

SESSION OF 2023

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2234**

As Amended by House Committee on  
Commerce, Labor and Economic Development

**Brief\***

HB 2234, as amended, would increase the cost thresholds for state building projects at which a negotiating committee must be convened for the selection of architectural, engineering, or land surveying services to \$1.5 million and provide for future increases to the thresholds to begin in FY 2025 based upon increases in the consumer price index for all urban consumers as published by the Bureau of Labor Statistics of the U.S. Department of Labor.

[*Note:* Current law sets the cost threshold at \$1.0 million for the Department of Administration and \$500,000 for all other state agencies.]

The bill would also limit the costs applying to the thresholds from the total project costs to the construction costs of the project.

**Background**

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of a representative of the Kansas Board of Regents.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

### ***House Committee on Commerce, Labor and Economic Development***

In the House Committee hearing, **proponent** testimony was provided by representatives of the American Council of Engineering Companies of Kansas, the American Institute of Architects of Kansas, the Department of Administration, the Department of Transportation, and the Kansas Board of Regents. Proponents generally stated enactment of the bill would reduce administrative costs of building projects and was appropriate to bring the previously enacted thresholds in line with inflation since their enactment.

No other testimony was provided.

The House Committee amended the bill to provide for future increases based upon inflation.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Administration indicates the bill would not have a fiscal effect on agency operations, but would allow for projects to be completed more efficiently. The Department of Transportation indicates the bill would have a fiscal effect on the agency by streamlining the process for engaging in relevant services. The Kansas Board of Regents indicates enactment of the bill would reduce time spent by negotiating committees and time and funding spent by qualified firms in responding to negotiating committees.

Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

State construction projects; negotiating committees; cost thresholds