

CHAPTER 141
HOUSE BILL No. 2343

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

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

Section 1. K.S.A. 2007 Supp. 76-774 is hereby amended to read as follows: 76-774. (a) The Kansas partnership for faculty of distinction program is hereby established to encourage gifts by private donors to enhance the ability of eligible educational institutions to attract and retain faculty of distinction. The program shall be administered by the state board of regents in accordance with this act. Under the Kansas partnership for faculty of distinction program, the state shall contribute income earnings equivalent awards in accordance with this act to supplement endowed professorships at eligible educational institutions for which qualifying gifts have been received by endowment associations.

(b) Each eligible educational institution shall establish within the general budget of the eligible educational institution a faculty of distinction matching fund. The eligible educational institution shall establish an endowed professorship account in the faculty of distinction matching fund for each endowed professorship established under the Kansas partnership for faculty of distinction program. All expenditures from the faculty of distinction matching fund shall be for one or more endowed professorships to supplement salary and to provide additional operating support for assistants, travel, equipment or other expenses of the endowed professorships.

(c) The chancellor, president, director or other chief executive officer of an eligible educational institution shall notify the state board of regents of the receipt of a qualifying gift under the Kansas partnership for faculty of distinction program. Upon receiving such notice, the state board of regents shall determine if the donation is a qualifying gift. Except as otherwise provided in this subsection, upon determining that a qualifying gift has been received by the endowment association for an eligible educational institution, the state board of regents shall certify to the director of accounts and reports the amount and date of receipt of the qualifying gift under the program and the endowed professorship account established in the faculty of distinction matching fund therefor. ~~The state board of regents shall not make any certification to the director of accounts and reports under this subsection prior to July 1, 2001.~~

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

Sec. 2. K.S.A. 2007 Supp. 76-775 is hereby amended to read as follows: 76-775. (a) Subject to the other provisions of this act, on the first day of the first state fiscal year commencing after receiving a certification of receipt of a qualifying gift under K.S.A. 2007 Supp. 76-774 and amendments thereto, the director of accounts and reports shall transfer from the state general fund the amount determined by the director of accounts and reports to be the earnings equivalent award for such qualifying gift for the period of time between the date of certification of the qualifying gift and the first day of the ensuing state fiscal year to either (1) the endowed professorship account of the faculty of distinction matching fund of the eligible educational institution, in the case of a certification of a qualifying gift to an eligible educational institution that is a state educational institution, or (2) the faculty of distinction program fund of the state board of regents, in the case of a certification of a qualifying gift to an eligible institution that is not a state educational institution. Subject to the other provisions of this act, on each July 1 thereafter, the director of accounts and reports shall make such transfer from the state general fund of the earnings equivalent award for such qualifying gift for the period of the preceding state fiscal year. All transfers made in accordance with the provisions of this subsection shall be considered demand transfers from the state general fund, except that all such transfers during the fiscal years ending June 30, 2007 and June 30, 2008, shall be considered to be revenue transfers from the state general fund.

(b) There is hereby established in the state treasury the faculty of distinction program fund which shall be administered by the state board of regents. All moneys transferred under this section to the faculty of distinction program fund of the state board of regents shall be paid to eligible educational institutions that are not state educational institutions for earnings equivalent awards for qualifying gifts to such eligible educational institutions. The state board of regents shall pay from the faculty of distinction program fund the amount of each such transfer to the eligible educational institution for the earnings equivalent award for which such transfer was made under this section.

(c) The earnings equivalent award for an endowed professorship shall be determined by the director of accounts and reports and shall be the amount of interest earnings that the amount of the qualifying gift certified by the state board of regents would have earned at the average net earnings rate of the pooled money investment board portfolio for the period for which the determination is being made.

(d) The total amount of new qualifying gifts which may be certified to the director of accounts and reports under this act during any state fiscal year for all eligible educational institutions shall not exceed \$30,000,000. The total amount of new qualifying gifts which may be certified to the director of accounts and reports under this act during any state fiscal year for any individual eligible educational institution shall not exceed \$10,000,000. No additional qualifying gifts shall be certified by the state board of regents under this act when the total of all transfers from the state general fund for earnings equivalent awards for qualifying gifts pursuant to this section and amendments thereto for a fiscal year is equal to or greater than ~~\$5,000,000~~ \$6,000,000 in fiscal year 2009, \$7,000,000 in fiscal year 2010 and \$8,000,000 in fiscal year 2011 and in each fiscal year thereafter.

Sec. 3. K.S.A. 2007 Supp. 76-776 is hereby amended to read as follows: 76-776. (a) The chancellor, president, director or other chief executive officer of an eligible educational institution for which a qualifying gift has been received by the endowment association shall provide from the eligible educational institution's operating budget a salary and full-time position for the endowed professorship. In the manner prescribed by policies adopted by the state board of regents, the chancellor, president, director or other chief executive officer of an eligible educational institution having an endowed professorship under this program shall report annually to the state board of regents a full accounting of the amounts and purposes of all expenditures of the moneys transferred to the faculty of distinction matching fund of the eligible educational institution under this act and the moneys realized from the interest earned on the qualifying gift held in trust by the endowment association for such endowed professorship during the preceding state fiscal year.

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

Sec. 4. K.S.A. 2007 Supp. 76-774, 76-775 and 76-776 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.