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MEMORANDUM

To:

Chairperson Rhoades and members of the Committee on Appropriations

From:

Jim Wilson, First Assistant Revisor

Date:

April 27, 2011

Subject:

Senate Substitute for HB 2149, the University Engineering Initiative Act

Senate Substitute for HB 2149 would enact the University Engineering Initiative Act. The goal of the act is to increase the number of engineering graduates to 1,365 graduates per year in 2021, and all moneys appropriated for the purposes of this act are to be used to meet this goal.

The act provides for Wichita State University, Kansas State University and the University of Kansas to expand such universities engineering programs. The funding for such expansion is to be used to increase the number of engineering graduates and each such university is to participate in a fair and equitable manner.

Prior to any construction or renovation of any capital improvement pursuant to this act, the board of regents and the universities are required to first advise and consult the Joint Committee on State Building Construction. Further, the universities shall submit to the State Board of Regents a plan to provide for the annual maintenance and operation costs of any newly constructed engineering facility or capital improvement of an existing engineering facility when seeking funding for the making of such construction or improvement from the State Board of Regents.

The act allows Kansas Development Finance Authority, on behalf of the State Board of Regents, to issue bonds for the financing of engineering facilities in an aggregate amount not to exceed \$195,000,000. The bonds are obligations of the State Board of Regents and the obligations are to be paid from appropriations by the Legislature or other funds.

Four new funds are created in the state treasury: Kan-grow engineering fund – regents, Kan-grow engineering fund – WSU, Kan-grow engineering fund – KSU, and Kan-grow engineering fund – KU. Each expenditure from the Kan-grow engineering fund – regents which is transferred from state general fund moneys or expanded lottery act revenues fund moneys shall be required to be matched on a \$1 for \$1 basis from nonstate sources.

The Kan-grow engineering fund – regents would receive \$4,000,000 in fiscal year 2013, and \$7,000,000 in fiscal year 2014 and each fiscal year thereafter.

The act would take effect upon publication in the statute book.

Appropriations Committee

Date 1 27 20 //

Attachment