

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on March 12, 2008, in Room 514-S of the Capitol.

All members were present except:

Representative Barbara Ballard - excused

Committee staff present:

Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Reed Holwegner, Legislative Research Department  
Cody Gorges, Legislative Research Department  
Aaron Klaassen, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Nobuko Folmsbee, Revisor of Statutes  
Nikki Feuerborn, Chief of Staff  
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Kevin Carr, Kansas Technology Enterprise Corporation (KTEC)  
Barry Greis, Statehouse Architect, Department of Administration  
Emil Konrath, President, The Konrath Group, LTD  
Robin Floyd, Vice President, The Konrath Group, LTD

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Department of Commerce, Kansas, Inc. And Kansas Technology Enterprise Corporation
- Attachment 2 Budget Committee Report on Department of Labor
- Attachment 3 Budget Committee Report on School for the Blind, School for the Deaf and Kansas Historical Society
- Attachment 4 Testimony on Statehouse Renovation by Barry Gries
- Attachment 5 Testimony on Construction Management by Emil Konrath

### Introduction of Legislation

Representative Huntington appeared before the Committee to request the introduction of a House Concurrent Resolution to direct the Kansas Department of Health and Environment (KDHE) to name May 2008, as Lyme/Tickborne illness awareness month.

Representative Watkins moved to introduce legislation as requested. The motion was seconded by Representative Wolf. Motion carried.

### Department of Commerce

Representative Powell, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Commerce for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Gatewood. Motion carried.

Representative Masterson made a substitute motion to delete the \$250,000 grant from the Economic Development Initiatives Fund (EDIF) given to the Kansas Sports Hall of Fame. The motion was seconded by Representative Bethell. Motion was withdrawn with approval from the second.

The Budget Committee noted that \$250,000 was appropriated to the Kansas Sports Hall of Fame

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through the Department of Commerce budget during the 2007 Legislative Session and that a portion of this funding could have already been expended.

Representative Powell, Chair of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Commerce for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Watkins. Motion carried.

The Budget Committee noted that it has requested additional information from the Department of Commerce concerning their bidding process for software upgrades. The Budget Committee stated their concern that the agency has not responded to the request at this time.

Representative Masterson made a substitute motion to amend the Budget Committee report on the Department of Commerce for FY 2009 by deleting \$3.1 million Economic Development Initiatives Fund (EDIF) funding from the Department of Commerce budget and review at Omnibus. The motion was seconded by Representative Watkins. Motion failed on a 9-11 vote.

### **Kansas, Inc.**

Representative Watkins, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas, Inc. for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Powell. Motion carried.

Representative Watkins, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas, Inc. for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Powell. Motion carried.

### **Kansas Technology Enterprise Corporation (KTEC)**

Representative Gatewood, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas Technology Enterprise Corporation (KTEC) for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Powell. Motion carried.

Responding to a question from the Committee with regard to Item No. 2, Kevin Carr, Kansas Technology Enterprise Corporation (KTEC), indicated that funds spent for the Heartland BioVenture for the current year would have come from university programs, primarily the Experimental Program to Simulate Competitive Research (EPSCor) fund, and commercialization funding. Mr. Carr noted that the EPSCor funds are primarily used for state matches for federal grants and have a high demand. Because of the demand for the EPSCor funds, the Budget Committee's action is an effort to remove the lapse of EDIF funding for the Heartland BioVenture and avoid the use of EPSCor funds for the project.

Representative Gatewood, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas Technology Enterprise Corporation (KTEC) for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 1). The motion was seconded by Representative Carlin.

Responding to a question from the Committee, Mr. Carr stated that the agency uses contractual services to support professional activities and consultants.

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- The Committee requested that the agency provide a breakdown of the \$1.5 million contractual service budget.

Representative Schwartz made a substitute motion to delete the funding of \$600,000 in Item No. 2 until the passage of HB 2884. The motion was seconded by Representative Holmes. Motion carried. Representatives Gatewood and Carlin requested to be recorded as voting "no".

Representative Gatewood renewed the motion to adopt the Budget Committee report on the Kansas Technology Enterprise Corporation (KTEC) for FY 2009 as amended. The motion was seconded by Representative Carlin. Motion carried.

### Department of Labor

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Department of Labor for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 2). The motion was seconded by Representative Pottorff. Motion carried.

Representative Yoder, Chair of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Department of Labor for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 2). The motion was seconded by Representative Pottorff. Motion carried.

### School for the Blind

Representative Masterson, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the School for the Blind for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative McLeland. Motion carried.

The Budget Committee explained that the School for the Blind has been wrongly calculating the shrinkage rate in prior years. The additional appropriation in the Budget Committee report is an effort to correct the error in funding to avoid the necessity of eliminating staff at the School.

Representative Masterson, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the School for the Blind for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 3). The motion was seconded by Representative Sawyer. Motion carried.

### School for the Deaf

Representative Masterson, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the School for the Deaf for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative McLeland. Motion carried.

Representative Masterson, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the School for the Deaf. for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 3). The motion was seconded by Representative McLeland. Motion carried.

Representative Lane made a substitute motion to amend the Budget Committee Report by deleting Item No. 2. The motion was seconded by Representative Feuerborn. Motion failed on a 9-13 vote.

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### **Kansas Historical Society**

Representative McLeland, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State Historical Society for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 3). The motion was seconded by Representative Tafanelli. Motion carried.

Representative McLeland, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State Historical Society for FY 2009 and moved for the adoption of the Budget Committee recommendation for FY 2009 (Attachment 3). The motion was seconded by Representative Masterson. Motion carried.

### **Briefing on Capitol Restoration**

Barry Greis, Statehouse Architect, Department of Administration, presented an update on the progress of the Capitol Restoration and Renovation project (Attachment 4). Mr. Greis' comments in response to Committee questions included:

- The project is more costly and more time consuming because statehouse operations have continued onsite rather than being moved offsite.
- The escalating cost of exterior renovation was caused by the fact that the deteriorated condition of the exterior was not known when the original estimate was made. Upon detailed examination of the exterior stone, it was found that there was more extensive repair work needed.
- Additional offices were added for increased staff after the original plans were developed.
- 5<sup>th</sup> floor will be closed after the end of the 2008 Legislative Session and will be closed for several years.
- A review of the plans for the visitor's center at this time is standard procedure. The original plan is now 8 years old and new technology may need to be incorporated.
- The original estimate for the renovation included a 1.5 percent inflation factor.
- Statehouse architect works with the Legislature in the ongoing process. The change of personnel in leadership positions has caused some changes in plans.
- The Committee requested that several issues be addressed including difficulties with the speaker system in the House Chamber, odor in some of the new restrooms, access to the exterior door on the 2<sup>nd</sup> floor West wing.

Emil Konrath, President, and Robin Floyd, Vice President, of The Konrath Group, LTD, presented testimony on their professional construction management service (Attachment 5). Mr. Konrath and Ms. Floyd stated that their construction management service consists of an array of services applied to construction projects and programs through the planning, design, construction and post construction phases for the purpose of achieving project objectives including the management of quality, cost, time and scope of the project.

Responding to questions from the Committee, Mr. Konrath indicated that their contingency fee is approximately 20 percent of the total project; however, depends on the specifics of the project.

### **Adjournment**

The meeting was adjourned at 11:00 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 13, 2008.

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Sharon Schwartz, Chair