

April 5, 2011

The Honorable Marc Rhoades, Chairperson
House Committee on Appropriations
Statehouse, Room 351-S
Topeka, Kansas 66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2402 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2402 is respectfully submitted to your committee.

Under current law, certain income tax withholdings are transferred to the Kansas Bioscience Authority. This bill would divert a portion of these monies to eight new funds of several Regents institutions. For fiscal years 2012, 2013, 2014 and 2015, the first \$16.0 million would go to eight newly created special revenue funds. The new funds are the Advanced Manufacturing Institute-Kansas State University Fund; the Biotechnology Innovation and Optimization Center-University of Kansas Fund; the Information and Telecommunication Technology Center-University of Kansas Fund; the Kansas Polymer Research Center-Pittsburg State University Fund; the National Institute for Aviation Research-Wichita State University Fund; the Heartland Plant Innovations-Kansas State University Fund; the Kansas Alliance for Bioenergy and Biorefining-University of Kansas Fund; and the Center of Innovation for Biomaterials in Orthopaedic Research-Wichita State University. Each special revenue fund would receive \$2.0 million annually. Each year, the institutions managing these special revenue funds must report to the House Committee on Appropriations and the Senate Committee on Ways and Means on the research and development activities and the use of the monies transferred to the funds.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	\$16,000,000
Expenditure	--	--	--	\$16,000,000
FTE Pos.	--	--	--	--

HB 2402 would increase revenue and expenditures in the state treasury by \$16.0 million annually. The University of Kansas would receive \$8.0 million, Kansas State University and

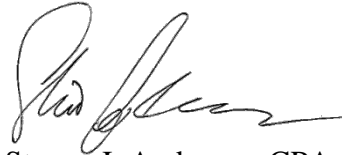
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Wichita State University would each receive \$4.0 million, and Pittsburg State University would receive \$2.0 million. Funding could be used for only the identified research centers. Whether additional staff would be needed is not known at this time. The bill would reduce the amount of financing available to the Kansas Bioscience Authority by \$16.0 million in each of the years. Any fiscal effect associated with HB 2402 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget