

February 20, 2023

CORRECTED

The Honorable Rick Billinger, Chairperson  
Senate Committee on Ways and Means  
300 SW 10th Avenue, Room 548-S  
Topeka, Kansas 66612

Dear Senator Billinger:

**SUBJECT:** Corrected Fiscal Note for SB 203 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following corrected fiscal note concerning SB 203 is respectfully submitted to your committee.

SB 203 would enact the Kansas Campus Restoration Act for the purpose of reducing deferred maintenance of educational mission-critical facilities at state educational institutions and to bring the facilities to a state of good repair. The bill would establish in the State Treasury the Kansas Campus Restoration Fund to be administered by the Kansas Board of Regents, which would receive a one-time transfer of \$350.0 million from the State General Fund on July 1, 2024. The fund would earn interest based on the average daily balance and net earnings. Accounts of the fund would be established for each state educational institution for the purpose of making capital improvement expenditures, subject to appropriation, with a match of non-state funds on a \$1-for-\$1 basis from either state educational institution or private funds. Each institution would be required to develop and submit to the Board of Regents a plan for the purpose of rehabilitating, remodeling, or renovating existing facilities or building new facilities that are educational mission-critical and to bring the facilities to a state of good repair. The Board of Regents would be required to:

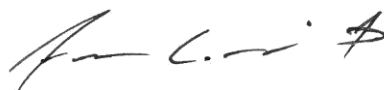
1. Approve each institution's plan;
2. Develop a comprehensive Kansas Campus Restoration Plan that includes facilities from each institution's Board-approved plan;
3. Ensure that facilities located on the Kansas State University Polytechnic Campus in Salina, Kansas, and the University of Kansas Edwards Campus in Overland Park, Kansas, are not excluded from direct participation in the plan;

4. Encourage or require a reduction of total campus square footage in a project associated with the plan;
5. Develop and approve a formula for the distribution of funds from the Kansas Campus Restoration Fund in accordance with the plan;
6. Adopt rules and regulations necessary to implement and administer the provisions of the Act; and
7. Submit an annual report on or before the first day of the regular session of the Legislature on the progress of the plan to the Senate Committee on Ways and Means, the House Committee on Appropriations, the House Committee on Higher Education Budget, and the Joint Committee on State Building Construction.

The provisions of the bill would expire on July 1, 2036, and the bill would become effective upon publication in the statute book.

The Kansas Board of Regents indicates the enactment of SB 203 would make a one-time \$350.0 million transfer from the State General Fund to the newly created Kansas Campus Restoration Fund. The funding is to be administered by the Kansas Board of Regents, who will develop a comprehensive campus restoration plan. That plan will include facilities from each institution's submitted plan and the Board of Regents will annually submit a report on the progress of the plan. The Board indicates additional time spent developing, administering, and reporting on the new program would require an additional \$105,517 from the State General Fund for salaries and wages (including fringe benefits) for 1.00 new FTE position which would continue annually. The Division of the Budget notes the Kansas Campus Restoration Fund would need to be added to a future appropriation bill, if the bill is enacted. The fiscal effect in the original fiscal note correctly noted that that the State General Fund transfer would occur just once; however, the narrative section of the note referred to an annual transfer. Any fiscal effect associated with SB 203 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt  
Director of the Budget

cc: Becky Pottebaum, Board of Regents