

SENATE SUBSTITUTE FOR HOUSE BILL No. 2149

By Committee on Ways and Means

3-21

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

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

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

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

9 (1) Engineering intensive industries represent approximately $\frac{1}{3}$ of the
10 statewide payroll and tax base;

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

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

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

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

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

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

32 (b) "Bonds" means any bonds, notes, lease certificates of
33 participation or other evidences of indebtedness, whether or not the
34 interest on which is subject to federal income taxation, issued by the
35 Kansas development finance authority on behalf of the board of regents
36 pursuant to this act to finance the university engineering initiative act.

1 (c) "Engineering initiative facility" means any facility, including real
2 and personal property, for which the primary purpose is to educate
3 additional engineers and which is under the control of a state educational
4 institution.

5 (d) "State" means the state of Kansas.

6 (e) "State educational institution" means Kansas state university of
7 agriculture and applied science, university of Kansas and Wichita state
8 university.

9 (f) "This act" means the university engineering initiative act.

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

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

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

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

42 (c) Each state educational institution shall submit to the board of
43 regents a plan to provide for the annual maintenance and operation costs of

1 any newly constructed engineering facility or capital improvement of an
2 existing engineering facility when seeking funding for the making of such
3 construction or improvement from the board of regents.

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

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

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

38 (d) Any resolution or other agreement authorizing the board of
39 regents to incur any obligation with respect to bonds issued by the Kansas
40 development finance authority may contain such provisions as deemed
41 appropriate by the board of regents for the purpose of carrying out the
42 purposes of this act and securing such bonds, which shall be a part of the
43 contract with the holders thereof.

1 New Sec. 7. (a) (1) There is hereby created in the state treasury the
2 Kan-grow engineering fund – regents. The chief executive officer of the
3 board of regents or the state educational institutions shall remit all moneys
4 received under the university engineering initiative act to the state
5 treasurer in accordance with the provisions of K.S.A. 75-4215, and
6 amendments thereto. Upon receipt of each such remittance, the state
7 treasurer shall deposit the entire amount in the state treasury to the credit
8 of the Kan-grow engineering fund – regents.

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

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

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

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

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

1 or by a person designated by the president.

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

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

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

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

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

39 (b) (1) *On July 1, 2012, or as soon thereafter as moneys are*
40 *available, the first \$4,000,000 credited to the expanded lottery act*
41 *revenues fund shall be transferred by the director of accounts and reports*
42 *from the expanded lottery act revenues fund to the Kan-grow engineering*
43 *fund – regents.*

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

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

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

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