

February 22, 2023

The Honorable Sean Tarwater, Chairperson  
House Committee on Commerce, Labor and Economic Development  
300 SW 10th Avenue, Room 346-S  
Topeka, Kansas 66612

Dear Representative Tarwater:

**SUBJECT:** Fiscal Note for HB 2414 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2414 is respectfully submitted to your committee.

HB 2414 would expand the University Engineering Initiative Act to include private postsecondary educational institutions. The bill would provide that private postsecondary education institution would mean any organization that:

1. Is a business enterprise operated on a not-for-profit basis that has a physical presence in Kansas;
2. Is accredited by an agency approved and recognized by the United States Department of Education as a postsecondary educational accrediting agency;
3. Is not subject to the authority, control or supervision of the state or any agency or political subdivision thereof;
4. Maintains an enrollment policy that provides the opportunity for any student who meets the institution's academic and other reasonable enrollment requirements to enroll in the institution regardless of the race, gender, religion, creed, or national origin of such student; and
5. Offers one or more undergraduate degree program in engineering disciplines that are accredited by the Accreditation Board for Engineering and Technology.

The bill would establish the Kan-grow Engineering Fund—KICA in the State Treasury to receive transfers from the Expanded Lottery Act Revenues Fund. The Secretary of Commerce

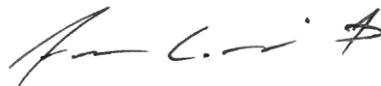
would transfer funds from the Kan-grow Engineering Fund-KICA to private postsecondary educational institutions which could be used for the following:

1. To repair, remodel or renovate facilities owned or operated by a private postsecondary educational institution for use as engineering facilities; and
2. To acquire capital equipment for the purpose of providing courses in engineering disciplines.

The bill would require all facilities and capital equipment to remain under the ownership or control of the private postsecondary educational institution. It would prohibit funds in the Kan-grow Engineering Fund – KICA from being expended for the acquisition or construction of any facilities by a private postsecondary educational institution. The bill would require a private postsecondary educational institution's expenditures to be matched on a \$1-for-\$1 basis from nonstate sources. The Kansas Independent College Association would be required to establish procedures for the distribution of funds from the Kan-grow Engineering Fund – KICA to private postsecondary educational institutions and those procedures must be submitted to the Kansas Board of Regents prior to the distribution of any funds.

The Board of Regents indicates the enactment of HB 2414 would increase time spent by staff administering the Kan-grow Engineering Fund; however, any additional expenditures would be negligible and could be absorbed within existing budget resources. The Board indicates the bill would require additional appropriations to the Department of Commerce for the private postsecondary educational institutions so that existing funds are not taken from the state universities. Any fiscal effect associated with HB 2414 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Becky Pottebaum, Board of Regents  
Sherry Rentfro, Department of Commerce