

JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION REPORT

CAPITAL IMPROVEMENTS

Agency: Adjutant General's Department **Bill No.** HB 2397 / SB 267 **Bill Sec.** 107

Analyst: Klaassen **Analysis Pg. No.** Vol. 1, p. 455 **Capital Budget Page No.** 432

Project	Agency Request 2022	Governor's Recommendation 2022	JCSBC Recommendation 2022
Projects:			
Debt Service Principal:			
Armory Bonds (SGF)	\$ 170,000	\$ 170,000	\$ 170,000
State General Fund Projects:			
Rehabilitation and Repair	500,000	500,000	500,000
Deferred Maintenance	1,852,060	0	0
SDB Redesign and Remodel	20,951,443	1,600,000	1,600,000
General Armory R&R	514,719	514,719	514,719
<i>Subtotal - SGF</i>	<i>23,988,222</i>	<i>2,784,719</i>	<i>2,784,719</i>
Special Revenue Fund (SRF) / Federal Fund Projects (FED):			
General Fees Fund	450,000	450,000	450,000
NGB Ops/Maint. R&R Match FED	6,702,060	4,850,000	4,850,000
Architects and Engineers	640,000	640,000	640,000
<i>Subtotal - SRF&FED Projects</i>	<i>7,792,060</i>	<i>5,940,000</i>	<i>5,940,000</i>
TOTAL	\$ 31,780,282	\$ 8,724,719	\$ 8,724,719
Financing:			
State General Fund	\$ 23,988,222	\$ 2,784,719	\$ 2,784,719
All Other Funds	7,792,060	5,940,000	5,940,000
TOTAL	\$ 31,780,282	\$ 8,724,719	\$ 8,724,719

Agency Request

The **agency** requests capital improvements expenditures totaling \$31.8 million, including \$24.0 million SGF, for FY 2022. The FY 2022 request includes three enhancement requests totaling \$25.7 million, including \$23.3 million SGF, for the redesign and remodel of the State Defense Building (SDB), additional rehabilitation and repair, and deferred maintenance project expenditures. The FY 2022 request is composed of the following:

- **State General Fund.** The FY 2022 request includes \$170,000 for debt service principal on armory renovation bonds expenditures, \$966,163 for rehabilitation and repair expenditures, \$1.9 million for deferred maintenance, and \$21.0 million for the re-design and remodel of the SDB; and
- **All Other Funds.** The FY 2022 request includes \$7.8 million, all from special revenue funds, for architects and engineers (\$640,000), agency general fees funds (\$450,000), and matching federal funds for eligible projects (\$6.7 million), part of which includes two of the agency's enhancement requests for rehabilitation and repair and deferred maintenance projects in FY 2022.

SGF capital improvement projects included in the FY 2022 request are as follows:

- **Rehabilitation and Repair.** The agency requests enhancement funding totaling \$1.0 million, including \$500,000 SGF, for additional rehabilitation and repair for FY 2022. The agency notes state funding would be used to match federal funds for facility renovations, modernizations, and repairs for 38 armories and other National Guard facilities. The cooperative agreement with the National Guard Bureau requires mostly a 50.0 percent state match with a few exceptions of 25.0 percent state match on readiness centers (armories);
- **Deferred Maintenance.** The agency requests \$3.7 million, including \$1.9 million SGF, to match federal funds in order to provide for facility renovations, modernizations, and repairs for the 38 armories and other National Guard facilities for FY 2022. The agency notes the cooperative agreement with the National Guard Bureau generally provides a 50.0 percent matching rate, with a few exceptions at 25.0 percent matching rate for readiness centers (armories). The agency states requested funding would go towards large restoration projects, HVAC replacements, roof replacements, interior improvements, and improving building envelope. The agency states that the amount requested is prorated based on a list of projects; and
- **State Defense Building Redesign and Remodel.** The agency requests \$21.0 million, all SGF, for the complete remodeling of the current SDB and the State Emergency Operations Center (SEOC). The Kansas Division of Emergency Management (KDEM) is currently housed in the basement of the SDB in Topeka. The agency states that the current space for the day-to-day operations of the SEOC is inadequate. The agency's request is to provide space through the most-optimized design for the SEOC and the KDEM. The complete remodeling includes acquisition of materials and design of space and equipment for usage of KDEM within the SDB. The agency's request noted that they are requesting a complete redesign and remodeling, amongst their three SDB replacement options:
 - \$20,951,443 - Complete remodel of current facility;
 - \$10,000,000 - Partial remodel of current facility; or
 - \$40,000,000 – Build new facility located at Forbes Field.

The agency states that a complete remodel of it's current facility is currently determined to be the agency's best option as it sits within a secured site and is the location of the current SEOC, Joint Operations Center, and supports the consolidation of multiple Adjutant General Department programs, as well as the Adjutant General's Comptroller's Office and Human

Resources Office. The agency further noted that a partial remodel would build-out the space requirement for KDEM to fully staff the State Operations Center with all disaster partners in the event of a full activation, and that a new facility would allow KDEM to be closer to National Guard assets and staff with a state of the art facility.

Governor's Recommendation

The **Governor** recommends expenditures totaling \$8.7 million, including \$2.8 million SGF, for capital improvements for FY 2022. This is an all funds decrease of \$23.1 million, or 72.5 percent, including a decrease of \$21.2 million SGF, or 88.4 percent, below the agency's FY 2022 request. The decrease is due to the Governor not recommending the agency's enhancement request for deferred maintenance (\$3.7 million from all funds, including \$1.9 million SGF) and only recommending design expenditures for the remodel of the State Defense Building (\$1.6 million SGF) for FY 2022.

Joint Committee on State Building Construction Recommendation

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

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation (Sub. for HB 2397)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022 with the following adjustment:

1. Add language to delete 2.0 percent of SGF appropriations and reappropriations, excluding debt service, for FY 2022.

Senate Subcommittee Recommendation

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

Senate Committee Recommendation

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

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

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

Conference Committee Recommendation (HB 2007)

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

Omnibus Action (SB 159)

No action taken related to capital improvements for FY 2022.