

March 8, 2022

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

Dear Representative Humphries:

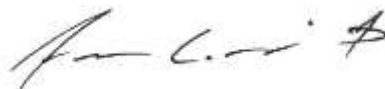
SUBJECT: Fiscal Note for HB 2599 by House Committee on Higher Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2599 is respectfully submitted to your committee.

HB 2599 would authorize the State Board of Regents, on behalf of the University of Kansas (KU), to exchange and convey certain real property with the Kansas University Endowment Association. The bill would take effect and be in force from and after its publication in the *Kansas Register*.

With the enactment of HB 2599, KU would retain the proceeds from the sale of the property; however, appraisals estimate that the exchanged properties are of approximately the same value and no funds between the entities would be transferred. In addition, once the property is sold, KU would no longer incur costs to maintain the property. KU estimates savings of approximately \$1.8 million, of which \$1.5 million would be for deferred maintenance and the remaining amount for operating costs. KU indicates the bill would have a fiscal effect on the City of Lawrence for the cost to lease the Transit Hub site from the Endowment Association. Any fiscal effect associated with HB 2599 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