

March 15, 2022

The Honorable Susan Humphries, Chairperson
House Committee on Higher Education Budget
Statehouse, Room 281-N
Topeka, Kansas 66612

Dear Representative Humphries:

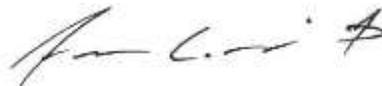
SUBJECT: Fiscal Note for HB 2598 by House Committee on Higher Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2598 is respectfully submitted to your committee.

HB 2598 would authorize a state educational institution, upon specific authorization of the Kansas Board of Regents, to sell and convey real property given as an endowment, bequest, or gift. The Board of Regents would be required to adopt policies governing the procedures and conditions under which state educational institutions may sell and convey real property given as an endowment, bequest, or gift. The policies would include the disposition of the proceeds of the sale and conveyance. The Board of Regents would be required to submit to the Legislature at each regular session a report listing any real property transfers that occurred during the previous fiscal year. SB 450 would not be subject to the provisions of KSA 75-6609, concerning the sale of surplus real estate, which requires 20.0 percent of proceeds deposited in the State Treasury to be credited to the Surplus Real Estate Fund and the remaining 80.0 percent credited to the Kansas Public Employees Retirement Fund to be applied to the unfunded actuarial pension liability.

The Kansas Board of Regents indicates the enactment of HB 2598 would increase proceeds to the universities from the sale of property, but the amount would depend on several factors to include whether a university has real property to sell as well as the value of the property. The Board indicates the bill would also eliminate the administrative burden for state universities requesting legislation to retain the proceeds from the sale of real property. KPERS indicates HB 2598 would have no fiscal effect on expenditures and any additional income lost from the bill's enactment would be negligible. Any fiscal effect associated with HB 2598 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Kelly Oliver, Board of Regents
Jeff Dewitt, University of Kansas