

SENATE BILL No. 300

By Committee on Ways and Means

3-15

9 AN ACT concerning the Kansas partnership for faculty of distinction
10 program; relating to earnings equivalent awards; amending K.S.A.
11 2004 Supp. 76-775 and repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2004 Supp. 76-775 is hereby amended to read as
15 follows: 76-775. (a) Subject to the other provisions of this act, on the first
16 day of the first state fiscal year commencing after receiving a certification
17 of receipt of a qualifying gift under K.S.A. 2004 Supp. 76-774 and amend-
18 ments thereto, the director of accounts and reports shall transfer from
19 the state general fund the amount determined by the director of accounts
20 and reports to be the earnings equivalent award for such qualifying gift
21 for the period of time between the date of certification of the qualifying
22 gift and the first day of the ensuing state fiscal year to either (1) the
23 endowed professorship account of the faculty of distinction matching
24 fund of the eligible educational institution, in the case of a certification
25 of a qualifying gift to an eligible educational institution that is a state
26 educational institution, or (2) the faculty of distinction program fund of
27 the state board of regents, in the case of a certification of a qualifying gift
28 to an eligible institution that is not a state educational institution. Subject
29 to the other provisions of this act, on each July 1 thereafter, the director
30 of accounts and reports shall make such transfer from the state general
31 fund of the earnings equivalent award for such qualifying gift for the
32 period of the preceding state fiscal year. All transfers made in accordance
33 with the provisions of this subsection shall be considered demand trans-
34 fers from the state general fund, except that all such transfers during the
35 fiscal year ending June 30, 2005, shall be considered to be revenue trans-
36 fers from the state general fund.

37 (b) There is hereby established in the state treasury the faculty of
38 distinction program fund which shall be administered by the state board
39 of regents. All moneys transferred under this section to the faculty of
40 distinction program fund of the state board of regents shall be paid to
41 eligible educational institutions that are not state educational institutions
42 for earnings equivalent awards for qualifying gifts to such eligible edu-
43 cational institutions. The state board of regents shall pay from the faculty

1 of distinction program fund the amount of each such transfer to the eli-
2 gible educational institution for the earnings equivalent award for which
3 such transfer was made under this section.

4 (c) The earnings equivalent award for an endowed professorship shall
5 be determined by the director of accounts and reports and shall be the
6 amount of interest earnings that the amount of the qualifying gift certified
7 by the state board of regents would have earned at ~~the average net earn-~~
8 ~~ings rate of the pooled money investment board portfolio for a rate of~~
9 *interest equal to the greater of the daily yield for twenty-year treasury*
10 *bonds, plus 4% as published by The Bond Buyer in New York, New York,*
11 *on the Monday next preceding the first day of the period for which the*
12 *determination is being made, or 5.5%.*

13 (d) The total amount of new qualifying gifts which may be certified
14 to the director of accounts and reports under this act during any state
15 fiscal year for all eligible educational institutions shall not exceed
16 \$30,000,000. The total amount of new qualifying gifts which may be cer-
17 tified to the director of accounts and reports under this act during any
18 state fiscal year for any individual eligible educational institution shall not
19 exceed \$10,000,000. No additional qualifying gifts shall be certified by
20 the state board of regents under this act when the total of all transfers
21 from the state general fund for earnings equivalent awards for qualifying
22 gifts pursuant to this section and amendments thereto for a fiscal year is
23 equal to or greater than \$5,000,000.

24 Sec. 2. K.S.A. 2004 Supp. 76-775 is hereby repealed.

25 Sec. 3. This act shall take effect and be in force from and after its
26 publication in the statute book.