

SENATE BILL No. 377

By Committee on Ways and Means

3-7

9 AN ACT concerning the infrastructure needs of postsecondary educa-
10 tional institutions and the financing thereof; amending K.S.A. 76-6b02,
11 76-6b03, 76-6b12, 76-719, as amended by section 11 of chapter 132
12 of the 2006 Session Laws of Kansas, and 76-753 and K.S.A. 2006 Supp.
13 75-4209 and 76-762, as amended by section 12 of chapter 132 of the
14 2006 Session Laws of Kansas, and repealing the existing sections.
15

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

17 New Section 1. Sections 1 through 5, and amendments thereto, shall
18 be known and may be cited as the university long-term infrastructure
19 maintenance law.

20 New Sec. 2. As used in the university long-term infrastructure main-
21 tenance law:

22 (a) “University long-term infrastructure maintenance fund” means
23 the fund established by section 3, and amendments thereto.

24 (b) “State educational institution” has the meaning ascribed thereto
25 in K.S.A. 76-711, and amendments thereto.

26 (c) “State board” means the state board of regents.

27 (d) “Infrastructure” means a building and related utility systems lo-
28 cated at a state educational institution.

29 (e) (1) “Improvement” means the maintenance, repair, reconstruc-
30 tion or rehabilitation of infrastructure.

31 (2) “Improvement” shall not mean new construction of
32 infrastructure.

33 (f) “Infrastructure improvement project” or “project” means the
34 maintenance, repair, reconstruction or rehabilitation of a building and
35 related utility systems located at a state educational institution.

36 (g) “Cost” means all costs or expenses which are necessary or inci-
37 dental to an infrastructure improvement project and which are directly
38 attributable thereto.

39 New Sec. 3. There is hereby established in the state treasury the
40 university long-term infrastructure maintenance fund which shall be ad-
41 ministered and maintained for the use and benefit of the state educational
42 institutions as provided by the university long-term infrastructure main-
43 tenance law. The university long-term infrastructure maintenance fund

1 shall be administered by the state board. Subject to the provisions of
2 appropriation acts, all expenditures from the university long-term infrastruc-
3 ture maintenance fund shall be made for purposes of infrastructure
4 improvement projects.

5 New Sec. 4. (a) Subject to the provisions of appropriation acts, the
6 state board may transfer moneys from the university long-term infrastruc-
7 ture maintenance fund to an account or accounts of a state educational
8 institution for expenditure by the institution to pay the costs of an infra-
9 structure improvement project as approved by the state board.

10 (b) The state board shall advise and consult with the joint committee
11 on state building construction as required by subsection (b) of K.S.A. 75-
12 3717b, and amendments thereto, regarding each infrastructure improve-
13 ment project that has been approved by the state board for a state edu-
14 cational institution. No transfer of moneys from the long-term
15 infrastructure maintenance fund shall be made to finance any infrastruc-
16 ture improvement project unless the state board first has advised and
17 consulted with the joint committee on state building construction. The
18 state board shall advise and consult with the joint committee before mak-
19 ing the first transfer of moneys from the university long-term infrastruc-
20 ture maintenance fund to any account or accounts of a state educational
21 institution for each project.

22 New Sec. 5. (a) (1) On July 1, 2007, or as soon thereafter as sufficient
23 moneys are available, \$15,000,000 shall be transferred by the director of
24 accounts and reports from the state general fund to the university long-
25 term infrastructure maintenance fund established by section 3, and
26 amendments thereto.

27 (2) On July 1, 2008, or as soon thereafter as sufficient moneys are
28 available, \$20,000,000 shall be transferred by the director of accounts and
29 reports from the state general fund to the university long-term infrastruc-
30 ture maintenance fund established by section 3, and amendments thereto.

31 (3) On July 1, 2009 and on July 1 each year thereafter, or as soon
32 thereafter as sufficient moneys are available, \$25,000,000 shall be trans-
33 ferred by the director of accounts and reports from the state general fund
34 to the university long-term infrastructure maintenance fund established
35 by section 3, and amendments thereto.

36 (b) All transfers made in accordance with the provisions of this sec-
37 tion shall be considered to be revenue transfers from the state general
38 fund.

39 (c) All moneys credited to the university long-term infrastructure
40 maintenance fund shall be expended or transferred only for the purpose
41 of paying the cost of infrastructure improvement projects approved by
42 the state board pursuant to the university long-term infrastructure main-
43 tenance law, and amendments thereto. All expenditures from the univer-

1 sity long-term infrastructure maintenance fund shall be made in accord-
2 ance with appropriation acts.

3 New Sec. 6. Sections 6 through 14, and amendments thereto, shall
4 be known and may be cited as the state board of regents infrastructure
5 loan law.

6 New Sec. 7. As used in the state board of regents infrastructure loan
7 law, and amendments thereto:

8 (a) “State board loan fund” means the state board of regents pooled
9 money investment board loan fund established by section 9, and amend-
10 ments thereto.

11 (b) “Infrastructure loan fund” means the state board of regents in-
12 frastructure loan fund established by section 8, and amendments thereto.

13 (c) “Costs” means all costs or expenses which are necessary or inci-
14 dental to an infrastructure improvement project and which are directly
15 attributable thereto.

16 (d) “Infrastructure” means a building and related utility systems lo-
17 cated at a state educational institution.

18 (e) (1) “Improvement” means the maintenance, repair, reconstruc-
19 tion or rehabilitation of infrastructure.

20 (2) “Improvement” shall not mean new construction of
21 infrastructure.

22 (f) “Infrastructure improvement project” or “project” means the
23 maintenance, repair, reconstruction or rehabilitation of a building and
24 related utility systems located at a state educational institution.

25 (g) “Regents loan funds” means the infrastructure loan fund and the
26 state board loan fund.

27 (h) “State educational institution” has the meaning ascribed thereto
28 in K.S.A. 76-711, and amendments thereto.

29 (i) “State board” means the state board of regents.

30 (j) “Authority” means the Kansas development finance authority.

31 (k) “State board of regents infrastructure loan program” or “pro-
32 gram” means the state board of regents infrastructure loan program es-
33 tablished by section 10, and amendments thereto.

34 (l) “Community college” means a community college established un-
35 der the laws of this state.

36 (m) “Postsecondary educational institution” or “institution” means a
37 state educational institution or a community college.

38 New Sec. 8. (a) There is hereby established in the state treasury the
39 state board of regents infrastructure loan fund. The following shall be
40 deposited to the credit of the infrastructure loan fund:

41 (1) Amounts appropriated or otherwise made available by the legis-
42 lature for the purposes of the infrastructure loan fund;

43 (2) amounts of repayments made by the state board for loans financed

1 with moneys credited to the infrastructure loan fund in accordance with
2 agreements entered into between the state board and the state treasurer;
3 and

4 (3) amounts contributed or otherwise made available by any public
5 or private entity for use in effectuating the purposes of the infrastructure
6 loan fund.

7 (b) Subject to the provisions of the state board of regents infrastruc-
8 ture loan law, and amendments thereto, and to the provisions of appro-
9 priations acts, expenditures from the infrastructure loan fund may be
10 made solely for the following purposes:

11 (1) To provide financial assistance to the state board or a postsecond-
12 ary educational institution to finance infrastructure improvement
13 projects;

14 (2) to provide reserves for, or to otherwise secure, amounts payable
15 by the state board on loans made for infrastructure improvement projects
16 in the event of default on a particular loan;

17 (3) to provide a subsidy for, or to otherwise assist, the state board in
18 the payment of debt service costs on loans made pursuant to the state
19 board of regents infrastructure loan law, and amendments thereto; and

20 (4) to pay administrative costs of the infrastructure loan fund incurred
21 pursuant to paragraphs (1) through (3).

22 (c) 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 infrastructure
24 loan fund interest earnings based on:

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

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

29 New Sec. 9. (a) There is hereby established in the state treasury a
30 fund to be known as the state board of regents pooled money investment
31 board loan fund. The following shall be deposited to the credit of such
32 fund:

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

35 (2) amounts of repayments made by the state board of loans financed
36 with moneys credited to the state board loan fund in accordance with
37 agreements entered into between the state board and the state treasurer.

38 (b) 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 state board
40 loan fund interest earnings based on:

41 (1) The average daily balance in the state board loan fund for the
42 preceding month; and

43 (2) the net earnings rate of the pooled money investment portfolio

1 for the preceding month.

2 New Sec. 10. (a) There is hereby established the state board of re-
3 gents infrastructure loan program. The state board shall be responsible
4 for the administration of the program including the prioritization of pro-
5 jects, the recommendation of projects for loans, the amount of loans and
6 the identification of the dedicated revenues necessary to repay the loan
7 for each approved project. The total aggregate amount of loans outstand-
8 ing under the program at any one time shall not exceed \$200,000,000.
9 The total aggregate amount of loans to a single institution which is out-
10 standing under the program at any one time shall not exceed \$50,000,000.
11 The term of any loan made from the regents loan funds shall not exceed
12 eight years.

13 (b) Upon request of the state board, the state treasurer shall transfer
14 from the infrastructure loan fund an amount not to exceed the total
15 amount of each loan in increments of not less than \$250,000 to an account
16 or accounts of a postsecondary educational institution for expenditure by
17 the institution for one or more infrastructure improvement projects as
18 approved by the state board. The state treasurer also may make expend-
19 itures from the infrastructure loan fund and from the revenues described
20 in subsection (e) for the payment of loans, upon request by the state
21 board.

22 (c) Upon request of the state board, the state treasurer shall transfer
23 from the state board loan fund an amount not to exceed the total amount
24 of each loan in increments not less than \$250,000 to an account or ac-
25 counts of a postsecondary educational institution for expenditure by the
26 institution for one or more infrastructure improvement projects as ap-
27 proved by the state board. No interest shall accrue on the outstanding
28 balance of a loan made to an institution from the state board loan fund.

29 (d) The state board may enter into agreements and contracts with
30 postsecondary educational institutions, the state treasurer and others as
31 required to effect the purposes of the state board of regents infrastructure
32 loan law, and amendments thereto, including without limitation, the loan
33 agreements described in subsection (e).

34 (e) The state board may enter into one or more loan agreements with
35 the state treasurer for each infrastructure improvement project pursuant
36 to which the state board shall agree to repay each loan. Each loan agree-
37 ment shall provide for a pledge to the repayment of the loan made thereby
38 of the general revenues of the state board, and may provide for an ad-
39 ditional pledge to the repayment of the loan made thereby of the appli-
40 cable revenues of a postsecondary educational institution, if any, as de-
41 termined by the state board. The state board is authorized to consent to
42 the assignment of loan agreements for loans made from the infrastructure
43 loan fund.

1 (f) Moneys loaned under the program shall be expended solely for
2 the infrastructure improvement project specified in the loan agreement.

3 (g) Oversight of infrastructure improvement projects approved by the
4 state board and financed pursuant to the state board of regents infrastruc-
5 ture loan law, and amendments thereto, shall be provided by the joint
6 committee on state building construction. The state board shall advise
7 and consult with the joint committee on state building construction as
8 required by subsection (b) of K.S.A. 75-3717b, and amendments thereto,
9 regarding each infrastructure improvement project which has been ap-
10 proved by the state board. No loan shall be made for any infrastructure
11 improvement project unless the state board first has advised and con-
12 sulted with the joint committee on state building construction, which
13 advising and consulting shall occur before making the first transfer from
14 the regents loan funds to any account or accounts of the state board or
15 such postsecondary educational institution.

16 New Sec. 11. (a) The state board may apply for loans pursuant to the
17 state board of regents infrastructure loan law, and amendments thereto,
18 on behalf of postsecondary educational institutions. The information
19 specified in subsection (a) of section 10, and amendments thereto, shall
20 be included in any application for a loan, along with such other infor-
21 mation regarding the loan, the infrastructure improvement project, the
22 applicable postsecondary educational institution and any other informa-
23 tion that the pooled money investment board may require.

24 (b) The state board shall forward a completed loan application to the
25 pooled money investment board for consideration.

26 (c) The pooled money investment board shall accept and review ap-
27 plications for loans to be made from the regents loan funds.

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

31 (e) The pooled money investment board may reject an application for
32 a loan only if the amount of the loan requested causes the total amount
33 for the program to exceed the limit set forth in subsection (a) of section
34 10, and amendments thereto, or the limits imposed by subsection (d) of
35 K.S.A. 75-4209, and amendments thereto.

36 (f) The pooled money investment board shall forward to the state
37 treasurer, an approved state board loan application.

38 New Sec. 12. Upon receipt of a state board loan application ap-
39 proved by the pooled money investment board, the state treasurer shall
40 enter into a loan agreement with the state board to make a state board
41 loan in the amount certified by the state treasurer. No interest shall be
42 charged for loans made from the state board loan fund or for loans made
43 from the infrastructure loan fund.

1 New Sec. 13. If the state treasurer enters into an agreement for a
2 loan to be made from the state board loan fund, the pooled money in-
3 vestment board shall transfer the amount of the loan to the state board
4 loan fund.

5 New Sec. 14. The state and the state treasurer shall not be liable in
6 any manner for payment of the obligations incurred by the state board
7 pursuant to the state board of regents infrastructure loan law, and amend-
8 ments thereto.

9 New Sec. 15. Prior to entering any contract for any infrastructure
10 improvement project financed under the university long-term infrastruc-
11 ture maintenance law or the state board of regents infrastructure loan
12 law and prior to entering any contract for any other capital improvement
13 project which is financed with non-state moneys, the state board of re-
14 gents shall provide for the ongoing maintenance costs of such infrastruc-
15 ture improvement project or capital improvement project and shall iden-
16 tify in its budget for each fiscal year funds available for such purpose. In
17 addition, each subsequent capital improvements budget of the state board
18 of regents shall provide for the ongoing maintenance cost of each such
19 infrastructure improvement project or capital improvement project.

20 Sec. 16. K.S.A. 2006 Supp. 75-4209 is hereby amended to read as
21 follows: 75-4209. (a) The director of investments may invest and reinvest
22 state moneys eligible for investment which are not invested in accordance
23 with K.S.A. 75-4237, and amendments thereto, in the following
24 investments:

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

34 (2) repurchase agreements with a bank or a primary government se-
35 curities dealer which reports to the market reports division of the federal
36 reserve bank of New York for direct obligations of, or obligations that are
37 insured as to principal and interest by, the United States government or
38 any agency thereof and obligations and securities of United States gov-
39 ernment sponsored enterprises which under federal law may be accepted
40 as security for public funds;

41 (3) commercial paper that does not exceed 270 days to maturity and
42 which has received one of the two highest commercial paper credit ratings
43 by a nationally recognized investment rating firm.

- 1 (b) When moneys are available for deposit or investments, the direc-
2 tor of investments may invest in SKILL act projects and bonds pursuant
3 to K.S.A. 74-8920, and amendments thereto, and in state agency bonds
4 and bond projects.
- 5 (c) When moneys are available for deposits or investments, the di-
6 rector of investments may invest in preferred stock of Kansas venture
7 capital, inc., under terms and conditions prescribed by K.S.A. 74-8203,
8 and amendments thereto, but such investments shall not in the aggregate
9 exceed a total amount of \$10,000,000.
- 10 (d) When moneys are available for deposits or investments, the di-
11 rector of investments may invest in loans pursuant to legislative mandates,
12 except that not more than the lesser of ~~10% or \$80,000,000~~ *20% or*
13 *\$300,000,000* of the state moneys shall be invested.
- 14 (e) Interest on investment accounts in banks is to be paid at maturity,
15 but not less than annually.
- 16 (f) Investments made by the director of investments under the pro-
17 visions of this section shall be made with judgment and care, under cir-
18 cumstances then prevailing, which persons of prudence, discretion and
19 intelligence exercise in the management of their own affairs, not for spec-
20 ulation, but for investment, considering the probable safety of their capital
21 as well as the probable income to be derived.
- 22 (g) Investments under subsection (a) or (b) or under K.S.A. 75-4237,
23 and amendments thereto, shall be for a period not to exceed four years,
24 except that linked deposits authorized under the provisions of K.S.A. 2006
25 Supp. 2-3703 through 2-3707, and amendments thereto, shall not exceed
26 a period of 10 years and agricultural production loan deposits authorized
27 under the provisions of K.S.A. 2006 Supp. 75-4268 through 75-4274, and
28 amendments thereto, shall not exceed a period of eight years.
- 29 (h) Investments in securities under paragraph (1) of subsection (a)
30 shall be limited to securities which do not have any more interest rate
31 risk than do direct United States government obligations of similar ma-
32 turities. For purposes of this subsection, "interest rate risk" means market
33 value changes due to changes in current interest rates.
- 34 (i) The director of investments shall not invest state moneys eligible
35 for investment under subsection (a), in the municipal investment pool
36 fund, created under K.S.A. 2006 Supp. 12-1677a, and amendments
37 thereto.
- 38 (j) The director of investments shall not invest moneys in the pooled
39 money investment portfolio in derivatives. As used in this subsection,
40 "derivatives" means a financial contract whose value depends on the value
41 of an underlying asset or index of asset values.
- 42 (k) Moneys and investments in the pooled money investment port-
43 folio shall be invested and reinvested by the director of investments in

1 accordance with investment policies developed, approved, published and
2 updated on an annual basis by the board. Such investment policies shall
3 include at a minimum guidelines which identify credit standards, eligible
4 instruments, allowable maturity ranges, methods for valuing the portfolio,
5 calculating earnings and yields and limits on portfolio concentration for
6 each type of investment. Any changes in such investment policies shall
7 be approved by the pooled money investment board. Such investment
8 policies may specify the contents of reports, methods of crediting funds
9 and accounts and other operating procedures.

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

15 Sec. 17. K.S.A. 76-6b02 is hereby amended to read as follows: 76-
16 6b02. (a) *Subject to the provisions of subsection (c)*, all moneys received
17 by the state treasurer under K.S.A. 76-6b01, and amendments thereto,
18 shall be credited to the Kansas educational building fund to be used for
19 the construction, reconstruction, equipment and repair of buildings and
20 grounds at the state educational institutions under the control and su-
21 pervision of the state board of regents and for payment of debt service
22 on revenue bonds issued to finance such projects, all subject to appro-
23 priation by the legislature.

24 (b) *Subject to the provisions of subsection (c) and any restrictions*
25 *imposed by appropriation acts*, the state board of regents is authorized to
26 pledge funds appropriated to it from the Kansas educational building fund
27 or from any other source and transferred to a special revenue fund of the
28 state board of regents specified by statute for the payment of debt service
29 on revenue bonds issued for the purposes set forth in subsection (a).
30 Subject to any restrictions imposed by appropriation acts, the state board
31 of regents is also authorized to pledge any funds appropriated to it from
32 the Kansas educational building fund or from any other source and trans-
33 ferred to a special revenue fund of the state board of regents specified
34 by statute as a priority for the payment of debt service on such revenue
35 bonds. Neither the state or the state board of regents shall have the power
36 to pledge the faith and credit or taxing power of the state of Kansas for
37 such purposes and any payment by the state board of regents for such
38 purposes shall be subject to and dependent on appropriations being made
39 from time to time by the legislature. Any obligation of the state board of
40 regents for payment of debt service on revenue bonds and any such rev-
41 enue bonds issued for the purposes set forth in subsection (a) shall not
42 be considered a debt or obligation of the state for the purpose of section
43 6 of article 11 of the constitution of the state of Kansas.

1 (c) *Subject to any restrictions imposed by appropriation acts, begin-*
2 *ning on July 1, 2012, all moneys credited to the Kansas educational build-*
3 *ing fund shall be expended solely for the purpose of financing the costs of*
4 *infrastructure improvement projects.*

5 *As used in this subsection, “infrastructure improvement project” and*
6 *“cost” have the meanings ascribed thereto in section 1, and amendments*
7 *thereto.*

8 Sec. 18. K.S.A. 76-6b03 is hereby amended to read as follows: 76-
9 6b03. (a) *Subject to the provisions of subsection (b), the state board of*
10 *regents shall submit to the legislature at each regular session a report*
11 *showing the long-range building needs of the institutions named in K.S.A.*
12 *76-6b02, and including recommendations regarding the construction, re-*
13 *construction, equipment and repair of buildings and grounds at such in-*
14 *stitutions during the ensuing fiscal year. Such provisions and appropri-*
15 *ations for these purposes as the legislature shall deem proper shall be made*
16 *by it. Such report and recommendations shall be made by, through, and*
17 *included in the budget request made by ~~said~~ the state board as provided*
18 *by law. The report of the long-range building needs shall be made as a*
19 *supplemental part of the ~~said~~ budget request for informational purposes,*
20 *and the recommendations for the ensuing fiscal year shall be included as*
21 *a part of the regular budget requests.*

22 (b) *After July 1, 2012, recommendations of expenditures of moneys*
23 *from the Kansas educational building fund shall be made solely for the*
24 *purpose of financing the costs of infrastructure improvement projects.*

25 *As used in this subsection, “infrastructure improvement project” and*
26 *“cost” have the meanings ascribed thereto in section 1, and amendments*
27 *thereto.*

28 Sec. 19. K.S.A. 76-6b12 is hereby amended to read as follows: 76-
29 6b12. (a) *On the first day of fiscal year 1998 and on the first day of each*
30 *fiscal year thereafter through fiscal year 2012, moneys in the Kansas ed-*
31 *ucational building fund which are appropriated for such fiscal year for*
32 *debt service for capital improvement projects pursuant to subsection (d)*
33 *of section 13 of chapter 259 of the 1996 Session Laws of Kansas or pur-*
34 *suant to future appropriation acts shall be transferred by the director of*
35 *accounts and reports to the comprehensive rehabilitation and repair fund*
36 *of the state board of regents established pursuant to subsection (c) of*
37 *section 13 of chapter 259 of the 1996 Session Laws of Kansas.*

38 (b) *The provisions of this section shall expire on June 30, 2012.*

39 Sec. 20. K.S.A. 76-719, as amended by section 11 of chapter 132 of
40 the 2006 Session Laws of Kansas, is hereby amended to read as follows:
41 76-719. (a) *Subject to K.S.A. 76-742 and amendments thereto, the board*
42 *of regents shall fix tuition, fees and charges to be collected by each state*
43 *educational institution. If a state educational institution collects a student-*

1 activity fee, the funds so collected shall be set apart and used for the
2 purpose of supporting appropriate student activities.

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

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

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

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

19 (d) 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 ~~restricted~~
21 ~~fees~~ *deferred maintenance support* fund of each state educational insti-
22 tution interest earnings based on:

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

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

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

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

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

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

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

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

42 ~~(c)~~ (d) In accordance with the provisions of appropriations acts, ex-
43 penditures may be made from the sponsored research overhead fund of

1 a state educational institution for administration, operation and devel-
2 opment of research and for matching federal funds available for capital
3 improvements and equipment that qualify for research purposes.

4 (e) *As used in this section, "sponsored research overhead fund" in-*
5 *cludes the research and institutional overhead fund of Emporia state uni-*
6 *versity.*

7 Sec. 22. K.S.A. 2006 Supp. 76-762, as amended by section 12 of
8 chapter 132 of the 2006 Session Laws of Kansas, is hereby amended to
9 read as follows: 76-762. (a) There is hereby created in the custody of the
10 state treasurer the following funds at each state educational institution
11 from which the housing system shall be operated:

12 (1) A housing system suspense fund;

13 (2) a housing system operations fund; and

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

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

21 (c) On or before the 10th of each month, the director of accounts
22 and reports shall transfer from the state general fund to the ~~housing~~
23 ~~system suspense~~ *deferred maintenance support* fund of each state edu-
24 cational institution interest earnings based on:

25 (1) The aggregate of (A) the average daily balance of moneys in the
26 housing system suspense fund, (B) the average daily balance of moneys
27 in the housing system operations fund; and (C) the average daily balance
28 of moneys in the housing system repairs, equipment and improvement
29 fund of the state educational institution for the preceding month; and

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

32 (d) The housing system operations fund shall be used to pay the ex-
33 penses of operation of the housing systems and for the operation and
34 maintenance of the system. The state educational institution shall transfer
35 from the housing system suspense fund to the operations fund amounts
36 needed for the operation and maintenance of the system. Each state ed-
37 ucational institution shall establish such accounts within the housing sys-
38 tem operations fund as are required for the efficient management of the
39 system.

40 (e) The housing system repairs, improvements and equipment fund
41 shall be used for repairs, equipment, improvements and expansion of the
42 housing system that cannot be financed from the housing system opera-
43 tions fund. Transfers may be made to this fund from the housing system

1 suspense fund or the housing system operations fund as determined by
2 the state educational institution. Expenditures from this fund may be
3 made for projects that have been approved by the state board of regents.

4 Sec. 23. K.S.A. 76-6b02, 76-6b03, 76-6b12, 76-719, as amended by
5 section 11 of chapter 132 of the 2006 Session Laws of Kansas, and 76-
6 753 and K.S.A. 2006 Supp. 75-4209 and 76-762, as amended by section
7 12 of chapter 132 of the 2006 Session Laws of Kansas, are hereby
8 repealed.

9 Sec. 24. This act shall take effect and be in force from and after its
10 publication in the Kansas register.