

SENATE BILL No. 490

By Legislative Educational Planning Committee

2-10

AN ACT concerning state educational institutions under the control and supervision of the state board of regents; relating to interest earnings on moneys in certain special revenue funds; amending K.S.A. 74-3213, 74-5619, 74-5620, 76-6b02, 76-719, 76-753 and 76-755 and K.S.A. 2003 Supp. 76-326b, 76-327c, 76-385 and 76-762 and repealing the existing sections.

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

New Section 1. (a) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to each special revenue fund of each state educational institution, interest earnings based on:

(1) The average daily balance of moneys in the special revenue fund for the preceding month; and

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

(b) As used in this section, “state educational institution” has the meanings respectively ascribed thereto by K.S.A. 74-3201b and amendments thereto and “special revenue fund” means:

(1) In the case of Fort Hays state university, “special revenue fund” means the: (A) Education opportunity act — federal fund; (B) commencement fees fund; (C) health fees fund; (D) student union fees fund; (E) Kansas career work study program fund; (F) economic opportunity act — federal fund; (G) health professions student assistance program fund; (H) oil research library gifts and grants fund; (I) federal Perkins student loan fund; (J) institutional overhead fund; (K) oil and gas royalties fund; and (L) wildlife art fund;

(2) in the case of Kansas state university, “special revenue fund” means the: (A) Interest on endowment fund; (B) Kansas career work study program fund; (C) coliseum gifts fund; (D) student health fees fund; (E) scholarship funds fund; (F) Perkins student loan fund; (G) engineering and education gift fund; (H) U.S. army research grant — metal particle chemistry fund; (I) board of regents — U.S. department of education awards fund; (J) state agricultural university fund; (K) Salina — student union fees fund; (L) Salina — dormitory and food service fees fund; (M)

1 temporary deposit fund; (N) suspense fund; (O) grants and gifts fund; (P)
2 housing system operation utility reserve fund; (Q) coliseum repair, equip-
3 ment and improvement fund; (R) student recreation building repair and
4 improvement fund; (S) KSU recreation complex depreciation/repair fund;
5 (T) engineering complex phase II gift fund; and (U) Ackert hall gift fund;
6 (3) in the case of Kansas state university extension systems and ag-
7 riculture research programs, “special revenue fund” means the: (A) Fer-
8 tilizer research fund; (B) federal extension fund; (C) federal experimental
9 station fund; (D) federal awards — advance payment fund; (E) Smith-
10 Lever special program grant — federal fund; (F) Kansas artificial breed-
11 ing service unit fees fund; (G) agricultural land use-value fund; and (H)
12 irrigation research field grant fund;
13 (4) in the case of Kansas state university veterinary medical center,
14 “special revenue fund” means the: (A) Hospital and diagnostic laboratory
15 revenue fund; (B) hospital and diagnostic laboratory improvement fund;
16 (C) health professions student loan fund; (D) H.E.W. veterinary revolving
17 student loan fund; (E) student loan funds fund; and (F) suspense fund;
18 (5) in the case of Emporia state university, “special revenue fund”
19 means the: (A) Interest on state normal school fund fund; (B) commence-
20 ment fees fund; (C) Kansas career work study program fund; (D) student
21 health fees fund; (E) bureau of educational measurements fund; (F) ec-
22 onomic opportunity act — work study — federal fund; (G) educational
23 opportunity grants — federal fund; (H) basic opportunity grant program
24 — federal fund; and (I) research and institutional overhead fund;
25 (6) in the case of Pittsburg state university, “special revenue fund”
26 means the: (A) Hospital and student health fees fund; (B) Perkins student
27 loan fund; (C) college work study fund; and (D) nursing student loan
28 fund;
29 (7) in the case of the university of Kansas, “special revenue fund”
30 means the: (A) Regents center development fund; (B) interest fund; (C)
31 law enforcement training center fees fund; (D) health service fund; (E)
32 Kansas career work study program fund; (F) student union fund; (G)
33 regents supplemental grant fund; (H) federal Perkins loan fund; (I) Ford
34 foundation — forgivable loan fund; (J) health professions student loan
35 fund; (K) research projects grants fund; (L) research projects grants
36 matching fund; (M) educational opportunity act — federal fund; (N) loans
37 for disadvantaged students fund; (O) prepaid tuition fees clearing fund;
38 (P) student health facility maintenance, repair and equipment fee fund;
39 (Q) multicultural resource center — construction fund; and (R) Dole
40 institute gift or grant fund;
41 (8) in the case of the university of Kansas medical center, “special
42 revenue fund” means the: (A) Services to hospital authority fund; (B)
43 direct medical education reimbursement fund; (C) federal college work

1 study fund; (D) AMA education and research grant fund; (E) federal
 2 health professions/primary care student loan fund; (F) federal nursing
 3 student loan fund; (G) suspense fund; (H) federal student educational
 4 opportunity grant fund; (I) federal Pell grant fund; (J) federal Perkins
 5 student loan fund; (K) graduate medical education administration reserve
 6 fund; (L) university of Kansas medical center private practice foundation
 7 reserve fund; (M) Robert Wood Johnson award fund; (N) federal schol-
 8 arship for disadvantaged students fund;(O) educational nurse faculty loan
 9 program fund; and (P) telekid health care link fund; and

10 (9) in the case of Wichita state university, “special revenue fund”
 11 means the: (A) Kansas career work study program fund; (B) scholarship
 12 funds fund; (C) economic opportunity act — federal fund; (D) education
 13 opportunity grant — federal fund; (E) matching education opportunity
 14 grant fund; (F) work-study program fund; (G) health professions student
 15 assistance program — loans fund; (H) Pell grants fund; (I) housing system
 16 renovation principal and interest fund; (J) WSU housing system depre-
 17 ciation and replacement fund; (K) Perkins loan fund; (L) 1976 dormitory
 18 maintenance reserve fund; (M) restricted fee — research fund; (N) hous-
 19 ing system renovation bond reserve fund; (O) WSU housing system sur-
 20 plus fund; (P) parking system project revenue fund — K DFA bonds; (Q)
 21 parking system project — maintenance fund — K DFA bonds; (R) on
 22 campus parking principal and interest — K DFA bonds fund; and (S) on
 23 campus parking reserve account — K DFA bonds fund.

24 Sec. 2. K.S.A. 74-3213 is hereby amended to read as follows: 74-
 25 3213. (a) The governing authority of an institution may provide for the
 26 charging and collection of fees for the use of parking facilities and for
 27 campus transportation systems at the institution, and these and all fees
 28 for misuse of parking areas so collected shall be placed in a ~~separate~~
 29 ~~account~~ *parking fees fund* and may be used by the institution for payment
 30 of the expense of enforcing the rules and policies governing parking and
 31 speed limits and the construction, acquisition, maintenance and repair of
 32 parking facilities for vehicles and for campus transportation systems at
 33 such institution.

34 (b) *On or before the 10th day of each month, the director of accounts*
 35 *and reports shall transfer from the state general fund to the parking fees*
 36 *fund of each institution interest earnings based on:*

37 (1) *The average daily balance of moneys in the parking fees fund of*
 38 *each institution for the preceding month; and*

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

41 (c) *As used in this section, “parking fees fund” includes the parking*
 42 *facilities revenue funds of the university of Kansas and the university of*
 43 *Kansas medical center.*

1 Sec. 3. K.S.A. 74-5619 is hereby amended to read as follows: 74-
2 5619. (a) There is hereby created in the state treasury the law enforce-
3 ment training center fund. All moneys credited to such fund under the
4 provisions of this act or any other law shall be expended only for the
5 purpose and in the manner prescribed by law, including the expenditures
6 for the operation of the Kansas law enforcement training commission to
7 carry out its powers and duties as mandated by law.

8 (b) All moneys received for assessments as provided pursuant to
9 K.S.A. 74-5607, and amendments thereto, shall be remitted to the state
10 treasurer in accordance with the provisions of K.S.A. 75-4215, and
11 amendments thereto. Upon receipt of each such remittance, the state
12 treasurer shall deposit the entire amount in the state treasury to the credit
13 of the law enforcement training center fund.

14 (c) *On or before the 10th day of each month, the director of accounts
15 and reports shall transfer from the state general fund to the law enforce-
16 ment training center fund of the university of Kansas interest earnings
17 based on:*

18 (1) *The average daily balance of moneys in the law enforcement train-
19 ing center fund of the university of Kansas for the preceding month; and*

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

22 (d) This section shall be part of and supplemental to the Kansas law
23 enforcement training act.

24 Sec. 4. K.S.A. 74-5620 is hereby amended to read as follows: 74-
25 5620. (a) There is hereby created in the state treasury the local law en-
26 forcement training reimbursement fund. All expenditures from the local
27 law enforcement training *reimbursement* fund shall:

28 ~~(a)~~ (1) Be distributed to municipalities which participated in local law
29 enforcement training programs certified by the law enforcement training
30 commission which existed prior to January 1, 1992, in accordance with a
31 distribution formula developed by the commission;

32 ~~(b)~~ (2) not exceed more than 100% of the actual training costs in-
33 curred by the municipality in participating in the local law enforcement
34 training program; and

35 ~~(c)~~ (3) be distributed for basic law enforcement training and not be
36 for any type of continuing law enforcement training education programs.

37 (b) No money shall be expended from this fund prior to January 1,
38 1993. Such distribution formula shall provide that distribution be based
39 on the number of individuals trained and the cost per individual trained
40 of each such municipality. Any such distributions shall be reviewed on a
41 year-to-year basis and adjusted accordingly pursuant to the criteria spec-
42 ified in this section. The law enforcement training commission shall con-
43 duct a review of all local law enforcement training programs in which

1 municipalities receiving expenditures pursuant to this act are participating
2 and shall require that all such law enforcement training programs report
3 their costs in a standardized format prescribed by the commission.

4 *(c) On or before the 10th day of each month, the director of accounts*
5 *and reports shall transfer from the state general fund to the local law*
6 *enforcement training reimbursement fund of the university of Kansas in-*
7 *terest earnings based on:*

8 *(1) The average daily balance of moneys in the local law enforcement*
9 *training reimbursement fund of the university of Kansas for the preceding*
10 *month; and*

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

13 Sec. 5. K.S.A. 2003 Supp. 76-326b is hereby amended to read as
14 follows: 76-326b. *(a)* The state corporation commission shall remit all
15 moneys received by or for it from fees collected under K.S.A. 55-151,
16 and amendments thereto, to the state treasurer in accordance with the
17 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
18 each such remittance, the state treasurer shall deposit the entire amount
19 in the state treasury to the credit of the geological survey fund.

20 *(b)* Because the operation of the state geological survey provides a
21 direct benefit to the oil and gas industry of Kansas, expenditures from
22 the geological survey fund shall be for the construction, renovation, re-
23 construction and maintenance of buildings and facilities for the geological
24 survey and for the acquisition and replacement of equipment for the state
25 geological survey. Expenditures from the geological survey fund shall be
26 made in accordance with appropriation acts upon warrants of the director
27 of accounts and reports issued pursuant to vouchers approved by the
28 chancellor of the university of Kansas or by a person or persons designated
29 by the chancellor.

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 geological*
32 *survey fund of the university of Kansas interest earnings based on:*

33 *(1) The average daily balance of moneys in the geological survey fund*
34 *of the university of Kansas for the preceding month; and*

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

37 Sec. 6. K.S.A. 2003 Supp. 76-327c is hereby amended to read as
38 follows: 76-327c. *(a)* There is hereby created in the state treasury the fire
39 service training program fund. All moneys credited to such fund under
40 the provisions of this act or any other law shall be expended only for the
41 purpose and in the manner prescribed by law, including the expenditures
42 for the operation of the Kansas fire service training program to carry out
43 duties as mandated by law.

1 (b) All moneys received shall be remitted to the state treasurer in
2 accordance with the provisions of K.S.A. 75-4215, and amendments
3 thereto. Upon receipt of each such remittance, the state treasurer shall
4 deposit the entire amount in the state treasury to the credit of the fire
5 service training program fund.

6 (c) *On or before the 10th day of each month, the director of accounts
7 and reports shall transfer from the state general fund to the fire service
8 training program fund of the university of Kansas interest earnings based
9 on:*

10 (1) *The average daily balance of moneys in the fire service training
11 program fund of the university of Kansas for the preceding month; and*

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

14 Sec. 7. K.S.A. 2003 Supp. 76-385 is hereby amended to read as fol-
15 lows: 76-385. (a) (1) Except as otherwise provided in paragraphs (2), (3),
16 (4) and (5) of this subsection (a) or in K.S.A. 76-386, and amendments
17 thereto, upon the failure of any person to satisfy the obligation to engage
18 in the full-time practice of medicine and surgery within a service com-
19 mitment area of this state for the required period of time under any
20 medical student loan agreement entered into under this act, such person
21 shall repay to the university of Kansas school of medicine in accordance
22 with subsection (b) an amount equal to the total of (A) the amount of
23 money received by such person pursuant to such agreement, or the
24 amount of money determined under rules and regulations of the univer-
25 sity of Kansas plus (B) annual interest at a rate of 15% from the date such
26 money was received.

27 (2) Any person who fails to apply for and enter an approved post-
28 graduate residency training program shall be required to repay all moneys
29 received pursuant to an agreement entered into for any such medical
30 student loan, plus accumulated interest at an annual rate of 15% and shall
31 commence such repayment in accordance with subsection (b) within 90
32 days of graduation from the school of medicine or upon termination or
33 completion of a residency training program which does not comply with
34 the provisions of this act, whichever is later.

35 (3) If at any time a person is failing to satisfy an obligation to engage
36 in the full-time practice of medicine and surgery in Kansas for the re-
37 quired period of time under an agreement entered into under this act
38 because such person is engaged in the full-time practice of medicine and
39 surgery in a state other than Kansas, or within Kansas in an area that is
40 not a service commitment area or in the practice of medicine and surgery
41 which does not otherwise comply with the agreement entered into under
42 this act, and if such person is subject to or currently making repayments
43 under this section and if such person subsequently commences the prac-

1 tice of medicine and surgery in this state which is in a service commitment
2 area or which otherwise complies with the agreement entered into under
3 this act, the balance of the repayment amount, including interest thereon,
4 from the time of such commencement of practice until the obligation of
5 such person is satisfied, or until the time such person again becomes
6 subject to repayments, shall be waived. All repayment amounts due prior
7 to such commencement of practice, including interest thereon, shall con-
8 tinue to be payable as provided in this section. If subsequent to such
9 commencement of practice, the person fails to satisfy such obligation, the
10 person again shall be subject to repayments, including interest thereon,
11 as otherwise provided in this section.

12 (4) If, during the time a person is satisfying the service requirement
13 of an agreement entered into under this act, such person desires to engage
14 in less than the full-time practice of medicine and surgery within a service
15 commitment area of the state and remain in satisfaction of such service
16 requirement, such person may make application to the chancellor of the
17 university of Kansas or the designee of the chancellor for permission to
18 engage in less than such full-time practice of medicine and surgery. Upon
19 a finding of exceptional circumstances made by the chancellor of the
20 university of Kansas, or the designee of the chancellor, such person may
21 be authorized to engage in less than the full-time practice of medicine
22 and surgery within a service commitment area of the state for the re-
23 maining required period of time under such agreement and for an ad-
24 ditional period of time which shall be equal to the length of the originally
25 required period of time multiplied by the decimal fraction which is equal
26 to the reduction of the full-time practice of medicine and surgery to be
27 authorized hereunder, multiplied by two. In any such determination of
28 the period required to be engaged in the less than full-time practice of
29 medicine and surgery, the decimal fraction utilized shall not exceed .5
30 and any person granted permission to engage in less than the full-time
31 practice of medicine and surgery in accordance with the provisions of this
32 paragraph (4) shall be required to engage in at least the half-time practice
33 of medicine and surgery.

34 (5) Any person who enters but fails to complete an approved post-
35 graduate residency training program, or who enters and completes an
36 approved postgraduate residency training program but fails to satisfy the
37 obligation to engage in the full-time practice of medicine and surgery
38 within a service commitment area of this state for the required period of
39 time shall be required to repay all money received pursuant to an agree-
40 ment entered into under this act a medical student loan, plus accumulated
41 interest at an annual rate of 15% and shall commence such repayment in
42 accordance with subsection (b) within 90 days of failure to complete an
43 approved postgraduate residency training program or 90 days of failure

1 to commence qualifying practice, whichever occurs first.

2 (b) For any repayment requirement under this section, the person
3 shall repay an amount totaling the entire amount to be repaid under all
4 such agreements for which such obligations are not satisfied, including
5 all amounts of interest at the rate prescribed. The repayment shall be
6 made in not more than 10 equal annual installment payments.

7 (c) All installment payments under this section shall commence six
8 months after the date of the action or circumstance that causes the failure
9 of the person to satisfy the obligations of such agreements, as determined
10 by the university of Kansas school of medicine based upon the circum-
11 stances of each individual case. In all cases, if an installment payment
12 becomes 91 days overdue, the entire amount outstanding shall become
13 immediately due and payable, including all amounts of interest at the rate
14 prescribed.

15 (d) The total repayment obligation imposed under all agreements en-
16 tered into under this act may be satisfied by the person who entered into
17 the agreements at any time prior to graduation from the university of
18 Kansas school of medicine by making a single lump-sum payment equal
19 to the total of (1) the entire amount to be repaid under all such agree-
20 ments upon failure to satisfy the obligations under such agreements to
21 practice in Kansas, plus (2) all amounts of interest thereon at the rate
22 prescribed to the date of payment.

23 (e) The university of Kansas school of medicine shall remit all moneys
24 received under this section to the state treasurer in accordance with the
25 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
26 each such remittance, the state treasurer shall deposit the entire amount
27 in the state treasury to the credit of the medical loan repayment fund.

28 (f) (1) There is hereby created in the state treasury the medical loan
29 repayment fund. All expenditures from the medical loan repayment fund
30 shall be for medical student loans under the medical student loan act and
31 for the expenses of administration of the medical student loan act and
32 shall be made in accordance with appropriation acts upon warrants of the
33 director of accounts and reports issued pursuant to vouchers approved
34 by the chancellor of the university of Kansas or by a person designated
35 by the chancellor. ~~On the effective date of this act, the director of ac-~~
36 ~~counts and reports shall transfer all moneys in the medical scholarship~~
37 ~~and loan repayment fund to the medical loan repayment fund. On the~~
38 ~~effective date of this act, all liabilities of the medical scholarship and loan~~
39 ~~repayment fund are hereby imposed on the medical loan repayment fund~~
40 ~~and the medical scholarship and loan repayment fund is hereby abolished.~~

41 (2) Whenever the medical scholarship and loan repayment fund, or
42 words of like effect, is referred to or designated by any statute, contract
43 or other document, such reference or designation shall be deemed to

1 apply to the medical loan repayment fund.

2 (3) *On or before the 10th day of each month, the director of accounts*
3 *and reports shall transfer from the state general fund to the medical loan*
4 *repayment fund of the university of Kansas interest earnings based on:*

5 (A) *The average daily balance of moneys in the medical loan repay-*
6 *ment fund of the university of Kansas for the preceding month; and*

7 (B) *the net earnings rate of the pooled money investment portfolio for*
8 *the preceding month.*

9 Sec. 8. K.S.A. 76-6b02 is hereby amended to read as follows: 76-
10 6b02. (a) All moneys received by the state treasurer under K.S.A. 76-
11 6b01, and amendments thereto, shall be credited to the Kansas educa-
12 tional building fund to be used for the construction, reconstruction,
13 equipment and repair of buildings and grounds at the state educational
14 institutions under the control and supervision of the state board of regents
15 and for payment of debt service on revenue bonds issued to finance such
16 projects, all subject to appropriation by the legislature.

17 (b) Subject to any restrictions imposed by appropriation acts, the
18 state board of regents is authorized to pledge funds appropriated to it
19 from the Kansas educational building fund or from any other source and
20 transferred to a special revenue fund of the state board of regents spec-
21 ified by statute for the payment of debt service on revenue bonds issued
22 for the purposes set forth in subsection (a). Subject to any restrictions
23 imposed by appropriation acts, the state board of regents is also author-
24 ized to pledge any funds appropriated to it from the Kansas educational
25 building fund or from any other source and transferred to a special rev-
26 enue fund of the state board of regents specified by statute as a priority
27 for the payment of debt service on such revenue bonds. Neither the state
28 or the state board of regents shall have the power to pledge the faith and
29 credit or taxing power of the state of Kansas for such purposes and any
30 payment by the state board of regents for such purposes shall be subject
31 to and dependent on appropriations being made from time to time by
32 the legislature. Any obligation of the state board of regents for payment
33 of debt service on revenue bonds and any such revenue bonds issued for
34 the purposes set forth in subsection (a) shall not be considered a debt or
35 obligation of the state for the purpose of section 6 of article 11 of the
36 constitution of the state of Kansas.

37 (c) *On or before the 10th day of each month, the director of accounts*
38 *and reports shall transfer from the state general fund to the Kansas ed-*
39 *ucational building fund interest earnings based on:*

40 (1) *The average daily balance of moneys in the Kansas educational*
41 *building fund for the preceding month; and*

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

1 Sec. 9. K.S.A. 76-719 is hereby amended to read as follows: 76-719.

2 (a) Subject to K.S.A. 76-742 *and amendments thereto*, the board of re-
3 gents shall fix tuition, fees and charges to be collected by each state ed-
4 ucational institution. If a state educational institution collects a student-
5 activity fee, the funds so collected shall be set apart and used for the
6 purpose of supporting appropriate student activities.

7 (b) *All moneys received by a state educational institution for tuition*
8 *fixed by the state board of regents shall be deposited in the state treasury*
9 *and credited to the general fees fund of the state educational institution.*
10 *All moneys received for any student-activity fee or for any other fees or*
11 *charges fixed by the state board of regents shall be deposited in the state*
12 *treasury and credited to the appropriate account of the restricted fees*
13 *fund of the state educational institution or to another appropriate special*
14 *revenue fund of the state educational institution.*

15 (c) *On or before the 10th day of each month, the director of accounts*
16 *and reports shall transfer from the state general fund to the general fees*
17 *fund of each state educational institution interest earnings based on:*

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

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

22 (d) *On or before the 10th day of each month, the director of accounts*
23 *and reports shall transfer from the state general fund to the restricted fees*
24 *fund of each state educational institution interest earnings based on:*

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

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

29 Sec. 10. K.S.A. 76-753 is hereby amended to read as follows: 76-753.

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

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

35 (c) In accordance with the provisions of appropriations acts, expend-
36 itures may be made from the sponsored research overhead fund of a state
37 educational institution for administration, operation and development of
38 research and for matching federal funds available for capital improve-
39 ments and equipment that qualify for research purposes.

40 (d) *On or before the 10th day of each month, the director of accounts*
41 *and reports shall transfer from the state general fund to the sponsored*
42 *research overhead fund of each state educational institution interest earn-*
43 *ings based on:*

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

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

6 Sec. 11. K.S.A. 76-755 is hereby amended to read as follows: 76-755.

7 (a) There is hereby established in the state treasury a service clearing
8 fund for each state educational institution.

9 (b) The service clearing fund at a state educational institution shall
10 be used only as a working capital fund to finance the internal service
11 activities rendered to the state educational institution's own departments,
12 other institutional related organizations and specific organizations and
13 classes of individuals approved by the state board of regents, which ac-
14 tivities are specified in appropriations acts for the service clearing fund
15 or which are authorized for the service clearing fund by the state board
16 of regents with the approval of the state finance council acting on this
17 matter which is hereby characterized as a matter of legislative delegation
18 and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-
19 3711c and amendments thereto.

20 (c) The director of accounts and reports shall approve the accounting
21 procedures to be used for service clearing funds to insure a self-support-
22 ing operation of each service clearing fund.

23 (d) *On or before the 10th day of each month, the director of accounts*
24 *and reports shall transfer from the state general fund to the service clear-*
25 *ing fund of each state educational institution interest earnings based on:*

26 (1) *The average daily balance of moneys in the service clearing fund*
27 *of the state educational institution for the preceding month; and*

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

30 Sec. 12. K.S.A. 2003 Supp. 76-762 is hereby amended to read as
31 follows: 76-762. (a) There is hereby created in the custody of the state
32 treasurer the following funds at each state educational institution from
33 which the housing system shall be operated:

34 (1) A housing system suspense fund;

35 (2) a housing system operations fund; and

36 (3) a housing system repairs, equipment and improvement fund.

37 (b) Payments received for rents and boarding fees and other charges
38 in connection with the operation of the housing system shall be remitted
39 to the state treasurer in accordance with the provisions of K.S.A. 75-4215,
40 and amendments thereto. Upon receipt of each such remittance, the state
41 treasurer shall deposit the entire amount in the state treasury to the credit
42 of the housing system suspense fund.

43 (c) On or before the 10th of each month, the director of accounts

1 and reports shall transfer from the state general fund to the housing
2 system suspense fund of *each state educational institution* interest earn-
3 ings based on:

4 (1) The *aggregate of (A) the average daily balance of moneys in each*
5 *the housing system suspense fund (B) the average daily balance of moneys*
6 *in the housing system operations fund, and (C) the average daily balance*
7 *of moneys in the housing system repairs, equipment and improvement*
8 *fund of the state educational institutions institution* for the preceding
9 month; and

10 (2) the net earnings rate for the pooled money investment portfolio
11 for the preceding month.

12 (d) The housing system operations fund shall be used to pay the ex-
13 penses of operation of the housing systems and for the operation and
14 maintenance of the system. The state educational institution shall transfer
15 from the housing system suspense fund to the operations fund amounts
16 needed for the operation and maintenance of the system. Each state ed-
17 ucational institution shall establish such accounts within the housing sys-
18 tem operations fund as are required for the efficient management of the
19 system. ~~Funds in the housing system operations fund not needed for~~
20 ~~immediate use may be invested by the state educational institution~~
21 ~~through the pooled money investment board in accordance with the pro-~~
22 ~~visions of K.S.A. 75-4254, and amendments thereto.~~

23 (e) The housing system repairs, improvements and equipment fund
24 shall be used for repairs, equipment, improvements and expansion of the
25 housing system that cannot be financed from the housing system opera-
26 tions fund. Transfers may be made to this fund from the housing system
27 suspense fund or the housing system operations fund as determined by
28 the state educational institution. ~~All or a portion of the moneys in such~~
29 ~~fund may be invested by the state educational institution through the~~
30 ~~pooled money investment board in accordance with the provisions of~~
31 ~~K.S.A. 75-4254, and amendments thereto.~~ Expenditures from this fund
32 may be made for projects that have been approved by the state board of
33 regents.

34 Sec. 13. K.S.A. 74-3213, 74-5619, 74-5620, 76-6b02, 76-719, 76-753
35 and 76-755 and K.S.A. 2003 Supp. 76-326b, 76-327c, 76-385 and 76-762
36 are hereby repealed.

37 Sec. 14. This act shall take effect and be in force from and after its
38 publication in the statute book.

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