

Approved: 02-19-2010
Date

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 3:30 p.m. on February 4, 2010, in Room 159-S of the Capitol.

All members were present except:

Rep Aurand, excused
Rep Rardin, excused

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes
Audrey Dunkel, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

David Weaver, Vice President, Real Estate, Kansas State University Foundation
Theresa Gordzica, Chief Financial Office, University of Kansas
Michael Lane, President, Emporia State University
Darren Muci, Operations Division Director, Wichita Public Schools
Tom Krebs, Government Relations Specialist, Kansas Association of School Boards
Eric Stafford, Account Executive, Associated General Contractors of Kansas, Inc

Others attending:

See attached list.

HB 2446 - State educational institutions; gifts and donations; investments.

Theresa Kiernan, Office of the Revisor of Statutes, explained what this bill is intended to accomplish.

Support for this bill came from David Weaver, Vice President, Real Estate, Kansas State University Foundation, who stated this bill addresses an obsolete issue in the current statute wording and offers an additional investment option supported by the recent adoption of the Uniform Prudent Management of Institutional Funds Act by the State of Kansas. He further stated that Kansas State University has worked together with the University of Kansas and Emporia State University in drafting this proposed legislation and all are in agreement. (Attachment 1)

As the Chief Business and Financial Planning Officer at the University of Kansas, Theresa Gordzica, spoke in support of **HB 2446** because it would streamline rules governing donation to the university, eliminating inefficiency and duplication, and would thereby, maximize the effect of donors' gifts. The legislature has stressed to state agencies the importance of being good stewards of taxpayer dollars. So we continue to look for opportunities for the university to become more efficient in its operations. (Attachment 2)

Michael Lane, President, Emporia State University is a proponent of **HB 2446** and said Section 4 and 5 are of the most direct interest to the university. These sections increase flexibility to the Emporia State University Foundation in investing the State Normal School Fund. The legislation allows the university foundation to invest the fund in its permanent endowment, an option which Emporia State University Foundation utilizes in most funds under its jurisdiction. Emporia State University is supportive of this provision, although, President Lane stated it is likely to have more applicability to the larger institutions. (Attachment 3)

02-19-10

CONTINUATION SHEET

Minutes of the House Education Budget Committee at 3:30 p.m. on February 4, 2010, in Room 159-S of the Capitol.

The President and CEO of the Kansas Board of Regents submitted written testimony, which stated, the bill would update outdated language in existing investment statutes and offer an additional investment option consistent with the recent adoption of the Uniform Prudent Management of Institutional Funds Act. This legislation would allow for university foundation/endowments' for administration of gifts made to their respective universities without the concurrent requirements for maintaining such gifts as agency fund accounts and entering into agreements to administer each of those accounts on a gift by gift basis. He pointed out an error in the bill draft. On page three, line 13, the word endowment' should be stricken as the correct name is the "Fort Hays state university foundation." ([Attachment 4](#))

No opponents for **HB 2446** appeared before the committee, nor submitted written testimony.

The hearing on **HB 2446** was closed by the chair after all questions were answered.

HB 2559 - School districts; expenditures over \$20,000.

Explanation of **HB 2559** was provided by Theresa Kiernan from the Office of the Revisor of Statutes.

Darren Muci, Operations Division Director, Wichita Public Schools, spoke as a proponent because as written, K.S.A. 72-6760 does not allow school districts to utilize a standard procurement method that provides for best value for the taxpayers. The American Bar Association 2000 Model Procurement Code provides definitions and facilitation methods for using a sealed competitive proposal procurement method. Cities and Counties in Kansas have the flexibility to utilize this procurement method and it is recommended that the statute be amended to allow for its use. School districts interested in utilizing this procurement method would be required to adopt policy and procedures referencing guidelines established by the 2000 Model Procurement Code and amendments thereto. ([Attachment 5](#))

Tom Krebs, Government Relations Specialist, Kansas Association of School Boards stated the KASB favors this bill because their position is districts benefit when they have flexibility in allocating resources. For many districts, the sealed bid process is appropriate and effective. It gives the districts that have the necessary personnel and other resources the opportunity to use a process they believe will maximize district expenditures. The officials are locally elected, so if the process is not used appropriately, the citizens have recourse. ([Attachment 6](#))

The only opponent was Eric Stafford, Account Executive, Associated General Contractors of Kansas, Inc, who outlined to the committee that this bill would exempt expenditures in excess of \$20,000 for the "reconstruction, remodeling, repairing or equipping building" from bidding statutes. The goal of the proponents is to address emergency situations that arise at a facility in their district. As a public owner, Associated General Contractors feels there is an extra level of trust and accountability which must be followed to ensure the taxpayer is receiving the best product and the best price by the best contractor. ([Attachment 7](#))

The chair gave the committee members the opportunity to ask questions and when all were answered, he closed the hearing on **HB 2559**

The next meeting is scheduled for February 8, 2010.

The meeting was adjourned at 4:29 p.m.

EDUCATION BUDGET COMMITTEE GUEST LIST
DATE: FEBRUARY 4, 2010

NAME	REPRESENTING
Maryome Worley	Emporia State Univ
Peter L. Brookel	Emporia State University
Theresa Gordzica	Univ of Kansas
Diane Gjerstad	USD 259
Darren Muai	USD 259
Sue Petersen	K-State
David Weaver	K-state Foundation
Lois Cox	K-state Foundation
C. David Pomeroy	Keamey = Assoc.
Dodie Wellshear	USA/KS
Bill Reardon	USD 500 (KCKS)
Cheryl Crow	USD 501
Julene Miller	KCBOR
Janet Forbes	Benchmark Communications