SESSION OF 2008

CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2343

As Agreed to April 4, 2008

Brief*

HB 2343 would amend the Kansas Partnership for Faculty of Distinction Program. The Program, which began in FY 2002, provides for a state contribution of income earnings equivalent to the amount of interest earned on a qualifying private gift to increase funding for eligible educational institutions by supplementing the endowed professorships' salaries and providing additional support for assistants, travel, equipment, and other expenses. The amount of interest earned is based on the average net earnings rate of the Pooled Money Investment Board portfolio.

Under current law, no additional qualifying gifts can be certified by the State Board of Regents when the total of all transfers to the State General Fund for the earnings equivalent awards for a fiscal year is equal to or greater than $5.0 million, which is estimated to occur in FY 2009. The bill would increase the limit to $6.0 million in FY 2009, $7.0 million in FY 2010, and $8.0 million in FY 2011 and in each fiscal year thereafter.

Conference Committee Action

The Conference Committee amended the bill to increase the limit of all transfers to the State General Fund for the earnings equivalent awards for a fiscal year to $6.0 million in FY 2009, $7.0 million in FY 2010, and $8.0 million in FY 2011 and in each fiscal year thereafter.

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*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at http://www.kslegislature.org/klrd

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The Committee also deleted all provisions of HB 2343 that would clarify language on vacation leave policies at state universities. The Committee also deleted all provisions of HB 2343 that would:

- Eliminate duplicate reporting to the Joint Committee on State Building Construction by the Board of Regents and the universities before funds could be expended for deferred maintenance projects under the State Educational Institution Long-Term Infrastructure Maintenance Program;

- Remove the $20.0 million annual cap on the bonds authorized under the Program and increase the total aggregate amount of the bonds;

- Expand the tax credits for each of the four technical schools and Northeast Kansas Technical College following certification by the Board of Regents;

- Allow the Board of Regents to allocate the tax credits for all community colleges and technical colleges and schools, and delete provisions establishing limitations per individual institution; and

- Allow the universities to retain interest from their clearing funds, health fee funds, and service clearing funds.

Background

HB 2343, as passed by the House, would have directed the State Board of Education to establish an Early High School Graduation Bonus and Scholarship Program. The Senate Committee on Education deleted all provisions of HB 2343 as passed by the House and amended the bill to include all of the provisions of HB 2611 as introduced, SB 403 as passed by the Senate, and SB 415 as passed by the Senate.

At the House Education Budget Committee hearing on HB 2611, representatives from the Kansas Board of Regents and Pittsburg State University testified in favor of the bill. No conferees testified in opposition to the bill. At the time the Senate Committee on Education took action on HB 2343, HB 2611 had not been acted upon by the House Education Budget Committee.

At the hearing held by the Senate Ways and Means Committee on SB 403, the bill was supported by the Kansas Board of Regents and Johnson County Community College. No conferees testified in opposition to the bill.

At the hearing held by the Senate Committee on Ways and Means on SB 415, the bill was supported by the Board of Regents, the Kansas Association of Technical Schools and Colleges (KATSC), and Johnson County Community College. No conferees testified in opposition to the bill.

The Senate Committee on Ways and Means amended the introduced version of SB 415 to maintain the eight-year term on the bonds for Washburn University, the community colleges, and the technical colleges and schools. The Committee also amended the bill to make participation of technical schools in the program contingent on substantial compliance with their plan to merge, affiliate, or become an accredited college, instead of approval of the plan by the Board of Regents. In addition, the language regarding tax credits for the community colleges and technical schools and colleges was amended to allow allocation of the total amount of tax credits available by the Board of Regents, with not more than 40.0 percent of the total going to any one institution, instead of a fixed limit on the total tax credits available to each individual institution. Finally, the Committee amended the bill to allow the universities to retain interest from their clearing funds, health fee funds, and service clearing funds, which would be deposited in their deferred maintenance support fund for expenditure on deferred maintenance projects under the program.

The fiscal note prepared for the introduced version of HB 2343 is not pertinent to the bill as amended by the Senate Committee on Education.

The fiscal note prepared by the Division of the Budget on the introduced version of HB 2611 indicates that passage of the bill would not have a fiscal effect unless temporary employees were hired to replace vacationing staff. The fiscal note states that universities have indicated that temporary staff would not be used.

The fiscal note prepared by the Division of the Budget for the introduced version of SB 403 indicates the passage of bill would result in $830,000 in additional transfers from the State General Fund in FY 2009.

The fiscal note prepared by the Division of Budget for the introduced version of SB 415 indicates that the passage of the bill would result in an increase of $46.8 million in interest expenditures over the life of the bonds.

higher education, Kansas Board of Regents