



March 25, 2021

To: Senate Committee on Ways and Means

From: Martin de Boer, Fiscal Analyst

Re: HB 2021 Bill Brief

HB 2021 BILL BRIEF

HB 2021, as amended, would authorize the Kansas Development Finance Authority (KDFA) to issue bonds, not to exceed \$10.5 million, on or after July 1, 2021, for the purpose of financing the construction of a state veterans home facility located in Douglas, Jefferson, Leavenworth, Shawnee, or Wyandotte county. The proceeds of the sale of any bonds would constitute the State's required 35.0 percent match for the U.S. Department of Veterans Affairs State Veterans Home Construction Grant Program.

Sections 8131 through 8138 of Title 38 of the U.S. Code provide the requirements for federal assistance to states for the construction of state home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, adult day health, or hospital care to veterans in state homes. These requirements specify the amount of the grant requested may not exceed 65.0 percent of the estimated cost of construction.

KSA 74-8905 authorizes the issuance of bonds by the KDFA for the purpose of financing projects of statewide and local importance, capital improvement facilities, educational facilities, health care facilities, and housing developments. Debt service would be financed by appropriations from the State General Fund or any appropriate special revenue funds.

KSA 74-8905(b) states KDFA may issue bonds for activities and projects of state agencies as requested by the Secretary of Administration, but issuance requires approval for the activity or project by the Legislature or the State Finance Council as a matter of delegation.

HB 2021 would also require any expenditures by the Department of Administration from the proceeds of such bond issuance to be made for the purposes set forth in the bill.

The maturity date on the bonds could not exceed 20 years from the date of issuance. The bill would take effect upon publication in the statute book.