

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 125

HOUSE BILL NUMBER 24

TITLE AN ACT relating to the Bowling Green Veterans Center, making an appropriation therefor, and declaring an emergency.

SPONSOR Representative Michael Meredith

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Department of Veterans' Affairs

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES	\$2,500,000			
NET EFFECT	(\$2,500,000)			

() indicates a decrease/negative

PURPOSE OF MEASURE: HB 24 appropriates \$2,500,000 from either the General Fund Surplus Account or the Budget Reserve Trust Fund Account for the design and planning of the Bowling Green Veterans Center.

FISCAL EXPLANATION: The measure appropriates \$2,500,000 toward funding design work on the Bowling Green Veterans Center to obtain the federal match of \$19,500,000 toward construction costs.

The federal Department of Veterans Affairs indicates the allowance for design contingency should not be greater than 10% of total construction costs, while 8% of total construction costs is the current industry standard for state veterans home projects. Kentucky Department of Veterans' Affairs estimates the construction costs of the Bowling Green project will be \$30,000,000. The requested appropriation would allow 8.33% of total construction costs toward the project design.

DATA SOURCE(S): "Manual for Preparation of Cost Estimates & Related Documents for VA Facilities", Kentucky Department of Veterans' Affairs.

PREPARER: Emma Mills **NOTE NUMBER:** 28 **REVIEW:** JAB **DATE:** 1/13/2020