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300 SW TENTH AVENUE • SUITE 24-E • TOPEKA, KS 66612 • (785) 296-2321

MEMORANDUM

To: Senate Committee on Ways and Means

From: Office of Revisor of Statutes

Date: March 19, 2024

Subject: SB 552 - Enacting the Kansas campus restoration act to address deferred maintenance and demolition of facilities at postsecondary educational institutions, establishing the Kansas campus restoration fund in the state treasury and authorizing certain transfers from the state general fund to such fund.

Senate Bill No. 552 creates eight new sections of law known as the Kansas campus restoration act.

Section 1 names the act and establishes the purpose of the act to reduce deferred maintenance of educational mission-critical facilities at postsecondary educational institutions, to bring such 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. This section also provides definitions of terms used throughout the act.

Section 2 establishes the Kansas campus restoration fund in the state treasury. The fund is administered by the board of regents. A deferred maintenance account of the fund shall be established for each postsecondary educational institution for the purpose of making capital improvement expenditures. Expenditures from the fund shall require a \$1-to-\$1 match from either the postsecondary educational institution or private moneys, except for expenditures for a community college, technical college or municipal university or expenditures for demolition or razing of buildings or facilities at state educational institutions. The Kansas campus restoration fund retains interest earnings.

Section 3 transfers \$32,700,000 annually from the state general fund to the Kansas campus restoration fund beginning July 1, 2025, and ending July 1, 2035.

Section 4 requires each postsecondary educational institution 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 such facilities to a state of good repair. Such plan shall also include a list of facilities for demolition. Each institution's plan shall be subject to approval by the board of regents. The board of regents shall develop a comprehensive Kansas campus restoration plan. The Kansas state university polytechnic campus in Salina and the university of Kansas Edwards campus in Overland Park shall not be excluded from direct participation in the plan. The plan shall encourage, and the board may require, a reduction in total campus square footage in a project associated with such plan.

Section 5 requires the board of regents to distribute an aggregate amount of \$30,000,000 annually beginning fiscal year 2026 through fiscal year 2036 from the Kansas campus restoration fund to each state educational institution's deferred maintenance account in accordance with the plan developed and approved by the board in section 4. Beginning in fiscal year 2026 through fiscal year 2036, the board of regents shall credit \$100,000 in each fiscal year to each community college, technical college and municipal university account.

Section 6 provides the board of regents authority to adopt rules and regulations necessary to implement and administer the act and requires the board to adopt rules and regulations to define "educational mission-critical facilities" and "state of good repair." The definition of "state of good repair" shall be presented to the joint committee on state building construction for review and comment.

Section 7 requires the board of regents to submit a report annually on the progress of the Kansas campus restoration plan to the senate ways and means committee, the house appropriations committee, the house higher education budget committee and the joint committee on state building construction.

Section 8 establishes an expiration date for the act of July 1, 2036.