

March 1, 2011

The Honorable Carolyn McGinn, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator McGinn:

SUBJECT: Fiscal Note for SB 209 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 209 is respectfully submitted to your committee.

Under current law, 95.0 percent of withholdings above the base year on employees in the bioscience industry is paid to the Kansas Bioscience Authority. This payment is in the form of quarterly transfers out of the State General Fund to the KBA, currently capped at \$35.0 million per year. SB 209 would require that, for fiscal years 2012 through 2015, the first \$16.0 million that the Secretary of Revenue certifies to the State Treasurer of the annual 95.0 percent of withholdings would be transferred to each of the following funds:

Advanced Manufacturing Institute – Kansas State University Fund
Biotechnology Innovation and Optimization Center – University of Kansas Fund
Information and Telecommunication Technology Center – University of Kansas Fund
Kansas Polymer Research Center – Pittsburg State University
National Institute for Aviation Research – Wichita State University Fund
Heartland Plant Innovations – Kansas State University Fund
Kansas Alliance for Bioenergy and Biorefining – University of Kansas Fund
Center for Innovation for Biomaterials in Orthopaedic Research – Wichita State University Fund

SB 209 requires that each fund shall receive \$2.0 million annually. Universities would report to the House Committee on Appropriations and the Senate Committee on Ways and Means on the research and development activities and the use of the money transferred to their funds. All funding would have to be used for research and development activities and expended in accordance with appropriation acts and upon warrants approved by the Director of Accounts and Reports.

Passage of SB 209, in accordance with appropriations, would provide \$2.0 million for the eight research projects listed in the bill for a total of \$16.0 million. Each university would have

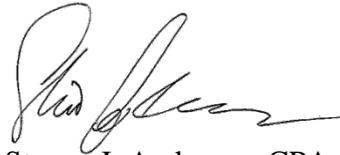
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the following number of projects: three at University of Kansas, two each at Wichita State University and Kansas State University; and one at Pittsburg State University. These funds would reduce the amount available each of the four years to the Kansas Bioscience Authority. Any fiscal effect associated with SB 209 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue
Diane Duffy, Board of Regents