

SESSION OF 2021

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2021**

As Agreed to April 8, 2021

Brief*

HB 2021, as amended, would authorize the Kansas Development Finance Authority (KDFA), on and after July 1, 2021, to issue bonds, not to exceed \$10.5 million, for the purpose of financing the construction of a state veterans home facility located in northeast Kansas, including, but not limited to, in Douglas, Jefferson, Leavenworth, Shawnee, and Wyandotte counties. Additionally, the bill would amend a statute that established tuition waiver grants of the State Board of Regents (State Board) for dependents and spouses of public safety officers and those who died in or as a result of military service on or after September 11, 2001.

Bonding Authority

The proceeds from the sale of any bonds, other than refunding 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.

The maturity date on the bonds could not be later than 20 years from the date of original issuance. The debt service for the bonds could be paid from the State General Fund or any appropriate special revenue fund or funds.

*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/kldr>

The bill would state any obligation of the State or the Department of Administration for payment of debt service on bonds issued shall not be considered a debt or obligation of the State for the purpose of Section 6 of Article 11 of the Kansas Constitution (state debts).

The bill would require the KDFA and the State Finance Council to approve the issuance of any bonds for this purpose. State Finance Council approval would be characterized as a matter of legislative delegation and could be given when the Legislature is in session.

The Secretary of Administration would be required to enter into pledge agreements with the KDFA to pledge moneys for the payment of bonds; the pledge would be subject to appropriations.

Tuition Waiver Grants

The bill would add eligibility for dependents and spouses of public safety officers injured or disabled while performing duties as a public safety officer and dependents and spouses of those entitled to compensation for a service-connected disability of at least 80 percent as a result of injuries or accidents sustained in combat after September 11, 2001. The bill would add a definition of “public safety employee” to include employees of a law enforcement office, fire department, emergency medical services provider, or state correctional institution and add public safety employees to the definition of “public safety officer.”

Subject to appropriations, any Kansas educational institution which enrolls without charge of tuition or fees any dependent or spouse of a public safety officer could file a claim with the State Board for reimbursement of the amount of such tuition and fees. The bill would cap total reimbursement for tuition reimbursements in any fiscal year, at \$350,000.

Conference Committee Action

The Conference Committee agreed to the provisions of HB 2021, as amended by the Senate Committee on Ways and Means. The Conference Committee further agreed to add the contents of Substitute for HB 2094 to the bill.

Background

HB 2021 was prefiled for introduction on December 31, 2020, at the request of Representatives Proctor, Croft, Ellis, French, Timothy Johnson, and Neelly. The Conference Committee agreed to add the contents of Substitute for HB 2094.

HB 2021 (Authorizing the Issuance of Bonds for the Construction of a State Veterans Home)

House Committee on Appropriations

In the House Committee hearing on January 27, 2021, **proponent** testimony was provided by Representative Proctor, Representative Croft, the Director of the Kansas Commission on Veterans' Affairs Office, a former State Commander of the Kansas Veterans of Foreign Wars, a representative of Point Man Kansas, and a private citizen.

No other testimony was provided.

House Committee of the Whole

The House Committee of the Whole amended the bill to decrease the bonding limitation for the purpose of financing the construction of a state veterans home facility from \$17.5 million to \$10.5 million.

Senate Committee on Ways and Means

In the Senate Committee hearing on March 25, 2021, **proponent** testimony was provided by Representative Croft, Senator Pittman, Representative Proctor, the Director of the Kansas Commission on Veterans' Affairs Office, and a representative from the Enlisted Association of the National Guard of Kansas. Written-only **proponent** testimony was provided by Representative Timothy Johnson, a representative of the Kaw Valley Chapter of the Military Officers Association of America, and two private citizens.

No other testimony was provided.

The Senate Committee amended the bill to allow all of northeast Kansas, including but not limited to the five counties originally listed in the bill, to be considered for the location of the proposed veterans home.

The Senate Committee amended the bill to require State Finance Council approval prior to the issuance of bonds for the purposes of the bill. [*Note: the Conference Committee retained this amendment.*]

Substitute for HB 2094 (Expanding Educational Benefits of Tuition and Fees Waiver for Spouses and Dependents of Public Safety Officers and Personnel Who are Injured or Disabled while Performing Service-related Duties)

HB 2094 was introduced by the House Committee on Appropriations at the request of Representative Waymaster.

House Committee on Appropriations

In the House Committee hearing, representatives of the Kansas State Lodge of the Fraternal Order of Police and United WE provided **proponent** testimony, stating the bill is

important to help the spouses and dependents of those public safety officers that are injured or die in the line of duty.

No other testimony was provided.

The House Committee amended the bill by removing the contents and inserting the current language of KSA 75-4364 relating to existing tuition waivers. The House Committee then added specific language for the public safety officers and military personnel, expanding educational benefits for spouses and dependents of such officers and personnel who are injured while performing service-related duties. The House Committee further amended the bill to cap tuition and fees reimbursement at \$350,000 in any fiscal year. The House Committee then recommended the contents as a substitute bill. [Note: The Conference Committee retained these amendments.]

Fiscal Information

HB 2021 (Authorizing the Issuance of Bonds for the Construction of a State Veterans Home)

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the estimated annual debt service on the bonds could range from \$1.1 million to \$1.2 million. While the bill's effective date would be the first day of FY 2022, it is unknown whether the bonds would be issued, federal funds would be received, and construction would begin in FY 2022. A new veterans' home facility would likely require an obligation from the State General Fund for operating expenditures.

The Department of Administration (Department) indicates any professional services, architectural, bidding, or construction administration costs the Department might incur from the project would be recouped through internal service

charges. Any agency costs associated with the issuance of the bonds could be handled within existing resources.

Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Substitute for HB 2094 (Expanding educational benefits of tuition and fees waiver for spouses and dependents of public safety officers and personnel who are injured or disabled while performing service-related duties)

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the State Board estimates enactment of the bill would increase annual expenditures from the State General Fund by \$232,350 beginning in FY 2022 for students' tuition required fees and books. [Note: The bill as introduced would have included provisions similar to those described above regarding tuition grants for survivors of wartime veterans and first responders.] Any fiscal effect associated with enactment of the bill is not reflected in *The 2022 Governor's Budget Report*.

Veterans home; bonding authority; KDFA; State Board of Regents; higher education; scholarships

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