

HOUSE BILL No. 2593

By Committee on Appropriations

3-26

9 AN ACT concerning the infrastructure needs of postsecondary educa-
10 tional institutions and the financing thereof; concerning tuition; mak-
11 ing and concerning appropriations for the fiscal years ending June 30,
12 2007, June 30, 2008, June 30, 2009, June 30, 2010, June 30, 2011, and
13 June 30, 2012; amending K.S.A. 76-719, as amended by section 11 of
14 chapter 132 of the 2006 Session Laws of Kansas, and 76-753 and K.S.A.
15 2006 Supp. 75-3717b, 75-4209 and 75-4237 and repealing the existing
16 sections.
17

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

19 New Section 1. Sections 1 through 12, and amendments thereto, shall
20 be known and may be cited as the state board of regents infrastructure
21 loan program.

22 New Sec. 2. As used in the state board of regents infrastructure loan
23 program:

24 (a) "State board of regents infrastructure loan program" or "program"
25 means the state board of regents infrastructure loan program established
26 by section 5, and amendments thereto.

27 (b) "State board loan fund" means the state board of regents pooled
28 money investment board loan fund established by section 4, and amend-
29 ments thereto.

30 (c) "Infrastructure loan fund" means the state board of regents infra-
31 structure loan fund established by section 3, and amendments thereto.

32 (d) "Regents loan funds" means the infrastructure loan fund and the
33 state board loan fund.

34 (e) "Costs" means all costs or expenses which are necessary or inci-
35 dental to an infrastructure improvement project and which are directly
36 attributable thereto.

37 (f) "Infrastructure" means a building and related utility systems located
38 at a postsecondary educational institution.

39 (g) "Improvement" means the maintenance, repair, reconstruction or
40 rehabilitation of infrastructure. "Improvement" shall not mean new con-
41 struction of infrastructure.

42 (h) "Infrastructure improvement project" or "project" means the main-
43 tenance, repair, reconstruction or rehabilitation of a building and related

- 1 utility systems located at a postsecondary educational institution.
- 2 (i) “State board” means the state board of regents.
- 3 (j) “Executive officer” means the chief executive officer of the state
4 board of regents.
- 5 (k) “State educational institution” has the meaning ascribed thereto in
6 K.S.A. 76-711, and amendments thereto.
- 7 (l) “Community college” means a community college established under
8 the laws of this state.
- 9 (m) “Postsecondary educational institution” or “institution” means a
10 state educational institution or a community college.
- 11 (n) “Subsidiary corporation” means the subsidiary corporation formed
12 pursuant to section 12, and amendments thereto.
- 13 (o) “Board of directors” means the board of directors of the subsidiary
14 corporation.
- 15 (p) “Authority” means the Kansas development finance authority.
- 16 New Sec. 3. (a) There is hereby established in the state treasury the
17 state board of regents infrastructure loan fund. The following shall be
18 deposited to the credit of the infrastructure loan fund:
- 19 (1) Amounts appropriated or otherwise made available by the legisla-
20 ture for the purposes of the infrastructure loan fund;
- 21 (2) amounts of repayments made by the state board for loans financed
22 with moneys credited to the infrastructure loan fund, together with pay-
23 ments of interest thereon, in accordance with agreements entered into
24 between the state board and the state treasurer; and
- 25 (3) amounts contributed or otherwise made available by any public or
26 private entity for use in effectuating the purposes of the infrastructure
27 loan fund.
- 28 (b) Subject to sections 1 through 12, and amendments thereto, and to
29 the provisions of appropriation acts, expenditures from the infrastructure
30 loan fund may be made solely for the following purposes:
- 31 (1) To provide financial assistance to the state board or a postsecondary
32 educational institution to finance infrastructure improvement projects;
- 33 (2) to provide reserves for, or to otherwise secure, amounts payable by
34 the state board on loans made for infrastructure improvement projects
35 under the state board of regents infrastructure loan program in the event
36 of default on a particular loan;
- 37 (3) to provide a subsidy for, or to otherwise assist, the state board in
38 the payment of debt service costs on loans made pursuant to sections 1
39 through 12, and amendments thereto; and
- 40 (4) to pay administrative costs of the infrastructure loan fund or in-
41 curred pursuant to paragraphs (1) through (3).
- 42 (c) On or before the 10th day of each month, the director of accounts
43 and reports shall transfer from the state general fund to the infrastructure

1 loan fund interest earnings based on:

2 (1) The average daily balance in the infrastructure loan fund for the
3 preceding month; and

4 (2) the net earnings rate of the pooled money investment portfolio for
5 the preceding month.

6 New Sec. 4. (a) There is hereby established in the state treasury a fund
7 to be known as the state board of regents pooled money investment board
8 loan fund. The following shall be deposited to the credit of the state board
9 loan fund:

10 (1) Any amounts provided by the pooled money investment board for
11 the purposes of the state board loan fund; and

12 (2) amounts of repayments made by the state board of loans financed
13 with moneys credited to the state board loan fund, exclusive of interest
14 which shall be applied as provided in subsection (c) of section 5, and
15 amendments thereto, in accordance with agreements entered into be-
16 tween the state board and the state treasurer.

17 (b) On or before the 10th day of each month, the director of accounts
18 and reports shall transfer from the state general fund to the state board
19 loan fund interest earnings based on:

20 (1) The average daily balance in the state board loan fund for the pre-
21 ceding month; and

22 (2) the net earnings rate of the pooled money investment portfolio for
23 the preceding month.

24 New Sec. 5. (a) There is hereby established the state board of regents
25 infrastructure loan program. The state board shall be responsible for the
26 administration of the program including the prioritization of projects, the
27 recommendation of projects for loans, the amount of loans and the iden-
28 tification of the dedicated revenues necessary to repay the loan for each
29 approved project. The total aggregate amount of loans outstanding under
30 the program at any one time shall not exceed \$300,000,000. Of such
31 amount, \$200,000,000 shall be available for loans to state educational
32 institutions and \$100,000,000 shall be available for loans to community
33 colleges.

34 (b) The term of any loan made from the regents loan funds shall not
35 exceed eight years. The total aggregate amount of loans to a single pos-
36 tsecondary educational institution which is outstanding under the pro-
37 gram at any one time shall not exceed \$50,000,000.

38 (c) Upon request of the state board, the state treasurer shall transfer
39 from the infrastructure loan fund an amount not to exceed the total
40 amount of each loan in increments of not less than \$250,000 to an account
41 or accounts of a postsecondary educational institution for expenditure by
42 the institution for one or more infrastructure improvement projects as
43 approved by the state board.

- 1 (d) Upon request of the state board, the state treasurer shall transfer
2 from the state board loan fund an amount not to exceed the total amount
3 of each loan in increments not less than \$250,000 to an account or ac-
4 counts of an educational institution for expenditure by the institution for
5 one or more infrastructure improvement projects as approved by the state
6 board. Interest shall accrue on the outstanding balance once the loan
7 proceeds are transferred to the postsecondary educational institution. All
8 interest paid on a loan made from the state board loan fund shall be
9 deposited in the state general fund.
- 10 (e) The state board may enter into agreements and contracts with pos-
11 tsecondary educational institutions, the state treasurer and others as re-
12 quired to effect the purposes of sections 1 through 12, and amendments
13 thereto, including without limitation, the loan agreements described in
14 subsection (f).
- 15 (f) The state board may enter into one or more loan agreements with
16 the state treasurer for each infrastructure improvement project pursuant
17 to which the state board shall agree to repay each loan. Each loan agree-
18 ment shall provide for a pledge to the repayment of the loan made thereby
19 of the general revenues of the state board, and may provide for an addi-
20 tional pledge to the repayment of the loan made thereby of the appli-
21 cable revenues of a postsecondary educational institution, if any, as de-
22 termined by the state board. The state board is authorized to consent to
23 the assignment of loan agreements for loans made from the infrastructure
24 loan fund.
- 25 (g) The board of directors shall provide oversight of infrastructure im-
26 provement projects financed pursuant to sections 1 through 12, and
27 amendments thereto. No loan shall be made for any infrastructure im-
28 provement project unless the state board first has advised and consulted
29 with the board of directors in the manner provided by section 12, and
30 amendments thereto, which advising and consulting shall occur before
31 making the first transfer from the regents loan funds.
- 32 New Sec. 6. (a) The state board may apply for loans pursuant to sections
33 1 through 12, and amendments thereto, on behalf of postsecondary ed-
34 ucational institutions. The information specified in subsection (a) of sec-
35 tion 5, and amendments thereto, shall be included in any application for
36 a loan, along with such other information regarding the loan, the infra-
37 structure improvement project, the applicable postsecondary educational
38 institution and any other information that the pooled money investment
39 board may require.
- 40 (b) The state board shall forward a completed loan application to the
41 pooled money investment board for consideration.
- 42 (c) The pooled money investment board shall accept and review ap-
43 plications for loans to be made from the regents loan funds.

1 (d) Unless provision has been made with the state treasurer and the
2 authority for the funding of a loan from the infrastructure loan fund, the
3 loan shall be made from the state board loan fund.

4 (e) The pooled money investment board may reject an application for
5 a loan only if the amount of the loan requested causes the total amount
6 for the program to exceed the limit set forth in subsection (a) of section
7 5, and amendments thereto, or the limits imposed by subsection (d) of
8 K.S.A. 75-4209, and amendments thereto.

9 (f) The pooled money investment board shall forward to the state trea-
10 surer, an approved state board loan application.

11 New Sec. 7. Upon receipt of a state board loan application approved
12 by the pooled money investment board, the state treasurer shall enter
13 into a loan agreement with the state board to make a state board loan in
14 the amount certified by the state treasurer. Loans made from the state
15 board loan fund shall bear interest at a variable rate of interest, which is
16 2% below the market rate for a one-year maturity provided in K.S.A. 75-
17 4237, and amendments thereto, and which shall be recalculated on the
18 first business day of January and July of each year using the market rate
19 then in effect. Loans made from the infrastructure loan fund shall bear
20 interest at an interest rate which is 80% of the ninety-day average of the
21 Bond Buyer 20 Bond Index on the date of the loan agreement.

22 New Sec. 8. If the state treasurer enters into an agreement for a loan
23 to be made from the state board loan fund, the pooled money investment
24 board shall transfer the amount of the loan to the state board loan fund.

25 New Sec. 9. The state and the state treasurer shall not be liable in any
26 manner for payment of the principal and interest obligations incurred by
27 the state board pursuant to sections 1 through 12, and amendments
28 thereto.

29 New Sec. 10. (a) As used in this section:

30 (1) "Corporation" or "subsidiary corporation" means the subsidiary cor-
31 poration formed pursuant to this section.

32 (2) "Board" means the board of directors appointed pursuant to this
33 section.

34 (3) "State board" means the state board of regents.

35 (4) "Executive officer" means the chief executive officer of the state
36 board of regents.

37 (5) "Infrastructure improvement project" has the meaning ascribed
38 thereto by section 2, and amendments thereto.

39 (b) The state board shall form a subsidiary corporation under K.S.A.
40 17-6001 *et seq.*, and amendments thereto, in accordance with the pro-
41 cedures therein contained, to oversee deferred maintenance projects fi-
42 nanced under the state board of regents infrastructure loan program and
43 to assist the state board in the performance of powers, duties and func-

1 tions of the state board under this act. The subsidiary corporation shall
2 be subject to the same restrictions and limitations as to the powers and
3 purposes under this act to which the state board is subject. The state
4 board may delegate any of its powers, obligations and duties under this
5 act to the subsidiary corporation by inclusion of such powers, obligations
6 and duties in the articles of incorporation of the subsidiary corporation.
7 The subsidiary corporation so formed shall constitute a legal entity sep-
8 arate and distinct from the state board and the state. The state board shall
9 not be liable for the debts or obligations or for any actions or inactions
10 of its subsidiary corporation unless the state board expressly agrees oth-
11 erwise in writing. The board of directors of the subsidiary corporation
12 shall be composed of six members as follows:

13 (1) One member appointed by the speaker of the house of
14 representatives;

15 (2) one member appointed by the minority leader of the house of
16 representatives;

17 (3) one member appointed by the president of the senate;

18 (4) one member appointed by the minority leader of the senate;

19 (5) one member appointed by the governor; and

20 (6) the secretary of administration, or the secretary's designee, shall be
21 an ex officio member of the board.

22 (c) Persons appointed to the board shall have expertise in construction,
23 engineering, architectural services, finance or endowment fund manage-
24 ment.

25 (d) Members of the board shall serve at the pleasure of the officer
26 making the appointment. Any vacancy occurring in the board of directors
27 shall be filled in the same manner as the original appointment.

28 (e) Members of the board shall serve without compensation.

29 (f) Members of the board shall be appointed within 60 days of the
30 effective date of this act. After all members have been appointed, the
31 executive officer shall call the first organizational meeting of the board of
32 directors. The executive officer shall serve as the temporary, nonvoting
33 chairperson at the first organizational meeting until a chairperson is
34 elected as provided by this section. The members of the board of directors
35 shall organize by electing from its membership a chairperson and a vice-
36 chairperson. The vice-chairperson shall exercise all of the powers of the
37 chairperson in the absence of the chairperson. Any vacancy occurring in
38 the chairperson or vice-chairperson positions shall be filled in the same
39 manner as the original election. The state, any municipality or any state
40 commission, public authority, agency, officer, department, board or di-
41 vision authorized and empowered to enter into agreements with, to grant,
42 convey, lease or otherwise transfer any property to, or to otherwise trans-
43 act business with the state board, shall have the same authorization and

1 power to engage in these activities with the subsidiary corporation of the
2 state board.

3 New Sec. 11. (a) The board of directors shall select the appropriate
4 construction model to be used for infrastructure improvement projects
5 and may let contracts for the construction of infrastructure improvement
6 projects in the same manner provided for the letting of contracts of state
7 capital improvements or in a manner deemed appropriate by the board.
8 If it deems it advisable to do so, the board may use the services of the
9 state architect on infrastructure improvement projects, but shall not be
10 required to do so.

11 (b) Whenever a postsecondary institution or the state board proposes
12 an infrastructure improvement project financed pursuant to the state
13 board of regents infrastructure loan program, the state board shall pre-
14 pare an infrastructure improvement budget estimate. Such budget esti-
15 mate shall be submitted to the board of directors in such form as may be
16 required by the board of directors and this section. The state board shall
17 prepare and include as a part of such budget estimate a written infra-
18 structure improvement project statement describing the project. Such
19 project statement shall: (1) Include a detailed justification for the project
20 including an analysis of the programs, activities and other needs and in-
21 tended uses for the infrastructure and an analysis of the alternative means
22 by which such space needs and uses could be satisfied; (2) request fi-
23 nancing for the project in the three phases of preliminary planning, final
24 planning and construction; (3) describe in detail each such phase of the
25 project; (4) include cost estimates for the project; and (5) include any
26 other information deemed necessary by the board of directors.

27 (c) Not later than July 1 of each year, the state board shall submit to
28 the board of directors and the division of the budget a copy of such
29 infrastructure improvement budget estimate, and all amendments and
30 revisions thereof.

31 (d) Not later than July 1 of each year, the state board shall prepare and
32 submit to the board of directors and the division of the budget, copies of
33 a five-year infrastructure improvement program plan which shall set forth
34 the current and future infrastructure improvement plans for the next five
35 ensuing fiscal years. The plan shall contain any information requested by
36 the board of directors and shall be in the form as prescribed by the board
37 of directors.

38 (e) The board of directors shall submit to the joint committee on build-
39 ing construction reports on any infrastructure improvement project. Such
40 reports shall be submitted on a monthly basis and shall contain such
41 information as requested by the joint committee.

42 New Sec. 12. The state board and the division of facilities management
43 of the department of administration shall be responsible for the final

1 inspection and acceptance of any infrastructure improvement project fi-
2 nanced under the state board of regents infrastructure loan program.

3 New Sec. 13. (a) As used in this section:

4 (1) "State board" means the state board of regents.

5 (2) "Institution" means a state educational institution as defined by
6 K.S.A. 76-711, and amendments thereto.

7 (3) "Program" means the technology upgrade project competitive
8 matching grant program established by this section.

9 (4) "Technology" means information technology, computer technology,
10 medical technology or any other form of technology approved by the state
11 board.

12 (b) There is hereby established the technology upgrade project com-
13 petitive matching grant program. Subject to the provisions of appropria-
14 tion acts, any institution desiring to commence a technology upgrade pro-
15 ject at such institution may apply for a grant of moneys in an amount to
16 be determined by the state board for the purpose of paying the costs of
17 such project. Grants shall be matched on the basis of \$1 from the tech-
18 nology upgrade project grant program for \$1 from any moneys available
19 to the institution receiving the grant. Grant moneys may be expended for
20 the technology upgrade project for which the grant moneys were
21 awarded.

22 (c) In order to be eligible for a grant under this section, the institution
23 shall submit to the state board an application for a grant. The application
24 shall be prepared in such form and manner as required by the state board
25 and shall be submitted at a time to be determined and specified by the
26 state board.

27 (d) The state board shall establish standards and criteria for reviewing,
28 evaluating and approving applications for grants submitted pursuant to
29 this section. All grants shall be awarded by the state board in accordance
30 with the standards and criteria established by the state board. Within the
31 limitations of appropriations therefor, the state board shall determine the
32 amount and number of grants and be responsible for payment of grants
33 to institutions.

34 (e) Each institution which is awarded a grant under this section shall
35 make such periodic and special reports to the state board as it may
36 request.

37 New Sec. 14. (a) Prior to entering any contract for any infrastructure
38 improvement project financed under the state board of regents infrastruc-
39 ture loan program and prior to entering any contract for any other capital
40 improvement project, the state board of regents shall provide for the
41 future maintenance costs of such infrastructure improvement project or
42 capital improvement project and shall identify in its budget for each fiscal
43 year funds available for such purpose. In addition, each subsequent cap-

1 ital improvements budget of the state board of regents shall provide for
2 the future maintenance cost of each such infrastructure improvement
3 project or capital improvement project.

4 (b) There is hereby established in the state treasury the future main-
5 tenance reserve fund for each state educational institution.

6 (c) All moneys received by a state educational institution for the future
7 maintenance of an infrastructure improvement project or capital im-
8 provement project shall be deposited to the credit of the future mainte-
9 nance reserve fund of the institution.

10 (d) In accordance with the provisions of appropriation acts, expendi-
11 tures may be made from the future maintenance reserve fund of a state
12 educational institution for the purpose of paying the cost of maintenance
13 of infrastructure improvement projects and the maintenance of other cap-
14 ital improvement projects.

15 New Sec. 15. The state board of regents shall prepare an inventory of
16 all buildings and facilities on the property of state educational institutions.
17 When preparing the inventory required by this section, the state board
18 shall evaluate all buildings and facilities to determine if any building or
19 facility is obsolete. If a building is determined to be obsolete, the state
20 board shall retire the building or facility from service. In addition, if the
21 state board determines that it would be prudent to do so, the building or
22 facility may be razed.

23 New Sec. 16. (a) As used in this section:

24 (1) "Peer institutions" means those public institutions of higher edu-
25 cation which offer a baccalaureate degree or higher, is located in another
26 state and which the state board determines to be a peer of a state edu-
27 cational institution located in this state.

28 (2) "State educational institution" has the meaning ascribed thereto in
29 K.S.A. 76-711, and amendments thereto.

30 (b) Except as otherwise specifically provided by this section or another
31 statute or in agreements or compacts entered into prior to the effective
32 date of this act, the state board of regents shall fix the tuition, fees and
33 charges to be collected by each state educational institution from non-
34 residents of the state of Kansas in an amount not less than the average
35 amount of tuition, fees and charges as determined by the state board
36 pursuant to subsection (c).

37 (c) Each year, the state board of regents shall determine the average
38 amount of the tuition, fees and charges collected by peer institutions of
39 higher education located in all states except the state of Kansas from
40 persons who are not residents of such states. When determining the av-
41 erage amount required by this subsection, the state board shall exclude
42 from the calculation any amounts which are reduced by other state stat-
43 utes or through an agreement or compact.

1 (d) All moneys attributable to increases in tuition pursuant to this sub-
2 section shall be deposited to the credit of the future maintenance reserve
3 fund of the state educational institution established pursuant to section
4 14, and amendments thereto.

5 (e) A state educational institution shall not be required to increase, in
6 any single academic year, the amount of tuition, fees and charges under
7 the requirements of this section in an amount which exceeds 5% of the
8 amount of such tuition, fees and charges during the preceding academic
9 year.

10 (f) Nothing in this section shall be construed to mean that the state
11 board shall fix tuition, fees and charges in the same amount for each state
12 educational institution.

13 Sec. 17. K.S.A. 2006 Supp. 75-3717b is hereby amended to read as
14 follows: 75-3717b. (a) Whenever a state agency proposes a capital im-
15 provement project for the construction of a building or for major repairs
16 or improvements to a building, such state agency shall prepare a capital
17 improvement budget estimate to be submitted to the division of the
18 budget in such form as may be required by the director of the budget
19 and this section. Such state agency shall prepare and include as a part of
20 such capital improvement budget estimate a written program statement
21 describing the project. Such program statement shall: (1) Include a de-
22 tailed justification for the project including an analysis of the programs,
23 activities and other needs and intended uses for the additional or im-
24 proved space and an analysis of the alternative means by which such space
25 needs and uses could be satisfied; (2) request appropriations for the pro-
26 ject in the three phases of preliminary planning, final planning and con-
27 struction; (3) describe in detail each such phase of the project; and (4)
28 include cost estimates for land, site surveys, soil investigations, equip-
29 ment, buildings or major repairs or improvements to buildings and other
30 items necessary for the project.

31 (b) Not later than July 1 of each year, such state agency shall submit
32 to the division of the budget a copy of such capital improvement budget
33 estimate, and all amendments and revisions thereof, and at the same time
34 such state agency shall submit copies of such capital improvement budget
35 estimate, and all amendments and revisions thereof, directly to the state
36 building advisory commission and to the joint committee on state building
37 construction.

38 (c) On or before November 15 each year, the state building advisory
39 commission shall report and make recommendations on each capital im-
40 provement budget estimate received pursuant to this section regarding
41 the project costs, projected scheduling of funding for such costs, and such
42 other matters as are deemed appropriate by the state building advisory
43 commission, to: (1) The division of the budget; (2) the joint committee

1 on state building construction; and (3) the legislative research
2 department.

3 (d) Not later than July 1 of each year, each state agency submitting
4 such budget estimates shall prepare and submit to the division of the
5 budget, to the state building advisory commission and to the joint com-
6 mittee on state building construction copies of a five-year capital improve-
7 ment program and facilities plan which shall set forth the current and
8 future space needs and utilization plans for the next five ensuing fiscal
9 years for that state agency in such form and containing such additional
10 information as prescribed by the secretary of administration.

11 (e) Except as provided in this subsection, the provisions of this section
12 do not apply to any capital improvement project for the adjutant general
13 that is funded entirely by moneys from the federal government. During
14 the month of January each year, the adjutant general shall present a report
15 to the joint committee on state building construction on all capital im-
16 provement projects that are funded entirely by moneys from the federal
17 government and that are proposed for the current and ensuing fiscal
18 years.

19 (f) The provisions of this section do not apply to any capital improve-
20 ment project for Kansas correctional industries of the department of cor-
21 rections as provided in subsection (d) of K.S.A. 75-5282, and amendments
22 thereto.

23 (g) *The provisions of this section do not apply to any infrastructure*
24 *improvement project financed under the state board of regents infrastruc-*
25 *ture loan program.*

26 Sec. 18. K.S.A. 2006 Supp. 75-4209 is hereby amended to read as fol-
27 lows: 75-4209. (a) The director of investments may invest and reinvest
28 state moneys eligible for investment which are not invested in accordance
29 with K.S.A. 75-4237, and amendments thereto, in the following
30 investments:

31 (1) Direct obligations of, or obligations that are insured as to principal
32 and interest by, the United States of America or any agency thereof and
33 obligations and securities of the United States sponsored enterprises
34 which under federal law may be accepted as security for public funds, on
35 and after the effective date of this act moneys available for investment
36 under this subsection shall not be invested in mortgage-backed securities
37 of such enterprises and of the government national mortgage association,
38 except that any such mortgage-backed securities held prior to the effec-
39 tive date of this act may be held to maturity;

40 (2) repurchase agreements with a bank or a primary government secu-
41 rities dealer which reports to the market reports division of the federal
42 reserve bank of New York for direct obligations of, or obligations that are
43 insured as to principal and interest by, the United States government or

- 1 any agency thereof and obligations and securities of United States gov-
2 ernment sponsored enterprises which under federal law may be accepted
3 as security for public funds;
- 4 (3) commercial paper that does not exceed 270 days to maturity and
5 which has received one of the two highest commercial paper credit ratings
6 by a nationally recognized investment rating firm.
- 7 (b) When moneys are available for deposit or investments, the director
8 of investments may invest in SKILL act projects and bonds pursuant to
9 K.S.A. 74-8920, and amendments thereto, and in state agency bonds and
10 bond projects.
- 11 (c) When moneys are available for deposits or investments, the director
12 of investments may invest in preferred stock of Kansas venture capital,
13 inc., under terms and conditions prescribed by K.S.A. 74-8203, and
14 amendments thereto, but such investments shall not in the aggregate
15 exceed a total amount of \$10,000,000.
- 16 (d) When moneys are available for deposits or investments, the director
17 of investments may invest in loans pursuant to legislative mandates, ex-
18 cept that not more than the lesser of ~~10% or \$80,000,000~~ *30% or*
19 *\$400,000,000* of the state moneys shall be invested.
- 20 (e) Interest on investment accounts in banks is to be paid at maturity,
21 but not less than annually.
- 22 (f) Investments made by the director of investments under the provi-
23 sions of this section shall be made with judgment and care, under cir-
24 cumstances then prevailing, which persons of prudence, discretion and
25 intelligence exercise in the management of their own affairs, not for spec-
26 ulation, but for investment, considering the probable safety of their capital
27 as well as the probable income to be derived.
- 28 (g) Investments under subsection (a) or (b) or under K.S.A. 75-4237,
29 and amendments thereto, shall be for a period not to exceed four years,
30 except that linked deposits authorized under the provisions of K.S.A. 2006
31 Supp. 2-3703 through 2-3707, and amendments thereto, shall not exceed
32 a period of 10 years and agricultural production loan deposits authorized
33 under the provisions of K.S.A. 2006 Supp. 75-4268 through 75-4274, and
34 amendments thereto, shall not exceed a period of eight years.
- 35 (h) Investments in securities under paragraph (1) of subsection (a) shall
36 be limited to securities which do not have any more interest rate risk than
37 do direct United States government obligations of similar maturities. For
38 purposes of this subsection, "interest rate risk" means market value
39 changes due to changes in current interest rates.
- 40 (i) The director of investments shall not invest state moneys eligible
41 for investment under subsection (a), in the municipal investment pool
42 fund, created under K.S.A. 2006 Supp. 12-1677a, and amendments
43 thereto.

1 (j) The director of investments shall not invest moneys in the pooled
2 money investment portfolio in derivatives. As used in this subsection,
3 “derivatives” means a financial contract whose value depends on the value
4 of an underlying asset or index of asset values.

5 (k) Moneys and investments in the pooled money investment portfolio
6 shall be invested and reinvested by the director of investments in accord-
7 ance with investment policies developed, approved, published and up-
8 dated on an annual basis by the board. Such investment policies shall
9 include at a minimum guidelines which identify credit standards, eligible
10 instruments, allowable maturity ranges, methods for valuing the portfolio,
11 calculating earnings and yields and limits on portfolio concentration for
12 each type of investment. Any changes in such investment policies shall
13 be approved by the pooled money investment board. Such investment
14 policies may specify the contents of reports, methods of crediting funds
15 and accounts and other operating procedures.

16 (l) The board shall adopt rules and regulations to establish an overall
17 percentage limitation on the investment of moneys in investments au-
18 thorized under paragraph (3) of subsection (a), and within such author-
19 ized investment, the board shall establish a percentage limitation on the
20 investment in any single business entity.

21 Sec. 19. K.S.A. 2006 Supp. 75-4237 is hereby amended to read as fol-
22 lows: 75-4237. (a) The director of investments shall accept requests from
23 banks interested in obtaining investment accounts of state moneys. Such
24 requests may be submitted any business day and shall specify the dollar
25 amount and maturity. The director of investments is authorized to award
26 the investment account to the requesting bank at the market rate estab-
27 lished by subsection (b). Awards of investment accounts pursuant to this
28 section shall be subject to investment policies of the pooled money in-
29 vestment board. When multiple requests are received and are in excess
30 of the amount available for investment that day for any maturity, awards
31 shall be made available in ascending order from smallest to largest dollar
32 amount requested, subject to investment policies of the board.

33 (b) The market rate shall be determined each business day by the
34 director of investments, in accordance with any procedures established
35 by the pooled money investment board. Subject to any policies of the
36 board, the market rate shall reflect the highest rate at which state moneys
37 can be invested on the open market in investments authorized by sub-
38 section (a) of K.S.A. 75-4209, and amendments thereto, for equivalent
39 maturities.

40 (c) (1) Notwithstanding the provisions of this section, linked deposits
41 made pursuant to the provisions of K.S.A. 2-3703 through 2-3707, and
42 amendments thereto, shall be at an interest rate which is 2% less than
43 the market rate determined under this section and which shall be recal-

1 culated on the first business day of each calendar year using the market
2 rate then in effect.

3 (2) Notwithstanding the provisions of this section, agricultural produc-
4 tion loan deposits made pursuant to the provisions of K.S.A. 2006 Supp.
5 75-4268 through 75-4274, and amendments thereto, shall be at 2% less
6 than the market rate provided by this section and which shall be recal-
7 culated on the first business day of ~~each calendar~~ *January and July of*
8 *each year* using the market rate then in effect.

9 (3) *Notwithstanding the provisions of this section, pooled money in-*
10 *vestment board loan fund loans made pursuant to the provisions of sec-*
11 *tions 1 through 12, and amendments thereto, shall be made at a rate 2%*
12 *less than the market rate provided by this section and such rate shall be*
13 *recalculated on the first business day of January and July of each year*
14 *using the market rate in effect on such date.*

15 Sec. 20. K.S.A. 76-719, as amended by section 11 of chapter 132 of the
16 2006 Session Laws of Kansas, is hereby amended to read as follows: 76-
17 719. (a) Subject to *section 16 and* K.S.A. 76-742 and amendments thereto,
18 the board of regents shall fix tuition, fees and charges to be collected by
19 each state educational institution. If a state educational institution collects
20 a student-activity fee, the funds so collected shall be set apart and used
21 for the purpose of supporting appropriate student activities.

22 (b) All moneys received by a state educational institution for tuition
23 fixed by the state board of regents shall be deposited in the state treasury
24 and credited to the general fees fund of the state educational institution.
25 All moneys received for any student-activity fee or for any other fees or
26 charges fixed by the state board of regents shall be deposited in the state
27 treasury and credited to the appropriate account of the restricted fees
28 fund of the state educational institution or to another appropriate special
29 revenue fund of the state educational institution.

30 (c) On or before the 10th day of each month, the director of accounts
31 and reports shall transfer from the state general fund to the ~~general fees~~
32 *deferred maintenance support* fund of each state educational institution
33 interest earnings based on:

34 (1) The average daily balance of moneys in the general fees fund of the
35 state educational institution for the preceding month; and

36 (2) the net earnings rate of the pooled money investment portfolio for
37 the preceding month.

38 (d) On or before the 10th day of each month, the director of accounts
39 and reports shall transfer from the state general fund to the ~~restricted~~
40 *fees deferred maintenance support* fund of each state educational insti-
41 tution interest earnings based on:

42 (1) The average daily balance of moneys in the restricted fees fund of
43 the state educational institution for the preceding month; and

1 (2) the net earnings rate of the pooled money investment portfolio for
2 the preceding month.

3 (e) *Tuition collected by a state educational institution shall not be used*
4 *or expended to provide financial aid to students. Any tuition which has*
5 *been collected by a state educational institution prior to the effective date*
6 *of this act and which has been deposited in or credited to a fund for the*
7 *purpose of providing financial aid to students shall be transferred to the*
8 *deferred maintenance support fund of such state educational institution*
9 *and shall be expended to pay the costs of infrastructure improvement*
10 *projects.*

11 *As used in this subsection, “infrastructure improvement project” shall*
12 *have the meaning ascribed thereto in section 2, and amendments thereto.*

13 Sec. 21. K.S.A. 76-753 is hereby amended to read as follows: 76-753.

14 (a) There is hereby established in the state treasury a sponsored research
15 overhead fund for each state educational institution.

16 (b) All moneys received by a state educational institution as overhead
17 costs on sponsored research projects shall be deposited to the credit of
18 the sponsored research overhead fund.

19 (c) *On or before the 10th day of each month, the director of accounts*
20 *and reports shall transfer from the state general fund to the deferred*
21 *maintenance support fund of each state educational institution interest*
22 *earnings sponsored based on:*

23 (1) *The average daily balance of moneys in the sponsored research*
24 *overhead fund of the state educational institution for the preceding month;*
25 *and*

26 (2) *the net earnings rate of the pooled money investment portfolio for*
27 *the preceding month.*

28 ~~(c)~~ (d) In accordance with the provisions of appropriations acts, ex-
29 penditures may be made from the sponsored research overhead fund of
30 a state educational institution for administration, operation and devel-
31 opment of research and for matching federal funds available for capital
32 improvements and equipment that qualify for research purposes.

33 (e) *As used in this section, “sponsored research overhead fund” includes*
34 *the research and institutional overhead fund of Emporia state university.*

35 New Sec. 22. (a) The board of county commissioners of Crawford,
36 Douglas, Ellis, Lyon, Riley, Saline and Wyandotte counties may impose
37 a countywide retailers’ sales tax pursuant to the provisions of this section
38 at the rate of .1% and pledging the revenue received therefrom for the
39 purpose of financing the costs of infrastructure improvement projects at
40 a state education institution located within such county. Any tax imposed
41 pursuant to this section shall expire upon the payment of all costs incurred
42 in the financing of such projects undertaken.

43 (b) The board of county commissioners of Sedgwick county may impose

1 a countywide retailers' sales tax pursuant to the provisions of this section
2 at the rate of .1% and pledging the revenue received therefrom for the
3 purpose of financing the costs of infrastructure improvement projects at
4 a state educational institution located within the county and property tax
5 relief. Any tax imposed pursuant to this section shall expire upon the
6 payment of all costs incurred in the financing of such projects undertaken.
7 (c) (1) Notwithstanding the .25%, .5%, .75% or 1% rate limitation pre-
8 scribed in K.S.A. 12-189, and amendments thereto, for countywide re-
9 tailers' sales tax, the board of county commissioners of Crawford, Doug-
10 las, Riley, Saline and Wyandotte counties, for the purpose of subsection
11 (a), may fix such rate at 1.1%;

12 (2) the board of county commissioners of Ellis county, for the purposes
13 of subsection (a), may fix such rate at .1%;

14 (3) the board of county commissioners of Lyon county, for the purposes
15 of subsection (a), may fix such rate at .6%; and

16 (4) the board of county commissioners of Sedgwick county for the
17 purposes of subsection (b), may fix such rate at 2.1%.

18 (d) All revenue received from a countywide retailers' sales tax imposed
19 pursuant to this section shall be remitted to and retained by the county
20 and expended only for the purpose for which the revenue received from
21 the tax was pledged.

22 (e) Any county imposing such retailers' sales tax shall utilize the services
23 of the Kansas department of revenue to administer, enforce and collect
24 such tax. Such retailers' sales tax shall be administered, enforced and
25 collected in the same manner and by the same procedure as other coun-
26 tywide retailers' sales taxes are levied and collected, except that any elec-
27 tion or protest petition requirements provided pursuant to the provisions
28 of K.S.A. 12-187 et seq., and amendments thereto, or any other provision
29 of law requiring an election or authorizing a protest petition prior to the
30 imposition of a sales tax are not applicable to any retailers' sales tax im-
31 posed pursuant to this section. Any retailers' sales tax imposed pursuant
32 to this section shall be in addition to any other retailers' sales tax author-
33 ized by law. Upon receipt of a certified copy of a resolution authorizing
34 the levy of a retailers' sales tax pursuant to this section, the state director
35 of taxation shall cause such tax to be collected within and outside the
36 boundaries of such county at the same time and in the same manner
37 provided for the collection of the state retailers' sales tax and local re-
38 tailers' sales tax.

39 (f) All retailers' sales tax moneys collected by the director of taxation
40 under the provisions of this section shall be remitted to the state treasurer
41 in accordance with the provisions of K.S.A. 75-4215, and amendments
42 thereto. Upon receipt of each such remittance, the state treasurer shall
43 deposit the entire amount in the state treasury to the credit of the county

1 and city retailers' sales tax fund. Any refund due on any retailers' sales
 2 tax collected pursuant to this section shall be paid out of the sales tax
 3 refund fund and reimbursed by the director of taxation from retailers'
 4 sales tax revenue collected pursuant to this section. All local retailers' sales
 5 tax revenue collected within any county pursuant to this section shall be
 6 apportioned and remitted at least quarterly by the state treasurer, on
 7 instruction from the director of taxation, to the treasurer of any county
 8 imposing such retailers' sales tax.

9 (g) The powers conferred by this section are for public uses or purposes
 10 for which public money may be expended, and such powers shall be in
 11 addition to any other power provided by law.

12 (h) (1) The provisions of this section shall not be subject to the home
 13 rule powers granted to counties pursuant to K.S.A. 19-101a, and amend-
 14 ments thereto.

15 (2) Any county granted authority pursuant to this section shall be sub-
 16 ject to the limitations and prohibitions imposed under this section.

17 (3) Except as specifically authorized by this section, counties may not
 18 exercise any authority granted pursuant to this section, including the im-
 19 position or levy of any retailers' sales tax.

20 (i) As used in this section:

21 (1) "State educational institution" has the meanings ascribed thereto
 22 in K.S.A. 76-711, and amendments thereto.

23 (2) "Infrastructure improvement project" has the meaning ascribed
 24 thereto in section 2, and amendments thereto.

25 Sec. 23.

26 STATE BOARD OF REGENTS

27 (a) There is appropriated for the above agency from the following spe-
 28 cial revenue fund or funds for the fiscal year or years specified, all moneys
 29 now or hereafter lawfully credited to and available in such fund or funds,
 30 except that expenditures other than refunds authorized by law shall not
 31 exceed the following:

32 Regents crumbling classrooms debt payment fund
 33 For the fiscal year ending June 30, 2007..... \$0

34 *Provided*, That, except as specifically authorized by act of the legislature,
 35 no moneys shall be transferred or expended from the regents crumbling
 36 classrooms debt payment fund during fiscal year 2007: *Provided further*,
 37 That, notwithstanding the provisions of K.S.A. 75-3711c and amendments
 38 thereto, any appropriation act of the legislature or any other statute, the
 39 state finance council shall have no authority to increase the expenditure
 40 limitation on the regents crumbling classrooms debt payment fund for
 41 fiscal year 2007 or to otherwise authorize or provide for any expenditures
 42 from the regents crumbling classrooms debt payment fund for fiscal year
 43 2007.

1 For the fiscal year ending June 30, 2008..... \$0
2 *Provided*, That, except as specifically authorized by act of the legislature,
3 no moneys shall be transferred or expended from the regents crumbling
4 classrooms debt payment fund during fiscal year 2008: *Provided further*,
5 That, notwithstanding the provisions of K.S.A. 75-3711c and amendments
6 thereto, any appropriation act of the legislature or any other statute, the
7 state finance council shall have no authority to increase the expenditure
8 limitation on the regents crumbling classrooms debt payment fund for
9 fiscal year 2008 or to otherwise authorize or provide for any expenditures
10 from the regents crumbling classrooms debt payment fund for fiscal year
11 2008.

12 For the fiscal year ending June 30, 2009..... \$0
13 *Provided*, That, except as specifically authorized by act of the legislature,
14 no moneys shall be transferred or expended from the regents crumbling
15 classrooms debt payment fund during fiscal year 2009: *Provided further*,
16 That, notwithstanding the provisions of K.S.A. 75-3711c and amendments
17 thereto, any appropriation act of the legislature or any other statute, the
18 state finance council shall have no authority to increase the expenditure
19 limitation on the regents crumbling classrooms debt payment fund for
20 fiscal year 2009 or to otherwise authorize or provide for any expenditures
21 from the regents crumbling classrooms debt payment fund for fiscal year
22 2009.

23 For the fiscal year ending June 30, 2010..... \$0
24 *Provided*, That, except as specifically authorized by act of the legislature,
25 no moneys shall be transferred or expended from the regents crumbling
26 classrooms debt payment fund during fiscal year 2010: *Provided further*,
27 That, notwithstanding the provisions of K.S.A. 75-3711c and amendments
28 thereto, any appropriation act of the legislature or any other statute, the
29 state finance council shall have no authority to increase the expenditure
30 limitation on the regents crumbling classrooms debt payment fund for
31 fiscal year 2010 or to otherwise authorize or provide for any expenditures
32 from the regents crumbling classrooms debt payment fund for fiscal year
33 2010.

34 For the fiscal year ending June 30, 2011..... \$0
35 *Provided*, That, except as specifically authorized by act of the legislature,
36 no moneys shall be transferred or expended from the regents crumbling
37 classrooms debt payment fund during fiscal year 2011: *Provided further*,
38 That, notwithstanding the provisions of K.S.A. 75-3711c and amendments
39 thereto, any appropriation act of the legislature or any other statute, the
40 state finance council shall have no authority to increase the expenditure
41 limitation on the regents crumbling classrooms debt payment fund for
42 fiscal year 2011 or to otherwise authorize or provide for any expenditures
43 from the regents crumbling classrooms debt payment fund for fiscal year

1 2011.
2 For the fiscal year ending June 30, 2012..... \$0
3 *Provided*, That, except as specifically authorized by act of the legislature,
4 no moneys shall be transferred or expended from the regents crumbling
5 classrooms debt payment fund during fiscal year 2012: *Provided further*,
6 That, notwithstanding the provisions of K.S.A. 75-3711c and amendments
7 thereto, any appropriation act of the legislature or any other statute, the
8 state finance council shall have no authority to increase the expenditure
9 limitation on the regents crumbling classrooms debt payment fund for
10 fiscal year 2012 or to otherwise authorize or provide for any expenditures
11 from the regents crumbling classrooms debt payment fund for fiscal year
12 2012.

13 (b) On the effective date of this act, or as soon thereafter as moneys
14 are available therefor, and subject to and in accordance with the provi-
15 sions of this subsection, during fiscal year 2007, the director of accounts
16 and reports shall transfer \$76,612,979 from the state general fund to the
17 regents crumbling classrooms debt payment fund.

18 (c) During the fiscal year ending June 30, 2007, the state board of
19 regents shall certify to the director of accounts and reports the amount
20 or amounts and the date or dates of payments to be made during the
21 period commencing on the effective date of this act and June 30, 2007,
22 for payment of principal and interest on bonds issued pursuant to section
23 13 of chapter 259 of the 1996 Session Laws of Kansas, in accordance with
24 applicable bond covenants. At the same time as such certification is trans-
25 mitted to the director of accounts and reports, the state board of regents
26 shall transmit a copy of such certification to the director of the budget
27 and the director of the legislative research department. Upon receipt of
28 such certification, the director of accounts and reports shall transfer the
29 amount or amounts specified on the date or dates specified in such cer-
30 tification from the regents crumbling classrooms debt payment fund to
31 the comprehensive rehabilitation and repair fund of the state board of
32 regents: *Provided*, That the amount or amounts transferred from the re-
33 gents crumbling classrooms debt payment fund to the comprehensive
34 rehabilitation and repair fund of the state board of regents during fiscal
35 year 2007 under this subsection (c) shall not exceed \$1,630,130.

36 (d) During the fiscal year ending June 30, 2008, the state board of
37 regents shall certify to the director of accounts and reports the amount
38 or amounts and the date or dates of payments to be made during fiscal
39 year 2008 for payment of principal and interest on bonds issued pursuant
40 to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in
41 accordance with applicable bond covenants. At the same time as such
42 certification is transmitted to the director of accounts and reports, the
43 state board of regents shall transmit a copy of such certification to the

1 director of the budget and the director of the legislative research de-
2 partment. Upon receipt of such certification, the director of accounts and
3 reports shall transfer the amount or amounts specified on the date or
4 dates specified in such certification from the regents crumbling class-
5 rooms debt payment fund to the comprehensive rehabilitation and repair
6 fund of the state board of regents: *Provided*, That the amount or amounts
7 transferred from the regents crumbling classrooms debt payment fund to
8 the comprehensive rehabilitation and repair fund of the state board of
9 regents during fiscal year 2008 under this subsection (d) shall not exceed
10 \$15,000,000.

11 (e) During the fiscal year ending June 30, 2009, the state board of
12 regents shall certify to the director of accounts and reports the amount
13 or amounts and the date or dates of payments to be made during fiscal
14 year 2009 for payment of principal and interest on bonds issued pursuant
15 to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in
16 accordance with applicable bond covenants. At the same time as such
17 certification is transmitted to the director of accounts and reports, the
18 state board of regents shall transmit a copy of such certification to the
19 director of the budget and the director of the legislative research de-
20 partment. Upon receipt of such certification, the director of accounts and
21 reports shall transfer the amount or amounts specified on the date or
22 dates specified in such certification from the regents crumbling class-
23 rooms debt payment fund to the comprehensive rehabilitation and repair
24 fund of the state board of regents: *Provided*, That the amount or amounts
25 transferred from the regents crumbling classrooms debt payment fund to
26 the comprehensive rehabilitation and repair fund of the state board of
27 regents during fiscal year 2009 under this subsection (e) shall not exceed
28 \$15,000,000.

29 (f) During the fiscal year ending June 30, 2010, the state board of
30 regents shall certify to the director of accounts and reports the amount
31 or amounts and the date or dates of payments to be made during fiscal
32 year 2010 for payment of principal and interest on bonds issued pursuant
33 to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in
34 accordance with applicable bond covenants. At the same time as such
35 certification is transmitted to the director of accounts and reports, the
36 state board of regents shall transmit a copy of such certification to the
37 director of the budget and the director of the legislative research de-
38 partment. Upon receipt of such certification, the director of accounts and
39 reports shall transfer the amount or amounts specified on the date or
40 dates specified in such certification from the regents crumbling class-
41 rooms debt payment fund to the comprehensive rehabilitation and repair
42 fund of the state board of regents: *Provided*, That the amount or amounts
43 transferred from the regents crumbling classrooms debt payment fund to

1 the comprehensive rehabilitation and repair fund of the state board of
2 regents during fiscal year 2010 under this subsection (f) shall not exceed
3 \$15,000,000.

4 (g) During the fiscal year ending June 30, 2011, the state board of
5 regents shall certify to the director of accounts and reports the amount
6 or amounts and the date or dates of payments to be made during fiscal
7 year 2011 for payment of principal and interest on bonds issued pursuant
8 to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in
9 accordance with applicable bond covenants. At the same time as such
10 certification is transmitted to the director of accounts and reports, the
11 state board of regents shall transmit a copy of such certification to the
12 director of the budget and the director of the legislative research de-
13 partment. Upon receipt of such certification, the director of accounts and
14 reports shall transfer the amount or amounts specified on the date or
15 dates specified in such certification from the regents crumbling class-
16 rooms debt payment fund to the comprehensive rehabilitation and repair
17 fund of the state board of regents: *Provided*, That the amount or amounts
18 transferred from the regents crumbling classrooms debt payment fund to
19 the comprehensive rehabilitation and repair fund of the state board of
20 regents during fiscal year 2011 under this subsection (g) shall not exceed
21 \$15,000,000.

22 (h) During the fiscal year ending June 30, 2012, the state board of
23 regents shall certify to the director of accounts and reports the amount
24 or amounts and the date or dates of payments to be made during fiscal
25 year 2012 for payment of principal and interest on bonds issued pursuant
26 to section 13 of chapter 259 of the 1996 Session Laws of Kansas, in
27 accordance with applicable bond covenants. At the same time as such
28 certification is transmitted to the director of accounts and reports, the
29 state board of regents shall transmit a copy of such certification to the
30 director of the budget and the director of the legislative research de-
31 partment. Upon receipt of such certification, the director of accounts and
32 reports shall transfer the amount or amounts specified on the date or
33 dates specified in such certification from the regents crumbling class-
34 rooms debt payment fund to the comprehensive rehabilitation and repair
35 fund of the state board of regents: *Provided*, That the amount or amounts
36 transferred from the regents crumbling classrooms debt payment fund to
37 the comprehensive rehabilitation and repair fund of the state board of
38 regents during fiscal year 2012 under this subsection (h) shall not exceed
39 \$15,000,000.

40 Sec. 24. K.S.A. 76-719, as amended by section 11 of chapter 132 of the
41 2006 Session Laws of Kansas, and 76-753 and K.S.A. 2006 Supp. 75-
42 3717b, 75-4209 and 75-4237 are hereby repealed.

1 Sec. 25. This act shall take effect and be in force from and after its
2 publication in the statute book.