

January 20, 2012

The Honorable Lana Gordon, Chairperson
House Committee on Education Budget
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Gordon:

SUBJECT: Fiscal Note for HB 2429 by Legislative Educational Planning Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2429 is respectfully submitted to your committee.

HB 2429 would remove the expiration date on the State Educational Institution Project Delivery Construction Procurement Act. The Act applies only to construction projects and construction projects and services funded totally with non-state money, such as tuition, fees or federal funds and expires on June 30, 2012.

The State Educational Institution Project Delivery Construction Procurement Act exempts certain construction projects and services at state universities from many of the requirements imposed on other state agencies when hiring architects, engineers, and contractors for construction projects. The Act allows state universities to use an alternative project delivery process. This process uses a construction manager or general contractor hired by the university to manage the project.

The University of Kansas reports that it has tracked time saving efficiencies resulting from the State Educational Institution Project Delivery Construction Procurement Act. The average time savings experienced to date include the following: 63 days from advertisement to signed contract for architects/engineers; ten days from bid to award of the project; and 65 days from bid to the notice to proceed for the contractor. This totals to an average savings of 138 days per project. The University of Kansas states that it could not project a precise fiscal effect from the passage of the bill. Presumably, the other Regents institutions have experienced similar changes to managing construction projects.

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The Department of Administration notes that the passage of HB 2429 would have no fiscal effect on its operations. Any fiscal effect associated with HB 2429 for the universities is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kelly Oliver, Board of Regents
Marilyn Jacobson, DofA