

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 127** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Committee of the Whole amendments, as follows:

On page 1, by striking all in lines 7 through 35;

By striking all on pages 2 through 17 and inserting the following:

"New Section 1. Sections 1 through 8, and amendments thereto, shall be known and may be cited as the university engineering initiative act.

New Sec. 2. (a) The legislature of the state of Kansas hereby finds and declares that:

(1) Engineering intensive industries represent approximately one-third of the statewide payroll and tax base;

(2) under the university engineering initiative act, the secretary of commerce, in consultation with the board of regents, state educational institutions and private industry, shall develop a plan to ensure engineering industry partners find the new talent, designs and techniques needed to fuel economic growth and business success in Kansas;

(3) the goal of the university engineering initiative act is to increase the number of engineering graduates to 1,365 graduates per year in 2021, and all moneys appropriated pursuant to this act shall be used to meet this goal; and

(4) the needs of the citizens of the state of Kansas will be best served if the

secretary of commerce, the board of regents and the state educational institutions under the control and supervision of the board of regents are granted specific authority to assist in the expansion of the engineering programs.

(b) The exercise of the powers authorized by this act are deemed an essential governmental function in matters of public necessity for the entire state to increase the number of engineering graduates.

New Sec. 3. As used in this act, the following words and phrases have the following meanings unless a different meaning clearly appears from the content:

(a) "Board of regents" means the state board of regents of the state of Kansas established by K.S.A. 74-3202a, and amendments thereto.

(b) "Engineering initiative facility" means any facility, including real and personal property, for which the primary purpose is to educate additional engineers and which is under the control of a state educational institution.

(c) "Secretary" means the secretary of commerce.

(d) "State" means the state of Kansas.

(e) "State educational institution" means Kansas state university of agriculture and applied science, university of Kansas and Wichita state university.

(f) "This act" means the university engineering initiative act.

New Sec. 4. (a) The secretary, the board of regents and the state educational institutions shall have all the powers necessary or convenient to carry out the purposes and provisions of this act.

(b) When reviewing plans of each state educational institution and making decisions regarding expenditures from the Kan-grow engineering fund – KU, Kan-grow engineering fund – KSU and Kan-grow engineering fund – WSU, the secretary, in consultation with the board of regents, shall consider the different needs of each state educational institution to expand such institution's program to increase the number of engineering graduates.

(d) On or before the first day of the 2017 regular session, the secretary shall conduct a review of each state educational institution's plan to meet the goals established in the university engineering initiative act. The report shall include an analysis of whether or not the institutions are on course to meet the goals established in this act.

New Sec. 5. (a) The board of regents and the state educational institutions are authorized to acquire, construct and equip engineering facilities on state-owned property of the board of regents or any state educational institution for purposes of educating engineers from any moneys of the board of regents or the state educational institutions available therefor, except that no such engineering facilities shall be acquired, constructed or equipped and no moneys shall be expended therefor unless the board of regents has first advised and consulted with the secretary and the joint committee on state building construction regarding the proposed engineering facilities and each capital improvement project proposed therefor. The engineering facilities shall become the property of the state upon completion and acceptance by the board of regents.

(b) The board of regents and the state educational institutions are authorized to

initiate and complete capital improvement projects to repair, remodel or renovate state buildings and facilities of the state educational institutions for use as engineering facilities from any moneys of the board of regents or the state educational institutions, except that no such capital improvement project for such repair, remodeling or renovation shall be initiated unless the board of regents has first advised and consulted with the secretary and the joint committee on state building construction regarding the proposed engineering facilities and each such capital improvement project proposed therefor.

(c) Each state educational institution shall submit to the secretary and the board of regents a plan to provide for the annual maintenance and operation costs of any newly constructed engineering facility or capital improvement of an existing engineering facility when seeking funding for the making of such construction or improvement from the secretary or the board of regents.

New Sec. 6. (a) (1) There is hereby created in the state treasury the Kan-grow engineering fund – KU. The secretary shall remit all moneys received under the university engineering initiative act for engineering initiative facilities at the university of Kansas, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund – KU.

(2) All expenditures from the Kan-grow engineering fund – KU shall be for purposes of the university engineering initiative act and shall be made in accordance with

appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person designated by the secretary. Each expenditure from the Kan-grow engineering fund – KU which is transferred from expanded lottery act revenues fund moneys shall be required to be matched on a \$1 for \$1 basis from nonstate sources.

(b) (1) There is hereby created in the state treasury the Kan-grow engineering fund – KSU. The secretary shall remit all moneys received under the university engineering initiative act for engineering initiative facilities at Kansas state university, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund – KSU.

(2) All expenditures from the Kan-grow engineering fund – KSU shall be for purposes of the university engineering initiative act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person designated by the secretary. Each expenditure from the Kan-grow engineering fund – KSU which is transferred from expanded lottery act revenues fund moneys shall be required to be matched on a \$1 for \$1 basis from nonstate sources.

(c) (1) There is hereby created in the state treasury the Kan-grow engineering fund – WSU. The secretary shall remit all moneys received under the university engineering initiative act for engineering initiative facilities at Wichita state university, to the state

treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kan-grow engineering fund – WSU.

(2) All expenditures from the Kan-grow engineering fund – WSU shall be for purposes of the university engineering initiative act and shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person designated by the secretary. Each expenditure from the Kan-grow engineering fund – WSU which is transferred from expanded lottery act revenues fund moneys shall be required to be matched on a \$1 for \$1 basis from nonstate sources.

New Sec. 7. Purchases by the board of regents or the state educational institutions relating to engineering initiative facilities shall not be subject to sales tax under K.S.A. 79-3601 et seq., and amendments thereto, or use tax under K.S.A. 79-3701 et seq., and amendments thereto.

New Sec. 8. This act shall be liberally construed. Except as otherwise expressly provided, nothing contained in this act is or shall be construed as a restriction or limitation upon any powers which the secretary, the board of regents or the state educational institutions might otherwise have under other law of this state, and the provisions of this act are cumulative to such powers. The provisions of this act do and shall be construed to provide a complete, additional and alternative method for doing the things authorized and shall be regarded as supplemental and additional to any other laws.

Insofar as the provisions of this act are inconsistent with the provisions of any other law, general, specific or local, the provisions of this act shall be controlling.

Sec. 9. K.S.A. 2010 Supp. 74-8768 is hereby amended to read as follows: 74-8768. (a) There is hereby created the expanded lottery act revenues fund in the state treasury. All expenditures and transfers from such fund shall be made in accordance with appropriation acts. All moneys credited to such fund shall be expended or transferred only for the purposes of reduction of state debt, state infrastructure improvements, the university engineering initiative act, and reduction of local ad valorem tax in the same manner as provided for allocation of amounts in the local ad valorem tax reduction fund.

(b) On July 1, 2012, July 1, 2013, July 1, 2014, July 1, 2015, July 1, 2016, July 1, 2017, July 1, 2018, July 1, 2019, July 1, 2020, and July 1, 2021, or as soon thereafter such date as moneys are available, the first \$10,500,000 credited to the expanded lottery act revenues fund shall be transferred by the director of accounts and reports from the expanded lottery act revenues fund in one or more substantially equal amounts, to each of the following: the Kan-grow engineering fund – KU, Kan-grow engineering fund – KSU and Kan-grow engineering fund – WSU. Each such special revenue fund shall receive \$3,500,000 annually in each of such years.

Sec. 10. K.S.A. 2010 Supp. 74-8768 is hereby repealed.

Sec. 11. This act shall take effect and be in force from and after its publication in the statute book.";

Also on page 1, in the title, by striking all in lines 1 through 4 and inserting the

following:

"AN ACT enacting the university engineering initiative act; amending K.S.A. 2010 Supp. 74-8768 and repealing the existing section.";

And your committee on conference recommends the adoption of this report.

Conferees on part of House

Conferees on part of Senate