

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 3:30 p.m. on March 10, 2009, in Room 531-N of the Capitol.

All members were present.

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes
Reagan Cussimano, Kansas Legislative Research Department
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Eric Stafford, Director of Government Affairs, Association of General Contractors of Kansas, Inc.
Jim Modig, Dir of Facilities, University of Kansas
Eric King, Director of Facilities, Kansas Board of Regents
Jeff King, State Representative
Dr Walt Chappell, Kansas State Board of Education
Mark Tallman, Assistant Director, Kansas Association of School Boards
Steve Shogren, George K Baum & Co
Diane Gjerstad, Director Government Relations, Wichita Public Schools
Bill Reardon, Kansas City, Kansas School District
Chuck Schmidt, Superintendent of Schools, USD 446
Gary George, Assistant Superintendent, USD 233
Trudy Aron, American Institute of Architects
Jack Deyoe, Director of Operations, USD 232

Others attending:

See attached list.

SB 9 - State educational institutions; capital improvements totally financed with non-state moneys.

The meeting opened and Theresa Kiernan, of the Revisor's office briefly gave a synopsis of **SB 9** (Attachment 1)

Speaking as a proponent, Eric Stafford, Association General Contractors of Kansas, Inc., stated these new statutes would essentially mirror the language in existing bidding and alternative delivery statutes in place for state construction, but also, allow Regents' institutions the flexibility of using a "procurement committee" as a timely alternative to the State Building Advisory Committee which only meets once a month, and sometimes slows the process for the selection of a construction manager by choosing to utilize the alternative delivery procurement method. (Attachment 2)

Another proponent, Jim Modig, University of Kansas, thinks the bill is a more time efficient and cost effective way to manage projects at the Regents' State Educational Institutions which are built with non-state funding (Attachment 3).

Eric King, University of Kansas, spoke favorably for **SB 9** because he felt it would afford efficiencies in construction projects by allowing design and construction projects to move faster than current requirements while providing fair, open and competitive procedures. (Attachment 4)

Written testimony favoring the proposed regulations was submitted by Trudy Aron, American Institute of Architects, pointing to providing a fair, open and competitive process. (Attachment 5)

No opponents appeared before the committee.

After each conferee answered all the questions they were asked, the chairman closed the hearing on **SB 9**.

HB 2280 - School districts; capital improvement and capital outlay state aid.

CONTINUATION SHEET

Minutes of the House Education Budget Committee at 3:30 p.m. on March 10, 2009, in Room 531-N of the Capitol.

Theresa Kiernan of the Revisor's office gave a brief explanation of the bill. ([Attachment 6](#))

Jeff King, State Representative, offered an amendment to **HB 2280** which would change the trigger date for the reduction of capital outlay state aid from the date of bond issuance to the date of the election authorizing these bonds because he felt basing the state funding change on the issuance of bonds is ripe with problems. ([Attachment 7](#))

Walt Chappell, Kansas State Board of Education, spoke to the committee members in support of this bill because it would let local districts decide for themselves if these new facilities are actually needed and whether they are willing to pay the short and long term costs. ([Attachment 8](#))

As an opponent, Mark Tallman, Kansas Association of School Boards, related KASB believes the quality of a child's education is the responsibility of the whole state and this bill would invite litigation which he believes the state would lose. ([Attachment 9](#))

Next was Steve Shogren, George K. Baum and Company, opposing this bill because he felt the changes from this bill were negative and blatantly unfair to local voters and taxpayers because in this period of economic challenges, Kansas needs projects that put people to work, and also provide learning environments for thousands of children now, and in the future as citizens. ([Attachment 10](#))

The Wichita Public Schools was represented by Diane Gjerstad who urged the committee to reject **HB 2280**, because school districts in Kansas made decisions based on a law which includes property tax equalization for school bond construction. Wichita taxpayers have helped build schools across the state and now Wichita taxpayers are asking for the same consideration. ([Attachment 11](#))

Eric Stafford, Associated General Contractors of Kansas opposes this bill because of the negative impact it would have on the construction industry in Kansas. He attached a report outlining the economic impact on investment in Kansas. ([Attachment 12](#))

Another opponent, Bill Reardon, Kansas City, Kansas Public Schools, said the bill would have a chilling affect on the passage of all new school construction projects except projects in wealthy USD's that do not qualify for state assistance. ([Attachment 13](#))

Chuck Schmidt of USD 445, Independence, Kansas, summarized his opposition by saying, **HB 2280** would hurt those school districts that are most in need, and would actually cost the state more in the short term. ([Attachment 14](#))

Dr Gary George, USD 233, Olathe, is against **HB 2280** because it would make capital outlay funds ineligible for state aid after the effective date of this bill, and bond issues after the effective date would be ineligible for state assistance. ([Attachment 15](#))

Trudy Aron, American Institute of Architects, does not want this bill to advance further because she feels the State of Kansas needs the new and renovated schools these bond elections provide, and the State needs to continue to meet their obligations in this area. ([Attachment 16](#))

Jack Deyoe, USD 232, opposes this bill because it is detrimental to local taxpayers and by reducing or eliminating the state's contribution to bond principal and interest payments would result in local property tax increases for patrons or failure of future bond issue votes. ([Attachment 17](#))

The next meeting is scheduled for March 11, 2009.

The meeting was adjourned at 5:30 p.m.