

January 28, 2013

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

Dear Representative Cassidy:

SUBJECT: Fiscal Note for HB 2021 by Legislative Educational Planning Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2021 is respectfully submitted to your committee.

HB 2021 would authorize the Board of Regents, on behalf of Emporia State University, to sell or exchange the ESU Apartments and lots 1 through 24 in the Norton's Addition with the Emporia State University Foundation for property of equal or greater value. The conveyance of rights, title and interest in the real estate would be executed in the name of the Board of Regents by its chairperson and chief executive officer. The transaction and associated documents would have to be approved by the Attorney General.

Under current law, 20.0 percent of the net proceeds from a surplus real estate sale are deposited in the state's surplus real estate fund or, upon the agency's request, a surplus real estate special revenue fund for the agency; the remaining 80.0 percent goes to the Kansas Public Employees Retirement Fund to be applied to the unfunded actuarial liability. Subject to the provisions of appropriation acts, money in the agency's surplus real estate special revenue fund may be expended for the operation of the state agency. HB 2021 would exempt Emporia State University from this process and all of the proceeds would be retained by the University.

Estimated State Fiscal Effect				
	FY 2013 SGF	FY 2013 All Funds	FY 2014 SGF	FY 2014 All Funds
Revenue	--	--	--	(\$720,000) to (\$960,000)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

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The Board of Regents estimates that the property would sell for \$900,000 to \$1,200,000. Under current law \$180,000 to \$240,000 would go to Emporia State University and \$720,000 to \$960,000 would go to the Kansas Public Employees Retirement Fund. If the property is sold rather than exchanged, the bill would exempt Emporia State University from current law and allow them to retain all the proceeds. If the property is exchanged for another property there would be no fiscal effect. Any fiscal effect associated with HB 2021 is not reflected in *The FY 2014 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
Diana Kuhlmann, Emporia State University