

March 19, 2024

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:** Fiscal Note for SB 552 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 552 is respectfully submitted to your committee.

SB 552 would enact the Kansas Campus Restoration Act. The Act's purpose would be to reduce deferred maintenance of educational mission-critical facilities at postsecondary educational institutions, to bring facilities to a state of good repair, and to provide for the demolition or razing of facilities at state educational institutions that are no longer mission-critical. The bill would establish the Kansas Campus Restoration Fund, which would be administered by the Kansas Board of Regents. The bill would establish a deferred maintenance account of the fund for each postsecondary educational institution to make capital improvement expenditures. All expenditures would require a match of nonstate funding on a \$1-for-\$1 basis from either the postsecondary educational institution or private funding. Expenditures from the fund for a community college, technical college, or municipal university would not require a match. Expenditures from the fund from a state educational institution's deferred maintenance account for demolition or razing of buildings would not require a match.

Beginning on July 1, 2025, and continuing through July 1, 2035, \$32.7 million would be transferred from the State General Fund to the Kansas Campus Restoration Fund each fiscal year. The bill specifies that each postsecondary educational institution would be required to develop and submit a plan to the Kansas Board of Regents for the purpose of rehabilitation, remodeling, or renovating existing facilities or building new facilities that are mission-critical and to bring facilities to a state of good repair. The plan would also include a list of facilities for demolition and razing. Each postsecondary educational institution's plan would be subject to approval of the Board. The Board would be required to develop a comprehensive Kansas Campus Restoration

Plan that includes facilities from each postsecondary educational institution’s plan as approved by the Board.

The Board would be required to ensure that facilities located on the Kansas State University polytechnic campus in Salina and the University of Kansas Edwards campus in Overland Park are not excluded from direct participation in the Kansas Campus Restoration Plan. The plan would encourage, and the Board may require, a reduction of total campus square footage in a project associated with the plan.

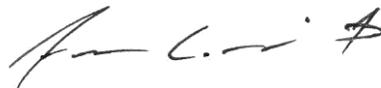
Beginning in FY 2026 through FY 2036, the Board would distribute an aggregate amount of \$30,000,000 from the Kansas Campus Restoration Fund to each state educational institution’s deferred maintenance account in accordance with the Kansas Campus Restoration Plan. Also, beginning in FY 2026 through FY 2036, the Board would credit \$100,000 in each fiscal year from the Kansas Campus Restoration Fund to each community college, technical college, and municipal university. The bill would authorize the Board to adopt rules and regulations necessary to implement and administer the Act’s provisions. The Board would be required to submit a report to the Legislature each year on the progress of the Kansas Campus Restoration Plan. The bill’s provisions would expire on July 1, 2036.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
<b>Expenditures</b>			
State General Fund	--	\$127,000	\$32,827,000
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$127,000	\$32,827,000
<b>Revenues</b>			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	1.00	1.00

The Kansas Board of Regents indicates enactment of the bill would provide \$32.7 million from the State General Fund for deferred maintenance and demolition of facilities at all public institutions of higher education in Kansas. In addition to the \$32.7 million outlined in the bill, the Board estimates expenditures of \$127,000 from the State General Fund in both FY 2025 and FY 2026 for a new FTE position that would be responsible for reviewing each institution’s plan. Of the \$127,000 for the additional position, \$119,000 would be for salaries and wages and \$8,000 would be for other operating expenditures.

The Division of the Budget notes the bill provides for a total of \$30.0 million to be distributed by the Board to the state universities each fiscal year, while each community college, technical college, and municipal university would each receive \$100,000 each fiscal year for deferred maintenance and demolition of facilities beginning in FY 2026 through FY 2036. Any fiscal effect associated with SB 552 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish.

Adam C. Proffitt  
Director of the Budget

cc: Becky Pottebaum, Board of Regents  
Jeff Dewitt, University of Kansas  
Stephanie McDowell, Kansas State University  
Douglas Ball, Pittsburg State University  
Angela Wolgram, Emporia State University  
Werner Golling, Wichita State University  
Wesley Wintch, Fort Hays State University