

February 6, 2023

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2234 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2234 is respectfully submitted to your committee.

HB 2234 would increase the cost threshold for convening a negotiating committee for selection of professional services relating to state construction or building improvements from \$1.0 million to \$1.5 million. The bill would also change the threshold from “total cost” of a project to “construction cost” of a project.

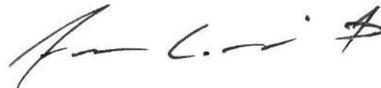
The Department of Administration states enactment of HB 2234 would not have a fiscal effect on agency operations because the bill would allow for state agencies to complete construction and design projects more efficiently and would increase the dollar limit for on-call architectural and engineering services to adjust to construction market inflation.

The Kansas Department of Transportation (KDOT) states enactment of the bill would have a fiscal effect on agency capital improvements by streamlining the process for engaging engineering and architectural services on building projects. KDOT indicates that under current law, for projects over \$1.0 million, the agency is required to interview and select a firm from a list provided by the State Building Advisory Commission, which adds additional steps and three to four months to the process. KDOT states that by increasing the cost threshold, the agency could directly hire professional services through the Department of Administration for many agency projects.

The Board of Regents indicates enactment of the bill would reduce the time spent by negotiating committees on advertising, reviewing qualifications, and interviewing and selecting

design professionals. Further, the Board states the bill's enactment would reduce the time and funding spent by architectural and engineering firms generating materials, traveling, and preparing for interviews. Any fiscal effect associated with HB 2234 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Tamara Emery, Department of Administration
Becky Pottebaum, Board of Regents
Brendan Yorkey, Department of Transportation