leases.

CONCLUSIONS AND RECOMMENDATIONS

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