

SENATE BILL No. 403

By Legislative Educational Planning Committee

1-3

9 AN ACT concerning postsecondary educational institutions; relating to
10 the faculty of distinction program; amending K.S.A. 2007 Supp. 76-
11 774, 76-775 and 76-776 and repealing the existing sections.
12

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

14 Section 1. K.S.A. 2007 Supp. 76-774 is hereby amended to read as
15 follows: 76-774. (a) The Kansas partnership for faculty of distinction pro-
16 gram is hereby established to encourage gifts by private donors to en-
17 hance the ability of eligible educational institutions to attract and retain
18 faculty of distinction. The program shall be administered by the state
19 board of regents in accordance with this act. Under the Kansas partner-
20 ship for faculty of distinction program, the state shall contribute income
21 earnings equivalent awards in accordance with this act to supplement
22 endowed professorships at eligible educational institutions for which qual-
23 ifying gifts have been received by endowment associations.

24 (b) Each eligible educational institution shall establish within the gen-
25 eral budget of the eligible educational institution a faculty of distinction
26 matching fund. The eligible educational institution shall establish an en-
27 dowed professorship account in the faculty of distinction matching fund
28 for each endowed professorship established under the Kansas partnership
29 for faculty of distinction program. All expenditures from the faculty of
30 distinction matching fund shall be for one or more endowed professor-
31 ships to supplement salary and to provide additional operating support
32 for assistants, travel, equipment or other expenses of the endowed
33 professorships.

34 (c) The chancellor, president, director or other chief executive officer
35 of an eligible educational institution shall notify the state board of regents
36 of the receipt of a qualifying gift under the Kansas partnership for faculty
37 of distinction program. Upon receiving such notice, the state board of
38 regents shall determine if the donation is a qualifying gift. Except as
39 otherwise provided in this subsection, upon determining that a qualifying
40 gift has been received by the endowment association for an eligible ed-
41 ucational institution, the state board of regents shall certify to the director
42 of accounts and reports the amount and date of receipt of the qualifying
43 gift under the program and the endowed professorship account estab-

1 lished in the faculty of distinction matching fund therefor. The state board
2 of regents shall not make any certification to the director of accounts and
3 reports under this subsection prior to July 1, 2001.

4 ~~(d) No moneys committed or pledged to be given to an endowment~~
5 ~~association prior to the effective date of this act shall be included as part~~
6 ~~of any qualifying gift under the program, notwithstanding the date when~~
7 ~~such moneys were actually received by the endowment association.~~

8 Sec. 2. K.S.A. 2007 Supp. 76-775 is hereby amended to read as fol-
9 lows: 76-775. (a) Subject to the other provisions of this act, on the first
10 day of the first state fiscal year commencing after receiving a certification
11 of receipt of a qualifying gift under K.S.A. 2007 Supp. 76-774 and amend-
12 ments thereto, the director of accounts and reports shall transfer from
13 the state general fund the amount determined by the director of accounts
14 and reports to be the earnings equivalent award for such qualifying gift
15 for the period of time between the date of certification of the qualifying
16 gift and the first day of the ensuing state fiscal year to either (1) the
17 endowed professorship account of the faculty of distinction matching
18 fund of the eligible educational institution, in the case of a certification
19 of a qualifying gift to an eligible educational institution that is a state
20 educational institution, or (2) the faculty of distinction program fund of
21 the state board of regents, in the case of a certification of a qualifying gift
22 to an eligible institution that is not a state educational institution. Subject
23 to the other provisions of this act, on each July 1 thereafter, the director
24 of accounts and reports shall make such transfer from the state general
25 fund of the earnings equivalent award for such qualifying gift for the
26 period of the preceding state fiscal year. All transfers made in accordance
27 with the provisions of this subsection shall be considered demand trans-
28 fers from the state general fund, except that all such transfers during the
29 fiscal years ending June 30, 2007 and June 30, 2008, shall be considered
30 to be revenue transfers from the state general fund.

31 (b) There is hereby established in the state treasury the faculty of
32 distinction program fund which shall be administered by the state board
33 of regents. All moneys transferred under this section to the faculty of
34 distinction program fund of the state board of regents shall be paid to
35 eligible educational institutions that are not state educational institutions
36 for earnings equivalent awards for qualifying gifts to such eligible edu-
37 cational institutions. The state board of regents shall pay from the faculty
38 of distinction program fund the amount of each such transfer to the eli-
39 gible educational institution for the earnings equivalent award for which
40 such transfer was made under this section.

41 (c) The earnings equivalent award for an endowed professorship shall
42 be determined by the director of accounts and reports and shall be the
43 amount of interest earnings that the amount of the qualifying gift certified

1 by the state board of regents would have earned at the average net earn-
2 ings rate of the pooled money investment board portfolio for the period
3 for which the determination is being made.

4 (d) The total amount of new qualifying gifts which may be certified
5 to the director of accounts and reports under this act during any state
6 fiscal year for all eligible educational institutions shall not exceed
7 \$30,000,000. The total amount of new qualifying gifts which may be cer-
8 tified to the director of accounts and reports under this act during any
9 state fiscal year for any individual eligible educational institution shall not
10 exceed \$10,000,000. No additional qualifying gifts shall be certified by
11 the state board of regents under this act when the total of all transfers
12 from the state general fund for earnings equivalent awards for qualifying
13 gifts pursuant to this section and amendments thereto for a fiscal year is
14 equal to or greater than ~~\$5,000,000~~ \$10,000,000.

15 Sec. 3. K.S.A. 2007 Supp. 76-776 is hereby amended to read as fol-
16 lows: 76-776. (a) The chancellor, president, director or other chief ex-
17 ecutive officer of an eligible educational institution for which a qualifying
18 gift has been received by the endowment association shall provide from
19 the eligible educational institution's operating budget a salary and full-
20 time position for the endowed professorship. In the manner prescribed
21 by policies adopted by the state board of regents, the chancellor, presi-
22 dent, director or other chief executive officer of an eligible educational
23 institution having an endowed professorship under this program shall re-
24 port annually to the state board of regents a full accounting of the amounts
25 and purposes of all expenditures of the moneys transferred to the faculty
26 of distinction matching fund of the eligible educational institution under
27 this act and the moneys realized from the interest earned on the qualifying
28 gift held in trust by the endowment association for such endowed pro-
29 fessorship during the preceding state fiscal year.

30 (b) The state board of regents shall develop and conduct an ongoing
31 assessment of the Kansas partnership for faculty of distinction program
32 which shall be commenced on or before the first day of the first state
33 fiscal year during which the total of all transfers from the state general
34 fund for earnings equivalent awards for qualifying gifts pursuant to K.S.A.
35 2007 Supp. 76-775, and amendments thereto, is equal to or greater ~~the~~
36 *than* \$4,000,000. The assessment shall include evaluations of (1) the ef-
37 fectiveness of the program to increase private gifts and to attract and
38 retain professors of distinction for eligible educational institutions, (2) the
39 economic impact of the program on eligible educational institutions and
40 the state, and (3) other appropriate factors specified by the state board
41 of regents. After commencing the assessment of the program, the state
42 board of regents shall annually present a report on the assessment to the
43 legislature at the beginning of each regular session.

1 Sec. 4. K.S.A. 2007 Supp. 76-774, 76-775 and 76-776 are hereby
2 repealed.
3 Sec. 5. This act shall take effect and be in force from and after its
4 publication in the Kansas register.