

Landon State Office Building
900 SW Jackson Street, Room 504
Topeka, Kansas 66612



Jon Hummell, Interim Director

Division of the Budget

phone: 785-296-2436
fax: 785-296-0231
budget.director@budget.ks.gov

Sam Brownback, Governor

February 19, 2014

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

Dear Senator Masterson:

SUBJECT: Fiscal Note for SB 395 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 395 is respectfully submitted to your committee.

SB 395 would authorize and empower the Board of Regents to request issuance of revenue bonds by the Kansas Development Finance Authority. The Authority would be authorized to pledge any funds appropriated to it from the Kansas Educational Building Fund, or from any other source, and transfer the funding to a special revenue fund in the Board of Regents Office as established in statute, in a bond resolution or trust indenture for any bond issued as a priority for the debt service. The State Board of Regents would have to certify that the maximum annual debt service in all outstanding bonds would not exceed 50.0 percent of projected educational building fund revenues.

Currently, the annual appropriation from the Educational Building Fund for rehabilitation and repair projects to the Board of Regents is \$35.0 million for use by the state universities. The Board makes an annual allocation to each campus based on the adjusted gross square feet for mission-critical buildings. Passage of SB 395 would allow the Board to issue revenue bonds with annual debt service payments of up to 50.0 percent or \$17.5 million finance by the Educational Building Fund. This would presumably reduce by up to \$17.5 million the amount available each year to finance rehabilitation and repair projects. The Board reports that it would not require additional funding to implement the bill.

Sincerely,

A handwritten signature in black ink that reads "Jon Hummell".

Jon Hummell,
Interim Director of the Budget

cc: Kelly Oliver, Regents