

February 16, 2011

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

SUBJECT: Fiscal Note for SB 156 by Joint Committee on State Building
Construction

In accordance with KSA 75-3715a, the following fiscal note concerning SB 156 is respectfully submitted to your committee.

SB 156 would transfer the charge, care, management, and control of the Hiram Price Dillon House from the Secretary of Administration to the Kansas Arts Commission. The Arts Commission would maintain a public office in the building and establish a not-for-profit organization to solicit and accept gifts, donations, and money to be used in restoring, renovating, maintaining, and furnishing the Dillon House. The bill requires that the Commission appoint an advisory board, and specifies what the functions of the board would be, and how members of the board would be chosen. The bill would also establish funds for fees received for the use of the facility and for gifts and grants intended for the development and improvement of the building. The bill would allow liquor to be consumed in the building according to the limitations established by the Commission.

Executive Reorganization Order No. 39 by Governor Brownback would abolish the Kansas Arts Commission. If the ERO is allowed to take effect on July 1, 2011, this bill refers to a non-existent agency. If the ERO is rejected by the Senate or House of Representatives and the Kansas Arts Commission continues in existence, passage of SB 156 is expected to have a negligible fiscal effect on its budget for several years. The Commission has developed a four-year plan for fundraising, design, construction, renovation, and occupation of the building and plans to support all operations and capital improvements through existing resources, gifts, donations, and eventually, third-party rentals. Upon completion of this plan in January 2014, the Commission estimates that annual operating and public programming expenses, including utilities, event and building supplies, custodial services, and funding for an event scheduler, a scheduling assistant, and an accountant, will total \$122,000. The Commission estimates that annual income, including Kansas Arts Commission rental for its office space, and third-party rentals for meetings, conferences, and parties would also total \$122,000. However, without an exemption from the monumental building surcharge, the Commission would pay an additional

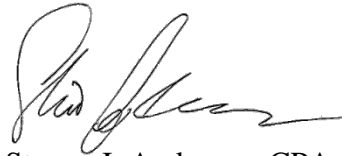
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\$50,040 (\$2.78 per square foot X 18,000 square feet), which would increase operating costs to \$172,040. Any fiscal effect resulting from enactment of SB 156 is not accounted for in *The FY 2012 Governor's Budget Report*.

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: Chris Howell, Arts Commission
Debbie White, Historical Society