SESSION BILL No. 235

By Committee on Ways and Means

AN ACT enacting the university engineering initiative act; amending K.S.A. 2010 Supp. 74-8768 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. Sections 1 through 9, and amendments thereto, shall be known and may be cited as the university engineering initiative act.

New Sec. 2. (a) The legislature of the state of Kansas hereby finds and declares that:

(1) Engineering intensive industries represent approximately 1/3 of the statewide payroll and tax base;

(2) under the university engineering initiative act, the board of regents, in consultation with the state educational institutions and private industry, shall develop a plan to ensure engineering industry partners find the new talent, designs and techniques needed to fuel economic growth and business success in Kansas;

(3) the goal of the university engineering initiative act is to increase the number of engineering graduates to 1,365 graduates per year in 2021, and all moneys appropriated pursuant to this act shall be used to meet this goal; and

(4) the needs of the citizens of the state of Kansas will be best served if the board of regents and the state educational institutions under the control and supervision of the board of regents are granted specific authority to assist in the expansion of the engineering programs.

(b) The exercise of the powers authorized by this act are deemed an essential governmental function in matters of public necessity for the entire state to increase the number of engineering graduates.

New Sec. 3. As used in this act, the following words and phrases have the following meanings unless a different meaning clearly appears from the content:

(a) "Board of regents" means the state board of regents of the state of Kansas established by K.S.A. 74-3202a, and amendments thereto.

(b) "Bonds" means any bonds, notes, lease certificates of participation or other evidences of indebtedness, whether or not the interest on which is subject to federal income taxation, issued by the Kansas development finance authority on behalf of the board of regents pursuant to this act to finance the university engineering initiative act.
"Engineering initiative facility" means any facility, including real and personal property, for which the primary purpose is to educate additional engineers and which is under the control of a state educational institution.

"State" means the state of Kansas.

"State educational institution" means Kansas state university of agriculture and applied science, university of Kansas and Wichita state university.

"This act" means the university engineering initiative act.

New Sec. 4. (a) The board of regents and the state educational institutions shall have all the powers necessary or convenient to carry out the purposes and provisions of this act.

(b) When reviewing plans of each state educational institution and making decisions regarding expenditures from the Kan-grow engineering fund, the board of regents shall consider the different needs of each state educational institution to expand such institution’s program to increase the number of engineering graduates and ensure that each state educational institution is fairly and equitably participating in the university engineering initiative act.

New Sec. 5. (a) The board of regents and the state educational institutions are authorized to acquire, construct and equip engineering facilities on state-owned property of the board of regents or any state educational institution for purposes of educating engineers from any moneys of the board of regents or the state educational institutions available therefor, except that no such engineering facilities shall be acquired, constructed or equipped and no moneys shall be expended therefor unless the board of regents has first advised and consulted with the joint committee on state building construction regarding the proposed engineering facilities and on each capital improvement project proposed therefor. The engineering facilities shall become the property of the state upon completion and acceptance by the board of regents.

(b) The board of regents and the state educational institutions are authorized to initiate and complete capital improvement projects to repair, remodel or renovate state buildings and facilities of the state educational institutions for use as engineering facilities from any moneys of the board of regents or the state educational institutions, except that no such capital improvement project for such repair, remodeling or renovation shall be initiated unless the board of regents has first advised and consulted with the joint committee on state building construction regarding the proposed engineering facilities and each capital improvement project proposed therefor.

(c) Each state educational institution shall submit to the board of regents a plan to provide for the annual maintenance and operation costs of
any newly constructed engineering facility or capital improvement of an
existing engineering facility when seeking funding for the making of such
construction or improvement from the board of regents.

New Sec. 6. (a) The Kansas development finance authority is hereby
authorized to issue from time to time bonds pursuant to K.S.A. 74-8901 et
seq., and amendments thereto, on behalf of, and as requested by, the board
of regents in such principal amounts as the Kansas development finance
authority and the board of regents determine to be necessary to provide
sufficient funds to finance engineering facilities, including, but not limited
to, the payment of interest on such bonds, the establishment of reserves to
secure such bonds, costs of issuance, refunding any outstanding bonds, and
all other expenditures of the board of regents incident to and necessary or
convenient to carry out the powers and functions authorized by this act.
The Kansas development finance authority is authorized to issue bonds
under this act in an amount not to exceed $195,000,000, in the aggregate,
plus all amounts required for costs of any bond issuance, costs of interest
on any bond issued or obtained for such engineering facilities and any
required reserves for payment of principal and interest on any such bond.

(b) Except as may otherwise be expressly provided by the board of
regents, every obligation of the board of regents with respect to such bonds
shall be an obligation of the board of regents payable out of any revenues
or moneys of the board of regents derived from annual appropriations of
the legislature or from any other available funds. Subject to the provisions
of appropriation acts, payment of principal and interest on the bonds shall
be made by the state board of regents from annual appropriations by the
legislature or from any other available funds, in amounts sufficient to pay
principal and interest on the bonds until the bonds are finally paid.

(c) Upon a determination by the board of regents of the period for
repayment of the debt authorized by this section, the board of regents shall
certify to the director of accounts and reports the amount of principal and
interest due. Pursuant to each such certification and commencing on or
after July 1, 2012, the director of accounts and reports shall transfer, from
the state general fund to the debt service fund or funds at a state
educational institution as specified in the certification for such project, the
amount certified on or before the respective payment date therefor.
Transfers shall be made under this section pursuant to any such
certification on or after July 1, 2012.

(d) Any resolution or other agreement authorizing the board of
regents to incur any obligation with respect to bonds issued by the Kansas
development finance authority may contain such provisions as deemed
appropriate by the board of regents for the purpose of carrying out the
purposes of this act and securing such bonds, which shall be a part of the
contract with the holders thereof.
New Sec. 7.  (a) (1) There is hereby created in the state treasury the Kan-grow engineering fund-regents. The chief executive officer of the board of regents or the state educational institutions shall remit all moneys received under the university engineering initiative act to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund-regents.

(2) All expenditures from the Kan-grow engineering fund-regents shall be for purposes of the university engineering initiative act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chief executive officer or by a person designated by the chief executive officer. Each expenditure from the Kan-grow engineering fund-regents which is transferred from state general fund moneys or expanded lottery act revenues fund moneys shall be required to be matched on a $1 for $1 basis from nonstate sources.

(b) (1) There is hereby created in the state treasury the Kan-grow engineering fund–KU. The chancellor of the university of Kansas shall remit all moneys received under the university engineering initiative act, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund–KU.

(2) All expenditures from the Kan-grow engineering fund–KU shall be for purposes of the university engineering initiative act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chancellor of the university of Kansas or by a person designated by the chancellor.

(c) (1) There is hereby created in the state treasury the Kan-grow engineering fund–KSU. The president of Kansas state university of agriculture and applied science shall remit all moneys received under the university engineering initiative act, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund–KSU.

(2) All expenditures from the Kan-grow engineering fund–KSU shall be for purposes of the university engineering initiative act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the president of Kansas state university of agriculture and applied science or
by a person designated by the president.

(d) (1) There is hereby created in the state treasury the Kan-grow engineering fund–WSU. The president of Wichita state university shall remit all moneys received under the university engineering initiative act, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund–WSU.

(2) All expenditures from the Kan-grow engineering fund–WSU shall be for purposes of the university engineering initiative act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the president of Wichita state university or by a person designated by the president.

New Sec. 8. Purchases by the board of regents or the state educational institutions relating to engineering facilities shall not be subject to sales tax under K.S.A. 79-3601 et seq., and amendments thereto, or use tax under K.S.A. 79-3701 et seq., and amendments thereto.

New Sec. 9. This act shall be liberally construed. Except as otherwise expressly provided, nothing contained in this act is or shall be construed as a restriction or limitation upon any powers which the board of regents, the state educational institutions or the Kansas development finance authority might otherwise have under other law of this state, and the provisions of this act are cumulative to such powers. The provisions of this act do and shall be construed to provide a complete, additional and alternative method for doing the things authorized and shall be regarded as supplemental and additional to any other laws. Insofar as the provisions of this act are inconsistent with the provisions of any other law, general, specific or local, the provisions of this act shall be controlling.

Sec. 10. K.S.A. 2010 Supp. 74-8768 is hereby amended to read as follows: 74-8768. (a) There is hereby created the expanded lottery act revenues fund in the state treasury. All expenditures and transfers from such fund shall be made in accordance with appropriation acts. All moneys credited to such fund shall be expended or transferred only for the purposes of reduction of state debt, state infrastructure improvements, the university engineering initiative act, and reduction of local ad valorem tax in the same manner as provided for allocation of amounts in the local ad valorem tax reduction fund.

(b) (1) On July 1, 2013, or as soon thereafter as moneys are available, the first $4,000,000 credit to the expanded lottery act revenues fund shall be transferred by the director of accounts and reports from the expanded lottery act revenues fund to the Kan-grow engineering fund-regents.
(2) On July 1, 2014, and each July 1 thereafter, or as soon thereafter as moneys are available, the first $7,000,000 credit to the expanded lottery act revenues fund shall be transferred by the director of accounts and reports from the expanded lottery act revenues fund to the Kan-grow engineering fund-regents.

Sec. 11. K.S.A. 2010 Supp. 74-8768 is hereby repealed.

Sec. 12. This act shall take effect and be in force from and after its publication in the statute book.