



KANSAS BOARD OF REGENTS

BOARD OF REGENTS 2011 APPROVED LEGISLATIVE INITIATIVES

(As Submitted by Agency/Sector)

October 20, 2010

1) Private and Out-of-State Postsecondary Fees *(Attachment, Pages 1-6)*

Proposal (Submitted by Board Staff): Would request that the 2010 fee structure not be subject to the “sunset” provision, the Board be given rule and regulation authority to set fees at less than statutory amounts if warranted, and clarify application of certain new categories of schools to ensure smaller Kansas schools pay a lower fee, commensurate with the amount of work it takes to regulate a smaller school.

2) Kan-Ed, Expand Membership and Statutory Clean-Up *(Attachment, Pages 7-11)*

Proposal (Submitted by Kan-Ed): Would expand Kan-Ed membership to include health information organizations, community anchor institutions, and community-based technology networks, would amend out-dated funding language, and would specify that funding come from the Kansas Universal Service Fund.

3) Technical Education Statutory Clean-Up *(Attachment, Pages 12-35)*

Proposal (Submitted by Board Staff): Would amend Technical Education Authority statutes by: updating terminology, removing definitions for terms no longer used, eliminating vocational school references, adding individual institution specific references, updating/removing obsolete sections of identified statutes, and repealing statutes no longer needed.

4) Community College Tax Credits, Reinstate *(Attachment, Pages 36-41)*

Proposal (Submitted by Kansas Association of Community College Trustees): Would reinstate tax credits to 60% of statutorily available amounts, up from the 54% level set during the 2009 legislative session. This would create the option of pooling unused tax credits so that other colleges might use them before expiring.

5) State University Information Technology Threshold *(Attachment, Pages 42-45)*

Proposal (Submitted by the University of Kansas): Would amend statutes to raise the dollar threshold that currently triggers approval from the State Chief Information Technology Officer (CITO) from \$250,000 to \$1,000,000 and would eliminate infrastructure projects from the definition of Information Technology Project. Today, state university projects undertaken above the \$250,000 level must be approved by the CITO, a process that was created 12 years ago. Now,

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significant changes in technology costs have made this an extremely low threshold for projects. This proposed change would increase efficiency by reducing the reporting burden and staff costs/overhead.

6) State Universities, Housing Suspense Fund (*Attachment, Pages 46-47*)

Proposal (Submitted by the University of Kansas): Would amend statute to make the use of the Housing Suspense Fund optional rather than mandatory. Statute requires rent and boarding fees to be sent to the State Treasurer for deposit in the Housing Suspense Fund before they can be transferred to the Operations Fund. This proposal would allow rent and boarding fees to be directly deposited into the Housing Operations Fund rather than the money flowing through the Suspense Fund to the Operations Fund.

7) State Universities, JCERTA Earned Interest Retention (*Attachment, Pages 48-49*)

Proposal (Submitted by the University of Kansas): Would amend statute to enable the Universities (University of Kansas Edwards Campus, Johnson County location of Kansas State University, and Johnson County location of the University of Kansas Medical Center) to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority sales tax. Current statute does not specify what is to be done with the interest earned on JCERTA funds. This proposal would ensure it is used for the intended purpose of supporting the Johnson County Education Research Triangle.

8) WSU, Aviation Funding (*Attachment, Pages 50-52*)

Proposal (Submitted by Wichita State University): WSU requests that the board support the aviation industry's request for research and workforce training funding. This request includes \$5 million in FY 2012 for the National Institute for Aviation Research (NIAR) and \$5 million per year for FY 2012 and FY 2013 to support aviation technical training programs.

9) WSU, Rhatigan Student Center Expansion (*Attachment, Pages 53-54*)

Proposal (Submitted by Wichita State University): WSU requests legislative authority for the issuance of approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project. This project will be funded through a sale of revenue bonds supported by student fees as approved by the WSU Student Government Association and the Kansas Board of Regents.

LEGISLATIVE PROPOSAL**PRIVATE AND OUT-OF-STATE POSTSECONDARY EDUCATIONAL INSTITUTIONS****1. Legislative Proposal**

KBOR is requesting (1) that the new fee structure adopted in 2010 no longer be subject to a “sunset” provision, (2) that the agency be given rule and regulation authority in order to set the fees at less than the statutory amounts, if warranted, and (3) that minor modifications to the fee section be made in order to clarify application of certain new categories and insure that smaller Kansas schools will pay a lower fee commensurate with the amount of work it takes to regulate such smaller schools.

2. **Issue Background** In the 2010 Legislative Session, the Kansas Legislature amended portions of the Kansas Private and Out-of-State Postsecondary Act (K.S.A. 74-32,162 *et seq.*) and passed new fee provisions allowing a one year increase and adding new categories. However, these changes are due to “sunset” (end) at the conclusion of the 2011 fiscal year. In implementing the new 2010 fee structure and amounts, KBOR staff has identified some parts of the new categories that need clarification, determined that the fees charged smaller Kansas schools should be lowered, and believes that making the new fee structure permanent and giving KBOR rule and regulation authority to set fees within statutory limits will allow the division regulating such schools to more appropriately budget for and perform regulatory duties.

3. **Rationale/Consequences** The prior fee levels did not provide sufficient or adequate funding for the regulatory functions of the agency or provide for different fees for the different types of regulatory reviews and activities that the agency must perform. Failure to make the new fee structure permanent will require yearly legislative action to keep it in place, or else will allow the fee statutes to revert to prior statutory language. Providing KBOR with rule and regulation authority to set fees within the statutory limits will provide the flexibility to establish fees at the levels necessary to support the regulatory work being done by the agency.

4. **Fiscal and Administrative Impact** The fees in the section in question are paid by the private and out-of-state postsecondary educational institutions operating (or wishing to operate) in Kansas. These fees fund the regulatory functions delegated to KBOR. Without adequate fees from those being regulated, and established in a way that reflects the amount of work done to perform different types of task, the agency would either have to seek funding from tax dollars or would not be able to adequately regulate this sector in a timely or efficient manner.

5. Impact on other State Agencies

There would be no impact on other state agencies

6. Questions Legislators May Ask/Possible Political Hurdles/Anticipated Opposition or Allies

KBOR staff has had no “push-back” on the new fees from any sector other than the very small Kansas schools. In fact, we believe that many of the very large private educational institutions will continue to support KBOR charging higher fees, in part because it allows KBOR staff to more efficiently perform reviews and also because of the heightened scrutiny on this sector now being seen nationally. The Kansas fees contained in the 2010 amendment are in line with those charged by surrounding states. The stated reason for including the one-year sun-set provision was to make sure that KBOR changed the regulation providing for 124 credit hours for certain degrees, to the more common requirement of 120 credit hours. This proposal is being presented to the various KBOR committees preparatory to making a regulatory change.¹

7. Draft of Proposed Legislation

New Sec. 9 (a) ~~During fiscal year 2011~~, the state board shall collect the fees fixed by this section.

(1) For institutions domiciled or having their principal place of business within the state of Kansas:

Initial application fees:	
Non-degree granting institution	\$2,000
Degree granting institution	\$3,000

Initial evaluation fee (in addition to initial application fees):	
Non-degree level	\$750
Associate degree level	\$1,000
Baccalaureate degree level	\$2,000
Master’s degree level	\$3,000
Professional and/or doctoral degree level	\$4,000

Renewal application fees:	
Non-degree granting institution	0.2 percent of gross tuition, but not less than \$1,200 nor more than \$25,000
Degree-granting institution	0.2 percent of gross tuition, but not less than \$1,600 nor more than \$25,000

New program submission fess, for each new program:	
Non-degree program	\$250
Associate degree program	\$500
Baccalaureate degree program	\$750
Master’s degree program	\$1,000
Professional and/or doctoral degree program	\$2,000

Program modification fee, for each program	\$100
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Branch campus site fees, for each branch campus site:	
Initial non-degree granting institution	\$1,500
Initial degree granting institution	\$2,500

Renewal branch campus site fees, for each branch campus site:	
Non-degree granting institution	0.2 percent of gross tuition, but not less than \$1,200 nor more than \$25,000
Degree-granting institution	0.2 percent of gross tuition, but not less than \$1,600 nor more than \$25,000

On-site branch campus review fee, for each site	\$250
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Representative fees:	
Initial registration	\$200
Renewal of registration	\$150

¹ Note, the process of changing a state regulation can easily take up to six full months. Additionally, it remains to be seen whether the legislator who raised this issue will be back in the coming session.

Late submission of renewal of application fee	\$125
Student transcript copy fee	\$10
Returned check fee	\$50
Changes in institution profile fees:	
Change of institution name	\$100
Change of institution location	\$100
Change of ownership only	\$100

(2) For institutions domiciled or having their principal place of business outside the state of Kansas:

Initial application fees:	
Non-degree granting institution	\$4,000
Degree granting institution	\$5,500
Initial evaluation fee (in addition to initial application fees):	
Non-degree level	\$1,500
Associate degree level	\$2,000
Baccalaureate degree level	\$3,000
Master's degree level	\$4,000
Professional and/or doctoral degree level	\$5,000

Renewal application fees:

Non-degree granting institution	0.3 percent of gross tuition, but not less than \$2,400 nor more than \$25,000
Degree-granting institution	0.3 percent of gross tuition, but not less than \$3,000 nor more than \$25,000

New program submission fees, for each new program:

Non-degree program	\$500
Associate degree program	\$750
Baccalaureate degree program	\$1,000
Master's degree program	\$1,500
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On-site branch campus review fee, fore each site	\$500
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Representative fees:

Initial registration	\$350
Renewal of registration	\$250

Late submission of renewal of application fee	\$125
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Student transcript copy fee	\$10
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Returned check fee	\$50
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Changes in institution profile fees:

Change of institution name	\$100
Change of institution location	\$100
Change of ownership only	\$100

- (a) Fees shall not be refundable.
- (b) If there is a change in ownership of an institution and, if at that same time, there also are changes in the institution's programs of instruction, location entrance requirements or other changes, the institution shall be required to submit an application for an initial certificate of approval and shall pay all applicable fees associated with an initial application.
- (c) An application for renewal shall be deemed late if the applicant fails to submit a completed application for renewal, or documentation requested by the state board to complete the renewal process, before the expiration date of the current certificate of approval.
- (d) Fees may be charged to conduct onsite reviews for degree granting and non degree granting institutions or to review curriculum in content areas where the state board does not have expertise.

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Kan-ed Legislative Request – Kansas Board of Regents

- 1) Legislative Proposal:
 - a. Kan-ed seeks to expand membership in Kan-ed to include providers of health information organizations, community anchor institutions, and community based technology networks. Kan-ed is assisting with leading broadband initiatives in the state of Kansas, and expanding the definition of who can participate in Kan-ed will better mirror both State and Federal initiatives. Proposed changes also include annual funding of Kan-ed through the KUSF, but still require Kan-ed to go through the annual appropriation process.
- 2) Issue Background:
 - a. Kan-ed is working closely with the statewide health information exchange initiative, and seeks to partner with community based technology networks and community anchor institutions in order to move Kansas into the top tier of state networks that promote and assist in broadband deployment. Broadband deployment is largely seen as a economic development initiative, and Kan-ed is currently leading the charge on this important statewide issue. Kan-ed is a successful story of a public-private partnership, and changes to our statute will allow us to continue to work with additional members and networks that assist the core K-12, Higher Education, Hospital and Library membership.
- 3) Rationale/Consequences:
 - a. If Kan-ed cannot affect the proposed statutory changes, then Kan-ed’s mission will be limited by both the statutory membership and the ability to work with those in communities that need support for broadband services. Kan-ed will not be able to “partner” with other organizations to achieve true statewide broadband initiatives. Kan-ed may also be limited on future federal funding programs that target community based organizations.
- 4) Fiscal and Administrative Impact:
 - a. These proposed changes are requested without additional funding or administrative support.
- 5) Impact on other State Agencies:
 - a. These changes will allow Kan-ed to work even closer with the Division of Information Systems and Communications (DISC), which is part of the Department of Administration, and other state agencies on broadband issues. State Agencies are NOT expected to become members of Kan-ed or connect directly to the Kan-ed network, since they already “peer” together with the Kan-ed network through DISC. Minimal impact to other agencies.
- 6) Questions Legislators May Ask / Possible Political Hurdles / Anticipated Opposition or Allies:
 - a. Anytime a statute is opened up, there is the risk for other changes. Kan-ed has core support among moderate republican and democratic legislators. Some legislators (in the minority) believe that Kan-ed was to be “self-funded”, but the reality is that the majority of legislators did not think that when the Kan-ed statute was created. However, some of those in belief of the “self-funded” model may choose this time to suggest change. Kan-ed staff believe the risk is acceptable.
- 7) Draft of Proposed Legislation:
 - a. Currently being reviewed by General Counsel’s office.

75-7221

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES
Article 72.--INFORMATION TECHNOLOGY

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75-7221. **KAN-ED; title.** This act may be cited as the KAN-ED act.
History: L. 2001, ch. 136, § 1; Apr. 26.

75-7222

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES
Article 72.--INFORMATION TECHNOLOGY

75-7222. **Same; definitions.** As used in this act, unless the context requires otherwise:

- (a) "Board" means the state board of regents.
- (b) "Hospital" means a licensed hospital, as defined in K.S.A. 65-425, and amendments thereto.
- (c) "Library" means: (1) The state library; (2) any public library established and operating under the laws of this state; or (3) any regional system of cooperating libraries, as defined in K.S.A. 75-2548, and amendments thereto.
- (d) "Network" means the KAN-ED network created pursuant to this act.
- (e) "School" means: (1) Any unified school district, school district interlocal cooperative, school district cooperative or nonpublic school accredited by the state board of education; or (2) any community college, technical college, area vocational school, area vocational-technical school or Kansas educational institution, as defined in K.S.A. 74-32,120, and amendments thereto.

(f) "Health Information Organization" means any entity operating in the state which (1) maintains technical infrastructure for the electronic movement of health information among health care providers and health plans, and (2) promulgates and enforces policies governing participation in such health information exchange.

(g) "Community Anchor Institution" means any entity operating in the state as a school, library, medical and healthcare provider, public safety entities, community colleges, technical colleges and other institutions of higher education, and other community support organizations and agencies that provide outreach, access, equipment and support services to facilitate greater use of broadband service by vulnerable populations, including low-income, the unemployed and the aged."

(h) "Community Based Technology Network" means any entity operating in the state as a public or private nonprofit organization or segment of county or local government that (A) is representative of a community or significant segments of a community; and (B) provides technology or educational technology or related services to individuals in the community."

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History: L. 2001, ch. 136, § 2; Apr. 26.

75-7223

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES
Article 72.--INFORMATION TECHNOLOGY

75-7223. **Same; purpose of act; network features; purposes for which network not a provider.** (a) The purpose of this act is to provide for a broadband technology-based network to which schools, libraries, ~~and hospitals~~ health information organizations, community anchor institutions and community based technology networks may connect for broadband internet access and intranet access for distance learning. For that purpose, the state board of regents shall contract in accordance with this act for the creation, operation and maintenance of such network, to be known as the KAN-ED network.

(b) The network shall allow the following features: (1) Universal provider interconnection or peering rights; and (2) competitively bid end-user KAN-ED connections.

(c) The network shall not provide for: (1) Impairment of any existing contract for the provision of telecommunications services or internet services to any school, library or hospital; (2) state ownership or construction of any network facilities other than those owned or being constructed by the state ~~on the effective date of this act~~; (3) switched voice access, except to the extent switched access is being provided by state owned, leased or operated facilities ~~as of the effective date of this act~~; (4) ~~transmission of voice over internet or voice over internet protocol, except to the extent necessary to facilitate interactive two-way video~~; (5) use of the network for purposes inconsistent with the purposes of this act; (6) the establishment of a proprietary interconnection agreement with a provider or proprietary peering standards by a provider, the purpose of which is to act as a barrier to peering or interconnection of

providers to the KAN-ED network; or (7) any financial fee or obligation required to connect a peered provider network to the KAN-ED network which is unusual or not customary. The provisions of clause (6) shall not preclude the board from establishing technical standards for operation and maintenance of the network as required by subsection (c)(1) of K.S.A. 2009 Supp. 75-7224, and amendments thereto.

History: L. 2001, ch. 136, § 3; L. 2008, ch. 133, § 1; July 1.

75-7224

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7224. Same; network standards established; provider contracts authorized; needs assessment required; advisory committee authorized; rules and regulations. (a) The board shall establish a plan to ensure that all schools, libraries and hospitals have quality, affordable access to the internet and distance learning. The board shall adopt standards for determining whether such access is available to each school, library or hospital desiring such access and shall adopt priorities for implementation of such access. The board may request and receive assistance from any school, any library, any hospital, the state corporation commission, any other agency of the state or any telecommunications, cable or other communications services provider to gather necessary data to implement such plan and establish such standards and priorities. The board shall develop a methodology for updating and validating any data collected for periodic revisions of the plan, standards and priorities. ~~Not less than 75% of all schools which have applied to the board to participate in the network, 75% of all libraries which have applied to the board to participate in the network and 75% of all hospitals which have applied to the board to participate in the network shall have access to the network by July 1, 2004.~~

(b) The board shall contract with providers of telecommunications services, cable services and other communications services for the creation, operation and maintenance of the network. Such contracts shall be let by competitive bids as provided by K.S.A. 75-3739, and amendments thereto.

(c) The board shall establish: (1) Technical standards for operation and maintenance of the network; (2) the method of monitoring operations of the network; and (3) the method or methods of increasing the capacity of the network to accommodate changes in the demands of schools, libraries and hospitals.

(d) The board shall identify any potential regulatory impediments to and other regulatory considerations in implementation of the network and shall propose measures to address such impediments and other considerations.

(e) ~~The board shall assess the need of schools, libraries and hospitals for full-motion video connectivity. Based on its findings, the board may develop a plan to provide such connectivity. Connection to the Kan-ed network. The plan may require users of such connectivity bear part of its cost.~~

(f) The board may appoint such advisory committees as the board determines necessary to carry out the purposes of this act. The membership of advisory committees may include both members of the board and persons who are not board members. Such advisory committees, to the extent appropriate, shall include both communications services providers and participants knowledgeable about topics such as network facilities and services, network content and user training, and such other topics as may be necessary or useful. Members of advisory committees appointed by the board shall receive amounts provided for in subsection (e) of K.S.A. 75-3223, and amendments thereto.

(g) ~~On or before July 1, 2002, and thereafter as the board deems appropriate, the board shall adopt rules and regulations to implement and administer the provisions of this act.~~

(h) The board shall have all other powers necessary to achieve the purposes of this act, including but not limited to the power to receive any appropriations, donations, grants, bequests and devises, conditional and otherwise, of money, property, services or other things of value for the purposes of this act.

(i) The state department of education, the division of information systems and communications of the department of administration, the state corporation commission and all other state agencies shall cooperate with the board in providing information and other assistance requested by the board for the performance of its duties pursuant to this act.

History: L. 2001, ch. 136, § 4; Apr. 26.

75-7225

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7225. Same; KAN-ED fund created. (a) There is hereby created in the state treasury the KAN-ED fund. The board shall remit to the state treasurer all moneys received by or on behalf of the board for the purposes of this act. Upon receipt of the remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund.

(b) Moneys in the KAN-ED fund shall be expended only for the purposes of this act.

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the KAN-ED fund interest earnings based on:

(1) The average daily balance of moneys in the fund for the preceding month; and

(2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(d) All expenditures from the KAN-ED fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the chairperson of the board or the chairperson's designee for the purposes set forth in this section.

History: L. 2001, ch. 136, § 5; Apr. 26

75-7226

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7226. Same; annual report; plan for funding network. (a) On or before January 15 of each year, the board shall publish an annual report and shall present the report to the legislature, governor and department of education. The report shall set forth in detail the operations and transactions conducted by the board pursuant to this act. The annual report shall specifically account for the ways in which the purpose of this act have been carried out, and the recommendations shall specifically note what changes are necessary to better address the purposes described in this act.

~~— (b) The report required pursuant to this section in years 2006, 2007 and 2008 shall include a statement of the costs of and savings realized by implementation of the network and a plan for funding the network.~~

History: L. 2001, ch. 136, § 6; L. 2005, ch. 192, § 2; July 1.

75-7227

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

75-7227. Same; severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application. To this end the provisions of this act are severable.

History: L. 2001, ch. 136, § 7; Apr. 26.

75-7228

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES

Article 72.--INFORMATION TECHNOLOGY

~~**75-7228. KAN-ED and KanRen; study of inefficiencies and duplication; recommendations for incorporation of KanRen into KAN-ED; report.** (a) The state board of regents shall study the KAN-ED network and the Kansas research and education network for the purpose of identifying duplication of services and inefficiencies existing between the two networks. If duplication of services or inefficiencies exist, the state board of regents shall develop a plan to reduce or eliminate such duplication of services or inefficiencies. The secretary of administration and the state board of regents shall develop recommendations regarding the manner in which the Kansas wide area network may be incorporated into the KAN-ED network.~~

~~— (b) On or before January 13, 2006, the secretary of administration and the state board of regents shall submit to the senate standing committee on commerce and the house standing committee on utilities joint recommendations regarding:~~

~~— (1) The findings of the study provided for in subsection (a);~~

~~— (2) any plan for reducing or eliminating duplication of services and inefficiencies; and~~

~~— (3) the manner in which the Kansas wide area information network may be incorporated into the KAN-ED network.~~

~~**History:** L. 2005, ch. 192, § 4; July 1.~~

66-2010

Chapter 66.--PUBLIC UTILITIES
Article 20.--TELECOMMUNICATIONS

66-2010. KUSF administrator; duties and powers; KAN-ED funding. (a) The commission shall utilize a competitive bidding process to select a neutral, competent and bonded third party to administer the KUSF.

(b) The administrator shall be responsible for: (1) Collecting and auditing all relevant information from all qualifying telecommunications public utilities, telecommunications carriers or wireless telecommunications service providers receiving funds from or providing funds to the KUSF; (2) verifying, based on the calculations of each qualifying telecommunications carrier, telecommunications public utility or wireless telecommunications service provider, the obligation of each such qualifying carrier, utility or provider to generate the funds required by the KUSF; (3) collecting all moneys due to the KUSF from all telecommunications public utilities, telecommunications carriers and wireless telecommunications service providers in the state; and (4) distributing amounts on a monthly basis due to qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers receiving KUSF funding.

(c) Any information made available or received by the administrator from carriers, utilities or providers receiving funds from or providing funds to the KUSF shall not be subject to any provisions of the Kansas open records act and shall be considered confidential and proprietary.

(d) The administrator shall be authorized to maintain an action to collect any funds owed by any telecommunications carrier, public utility or wireless telecommunications provider in the district court in the county of the registered office of such carrier, utility or provider or, if such carrier, utility or provider does not have a registered office in the state, such an action may be maintained in the county where such carrier's, utility's or provider's principal office is located. If such carrier, utility or provider has no principal office in the state, such an action may be maintained in the district court of any county in which such carrier, utility or provider provides service.

(e) The KUSF administrator shall be responsible to ensure that funds do not fall below the level necessary to pay all amounts collectively owed to all qualifying telecommunications public utilities, wireless telecommunications service providers and telecommunications carriers. The administrator shall have the authority to retain and invest in a prudent and reasonable manner any excess funds collected in any period to help ensure that adequate funds are available to cover amounts payable in other periods.

(f) (1) Before July 1, of each year, the chief executive officer of the state board of regents shall certify to the administrator of the KUSF the amount provided by appropriation acts to be expended from the KAN-ED fund for the fiscal year commencing the preceding July 1. Upon receipt of the certification of the chief executive officer of the state board of regents, the KUSF administrator shall add the amount certified to the amount annually required to fund the KUSF as determined pursuant to subsection (b).

(2) On or before the 10th day of each month, the administrator of the KUSF shall pay from the KUSF to the state treasurer 1/12 of the amount certified by the chief executive officer of the state board of regents pursuant to subsection (a) for the fiscal year preceding the fiscal year in which the payment is made. Upon the receipt of the payment, the state treasurer shall deposit the entire amount in the state treasury and credit it to the KAN-ED fund. Any such payments shall be made after all payments required by K.S.A. 66-2008, and amendments thereto, for the month are made from the KUSF.

(3) ~~Kan-ed shall be funded annually through the KUSF at \$10,000,000. Such funding is subject to annual review and approval through the normal state appropriations process. Not more than the following shall be paid from the KUSF to the state treasurer pursuant to this subsection (f): In fiscal year 2006, \$10,000,000; in fiscal year 2007, \$8,000,000; in fiscal year 2008, \$6,000,000; and in fiscal year 2009, \$5,500,000.~~

(4) ~~The provisions of this subsection (f) shall expire on June 30, 2009. Thereafter, state Funding -general fund moneys shall be used to fund for the -the KAN-ED network and such funding shall be of the highest priority along with education funding.~~

History: L. 1996, ch. 268, § 11; L. 2002, ch. 152, § 1; L. 2005, ch. 192, § 1; July 1.

**Legislative Proposal Submitted to the Kansas Board of Regents
by the Postsecondary Technical Education Authority**

Legislative Proposal

The proposed legislation is requested to continue the process that was started in 2008 by the Postsecondary Technical Education Authority to review and identify statutes as needing revision to reflect current practice and terminology or repeal if obsolete. The recommended statutory clean-up includes:

- Updating terminology, removing definitions for terms no longer used, and eliminating area vocational school and area-vocational technical school references
- Adding references specific to individual institutions as needed for clarification
- Potential updating/removal of obsolete sections of identified statutes
- Potential repeal of statutes no longer needed

Issue Background

The Postsecondary Technical Education Authority (TEA) was established as part of the Kansas Board of Regents to coordinate postsecondary technical education within the state through a series of laws enacted by the 2007 legislature. In fall 2007 the Kansas Legislative Research Department compiled a document containing a comprehensive listing of statutes related to technical education which was reviewed by TEA members and KBOR staff. As part of the review process a number of statutes were identified as needing revisions to reflect current practice, terminology and new federal legislation. Others were found to be obsolete. An initial set of technical clean-up statutes was presented to and acted upon by the 2008 Legislature. The attached bill draft is a continuation of the technical clean-up (containing no substantive changes) of existing statutes.

Rationale/Consequences

- Area vocational and area vocational-technical schools no longer exist as independent legal entities in Kansas. All former schools have merged with community colleges, been established as independent technical colleges, or affiliated with a university.
- Updating terminology and including specific institutional references will add clarity and specificity to the statutes and reduce variations in interpretations
- Removal of obsolete sections and repeal of statutes no longer needed simplify review of statutes

Fiscal and Administrative Impact

None

Impact on other State Agencies

None

Questions Legislators May Ask/Possible Political Hurdles/Anticipated Opposition or Allies

The proposed changes were presented to the TEA members for review during their meetings in July, August, and September 2010 and generated little if any discussion. No comments were received from any of the community colleges, technical colleges, or Washburn Institute of Technology. Additionally, drafts have been shared with representatives of each sector for feedback; as yet, none has been received.

KBOR staff also met with Dale Dennis (KSDE) and he agrees with the action to repeal K.S.A. 72-4428 and 72-4435.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 71-201 is hereby amended to read as follows: K.S.A. 71-201. (a) The board of trustees, in accordance with the provisions of law and the rules and regulations of the state board of regents, shall have custody of and be responsible for the property of the community college and shall be responsible for the operation, management and control of the college. The board of trustees shall hold at least one regular meeting each month at a time prescribed by the board. The board shall make an annual report in the manner prescribed by the state board of regents. Members of the board of trustees shall be paid subsistence allowances, mileage and other actual and necessary expenses incurred in the performance of their official duties.

(b) For effectuation of the purposes of this act, the board of trustees in addition to such other powers expressly granted to it by law and subject to the rules and regulations of the state board of regents is hereby granted the following powers:

(1) To select its own chairperson and such other officers as it may deem desirable, from among its own membership. The secretary may be chief administrative officer of the college.

(2) To sue and be sued.

(3) To determine the educational program of the college subject to prior approval thereof as provided in this act and to grant certificates of completion of courses or curriculum.

(4) To appoint and fix the compensation and term of office of a president or chief administrative officer of the college.

(5) To appoint upon nomination of the president or the chief administrative officer members of the administrative and teaching staffs, to fix and determine within state adopted standards their specifications, define their duties, and to fix their compensation and terms of employment. No community college teacher shall be required to meet licensure requirements greater than those required in the state educational institutions.

(6) Upon recommendation of the chief administrative officer, to appoint or employ such other officers of the college, agents and employees as may be required to carry out the provisions of law and to fix and determine within state adopted standards their qualifications, duties, compensation, terms of office or employment and all other items and conditions of employment.

(7) To enter into contracts.

(8) To accept from any government or governmental agency, or from any other public or private body, or from any other source, grants or contributions of money or property which the board may use for or in aid of any of its purposes.

(9) To acquire by gift, purchase, lease-purchase, condemnation or otherwise, and to own, lease, use and operate property, whether real, personal, or mixed, or any interest therein, which is necessary or desirable for community college purposes. Any lease-purchase agreement entered into under authority of this subsection shall be subject to the conditions set forth in [K.S.A. 10-1116c](#), and amendments thereto. The term of any lease entered into under authority of this subsection may be for not to exceed 10 years. Such lease may provide for annual or other payment of rent or rental fees and may obligate the community college to payment of maintenance or other expenses. Any lease or lease-purchase agreement entered into under authority of this subsection shall be subject to change or termination at any time by the legislature. Any assignment of rights in any lease or lease-purchase made under this subsection shall contain a citation of this section and a recitation that the lease or lease-purchase agreement and assignment thereof are subject to change or termination by the legislature. To the extent that

the provisions of the cash-basis and budget laws conflict with this subsection in such a manner as to prevent the intention of this subsection from being made effective, the provisions of this subsection shall control. This provision is subject to the provisions of subsection (d).

(10) To enter into lease agreements as lessor of any property, whether real, personal, or mixed, which is owned or controlled by the community college. Any such agreement may specify the purposes for which the property may be used, require that the property be maintained and operated by the lessee, and may contain such restrictions or limitations on the use of the property, be entered into for such period of time, and include such other terms and conditions as the board of trustees determines to be necessary and proper. Every such agreement shall be subject to change or termination at any time by the legislature. Any assignment of rights under any such agreement shall be subject to approval by the board of trustees and shall contain a citation of this section and a recitation that the lease agreement and assignment of rights thereunder are subject to change or termination by the legislature.

(11) To determine that any property owned by the college is no longer necessary for college purposes and to dispose of the same in such manner and upon such terms and conditions as provided by law.

(12) To exercise the right of eminent domain, pursuant to chapter 26 of Kansas Statutes Annotated.

(13) To make and promulgate such rules and regulations, not inconsistent with the provisions of law or with rules and regulations of the state board of regents, that are necessary and proper for the administration and operation of the community college, and for the conduct of the business of the board of trustees.

(14) To exercise all other powers not inconsistent with the provisions of law or with the rules and regulations of the state board of regents which may be reasonably necessary or incidental to the establishment, maintenance and operation of a community college.

(15) To appoint a member to fill any vacancy on the board of trustees for the balance of the unexpired term. When a vacancy occurs, the board shall publish a notice one time in a newspaper having general circulation in the community college district stating that the vacancy has occurred and that it will be filled by appointment by the board not sooner than 15 days after such publication.

(16) To contract with one or more agencies, either public or private, whether located within or outside the community college district or whether located within or outside the state of Kansas for the conduct by any such agencies of ~~academic or vocational~~ education for students of the community college, and to provide for the payment to any such agencies for their contracted educational services from any funds or moneys of the community college, including funds or moneys received from student tuition and fees, funds received from the state of Kansas or the United States for ~~academic or vocational~~ education, or taxes collected under [K.S.A. 71-204](#), and amendments thereto. Any contract made under this subsection with an institution of another state shall be subject to the provisions of [K.S.A. 71-202](#), and amendments thereto.

(17) To authorize by resolution the establishment of a petty cash fund in an amount not to exceed \$1,000, and to designate in such resolution an employee to maintain such petty cash fund. The employee designated in any resolution provided for in this subsection receiving such funds shall keep a record of all receipts and expenditures from the fund, and shall from time to time, and at the end of the fiscal year, prepare a statement for the board showing all receipts, expenditures, and the balance in the petty cash fund. The board of trustees may authorize the employee designated to maintain any petty cash fund to make a claim for replenishment of the

fund to its original amount in advance of approval by the board of trustees if, at any time during the period between regular monthly meetings of the board of trustees, the balance remaining in the fund is insufficient to make needed expenditures for any purpose for which the petty cash fund is maintained. No petty cash fund may be replenished more than one time during each period between regular monthly meetings of the board of trustees. If a petty cash fund is replenished prior to the end of the fiscal year in accordance with the foregoing authorization, the employee authorized to maintain the petty cash fund shall keep an accurate record of all expenditures made therefrom, and the purpose therefor, and shall submit the record to the board of trustees at the next regular monthly meeting thereof. The petty cash fund shall be replenished by payment from the appropriate funds of the community college to the petty cash fund upon proper claim. The fund shall be kept separate from all other funds and shall be used only for authorized expenditures and itemized receipts shall be taken for each expenditure. No part of such fund may be loaned or advanced against the salary of an employee. All employees entrusted with such funds under this subsection shall be bonded by the community college district.

(c) Subject to the provisions of subsection (d), the board of trustees may purchase or otherwise acquire land or land and improvements and may acquire, construct, reconstruct, repair or remodel improvements thereon or additions thereto, including furnishings, equipment, and architectural and incidental expense related thereto, and for such purposes the board of trustees is authorized to issue and sell general obligation bonds, the cumulative total not to exceed the following amounts: Where the community college district has a taxable tangible valuation of less than \$90,000,000 or is located in a county designated as urban under the provisions of [K.S.A. 19-3524](#), and amendments thereto, not to exceed 5% of the taxable tangible property of the community college district, and where the community college district has a taxable tangible valuation of more than \$90,000,000 not to exceed 3% except as provided above for any community college district located in a county designated as urban under the provisions of [K.S.A. 19-3524](#), and amendments thereto, of the taxable tangible property of the community college district. If any increase in the valuation of a community college district results in an outstanding bonded indebtedness in excess of that provided in this subsection, such increase shall not constitute a violation of this subsection. No such bonds shall be issued until the question of their issuance shall have been submitted to a vote of the electors of the community college district at a regular election or at a special election called for that purpose and the majority of the electors voting on the proposition in such community college district shall have voted in favor of the issuance of the bonds. Such election shall be called, noticed and held and the bonds issued, sold, delivered and retired in accordance with the provisions of the general bond law except as herein otherwise expressly provided.

(d) The board of trustees of a community college may purchase or otherwise acquire land or land and improvements within: (1) The community college district; or (2) the service area of the community college. Nothing in this subsection shall be construed or operate in any manner to require a board of trustees to sell, convey or otherwise dispose of land or land and improvements located outside the community college district or the service area of the community college and owned or being acquired by the community college on the effective date of this act. For the purposes of this subsection, "service area" means [a] designated geographic area of the state established pursuant to agreement of the presidents of the community colleges and adopted in policy by the state board of regents.

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Sec. 2. K.S.A. 71-601 shall be amended to read as follows: 71-601. (a) "Credit hour" means the basic unit of collegiate level instruction, as determined by the state board, in a subject or course offered at a level not higher than those subjects or courses normally offered to freshmen and sophomores in four-year institutions of postsecondary education which subject or course is approved by the state board. Credit hour does not include within its meaning instruction in a subject or course taken by a student enrolled for audit or in any subject or course not approved by the state board. The state board shall determine whether the subjects and courses offered in the community colleges are at the level of freshmen and sophomore subjects and courses offered in the state educational institutions and shall not approve any subject or course offered at a higher level.

(b) "Full-time equivalent enrollment" or "FTE enrollment" means the quotient obtained by dividing by 30 the total credit hour enrollment in a fiscal year of students of a community college who are residents of the state of Kansas, or are considered residents of the state of Kansas pursuant to the provisions of K.S.A. 71-407, and amendments thereto.

(c) "State operating grant" means the community college operating grant provided for under subsection (a) of K.S.A. 71-620, and amendments thereto, and if entitlement is determined, the quality performance grant provided for under subsection (b) of K.S.A. 71-620, and amendments thereto.

Sec. 3. K.S.A. 71-604 shall be amended to read as follows: K.S.A. 71-604. (a) If the amount of any appropriation for state ~~entitlements~~ aid is insufficient to pay in full the amount each community college is ~~entitled~~ otherwise eligible to receive, the amount appropriated shall be prorated among all community colleges in proportion to the amount each is ~~entitled~~ eligible to receive.

(b) If any community college is paid more than the amount it is ~~entitled~~ eligible to receive, the state board shall notify the community college of the amount of the overpayment and the community college shall remit the same to the state board and the state board shall deposit the same in the state treasury to the credit of the general fund, and if any such community college fails so to remit, the state board shall deduct the excess amount so paid from future payments becoming due to such community college.

(c) If any community college is paid less than the amount it is ~~entitled~~ eligible to receive, the state board shall pay the additional amount due at any time within the fiscal year in which the underpayment was made or within 60 days after the end of such fiscal year.

Sec. 4. K.S.A. 71-609 shall be amended to read as follows: 71-609. (a) No amount of a state ~~entitlement~~ funding shall be based upon enrollment in any subject or course the principal part of which is taught at a location outside the county of the main campus of the community college, unless the location of such subject or course is specifically authorized by the state board of regents.

(b) (1) No amount of a state ~~entitlement~~ funding shall be based upon enrollment in any subject or course which is taught in a county in which the main campus of a state educational institution is located, unless the teaching of such subject or course is specifically authorized by the chief executive officer of the state educational institution or by a designee of the chief executive officer. The chief executive officer of each state educational institution may designate and authorize a person or committee to act on behalf of the chief executive officer in granting the authorizations required by this subsection.

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(2) For the purposes of this subsection, the term "main campus of a state educational institution" as applied to Kansas state university of agriculture and applied science means and includes the campus of the university located in Riley county and the campus of the university's college of technology located in Saline county.

Sec. 5. K.S.A. 71-609a shall be amended to read as follows: 71-609a. No amount of the state ~~entitlement~~ operating grant of a community college shall be based upon any ~~course or program if such course or program is taught in an area vocational school, an area vocational-technical school, or a technical college under an agreement with such community college and~~ credit hour for which ~~payments of state or federal moneys are made to the area vocational school, the area vocational-technical school, or the technical college under the provisions of article 44 of chapter 72 of Kansas Statutes Annotated~~ the community college is receiving or is eligible to receive postsecondary tiered technical education state aid.

Sec. 6. K.S.A. 71-613 shall be amended to read as follows: 71-613. (a) The vocational education fund of a community college, established by K.S.A. 72-4424, and amendments thereto, which statutory section shall expire on June 30, 2000, is hereby continued in existence in each community college, and shall be known as the career technical education fund. All moneys received by a community college for establishing, conducting, maintaining and administering any ~~vocational education~~ career technical program ~~authorized under article 44 of chapter 72 of Kansas Statutes Annotated~~ approved by the state board of regents shall be deposited in the ~~vocational~~ career technical education fund, unless required to be deposited in the general fund. The expenses of a community college attributable to ~~vocational~~ career technical education shall be paid from the ~~vocational~~ career technical education fund.

(b) Community colleges shall maintain fund accounting procedures as may be necessary to assure proper accounting for federal funds for ~~vocational~~ career technical education special projects, whether received directly from the federal government or any of its agencies, or received through the state or any of its agencies.

Sec. 7. K.S.A. 71-613a shall be amended to read as follows: 71-613a. All amounts of state ~~entitlements~~ funding and student tuition received by a community college for any career technical program ~~authorized by article 44 of chapter 72 of Kansas Statutes Annotated~~ approved by the state board of regents may be deposited in the ~~vocational~~ career technical education fund of the community college.

Sec. 8. K.S.A. 71-614 shall be amended to read as follows: 71-614. Any lawful transfer of money from the general fund of a community college to the ~~vocational~~ career technical education fund, adult education fund, adult supplementary education fund or motorcycle driver safety fund shall be an operating expense in the year the transfer is made. The board of trustees of any community college may transfer moneys from its general fund to its ~~vocational~~ career technical education fund, adult education fund, adult supplementary education fund or motorcycle driver safety fund. Expenditures for ~~vocational~~ career technical education, adult basic education, adult supplementary education and motorcycle driver safety shall not be made from the general fund of a community college.

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Sec. 9. K.S.A. 71-620 shall be amended to read as follows: 71-620. (a) In each fiscal year, commencing with the 2001 fiscal year, each community college is ~~entitled~~ eligible to receive an operating grant from the state general fund in an amount to be determined by the state board. The state board shall:

(1) Determine the average amount of moneys from the state general fund expended per FTE lower division undergraduate student in the preceding fiscal year at the regional state educational institutions;

(2) (A) in the 2001 fiscal year, compute 50% of the amount determined under (1); (B) in the 2002 fiscal year, compute 55% of the amount determined under (1); (C) in the 2003 fiscal year, compute 60% of the amount determined under (1); in the 2004 fiscal year and in each fiscal year thereafter, compute 65% of the amount determined under (1);

(3) determine the total number of FTE students of all the community colleges;

(4) multiply the amount computed under (2) by the total number of FTE students determined under (3). Subject to the provisions of subsection (e) of K.S.A. 74-3202d, and amendments thereto, the product is the total amount of operating grants the community colleges are entitled to receive for the fiscal year.

~~(5) Each community college which is not an officially designated area vocational school shall receive an amount equivalent to the difference between credit hour state aid received in the 1999 fiscal year for credit hours in any subject or course approved as a vocational education subject or course and 1 1/6 times the amount of credit hour state aid received in the 1999 fiscal year for credit hours in any subject or course approved as a vocational education subject or course. The amount determined under this provision shall be distributed in equal installments in the 2001 through 2004 fiscal years as a part of the community college's operating grant, but shall not be subject to the provisions of K.S.A. 71-204, and amendments thereto.~~

~~(6) In each fiscal year, the state board, for the purpose of allocating the amount determined under (4) to the community colleges, shall deduct the total of the amounts determined under (5) from the amount determined under (4).~~

~~(7) In the 2001 fiscal year, the remaining balance determined under (6) shall be allocated to each community college according to the ratio the total amount of state aid received by the community college in the 2000 fiscal year bears to the total amount of state aid received by all community colleges in the 2000 fiscal year, subject to adjustments for changes in each community college's FTE enrollment from the 2000 fiscal year to the 2001 fiscal year.~~

(8) In the 2002 fiscal year and in each fiscal year thereafter, the remaining balance amount determined under ~~(6)~~(4) shall be allocated to each community college according to the ratio the amount of the operating grant received by the community college in the prior fiscal year bears to the total amount of operating grants received by all community colleges in the prior fiscal year, subject to adjustments for changes in each community college's FTE enrollment from the prior fiscal year to the current fiscal year.

(b) In each fiscal year, commencing with the 2003 fiscal year, each community college is eligible to receive a quality performance grant from the state general fund. If the state board determines that the community college has demonstrated effectiveness in complying with its role and mission statement and has met or exceeded the core indicators of quality performance for community colleges identified and approved by the state board, the community college shall receive a quality performance grant in an amount which shall be determined by the state board by computing 2% of the amount of the operating grant the community college received in the

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preceding fiscal year. The computed amount is the amount of the quality performance grant the community college shall receive for the fiscal year.

(c) For the purposes of this section, the FTE enrollment of the community college shall be based on: (1) Enrollment of students who are residents of the state of Kansas, or are considered residents of the state of Kansas pursuant to the provisions of K.S.A. 71-407, and amendments thereto; and (2) the greater of FTE enrollment of the community college in the current fiscal year or FTE enrollment in the preceding fiscal year.

(d) As used in this section, the term regional state educational institutions means Emporia state university, Fort Hays state university and Pittsburg state university and the term lower division undergraduate student means a freshman or sophomore.

Sec. 10. K.S.A. 71-701 shall be amended to read as follows: 71-701. As used in this act:

(a) "Community college" means a public community college established under the provisions of this act. The official name of a community college shall be "the _____ community college" and the blank shall be filled with the name of the city or county.

(b) "State board" means the state board of regents.

(c) "Community college district" means the taxing district of a community college.

(d) "Board of trustees" means the governing body of a community college.

~~(e) "State plan" means the plan adopted for community colleges as provided by law, and such plan as it is from time to time amended by the state board upon recommendation of the advisory council; such plan may include other matters listed in the community college act and acts amendatory thereof, or supplemental thereto.~~

(~~f~~) "Campus" means the location of all or part of the buildings and facilities of a community college.

~~(g) "Advisory council" means the advisory council provided for by K.S.A. 71-901, and amendments thereto.~~

~~(h)~~(f) "Student tuition" means the charge made to and paid by students for the privilege of attending a community college and participating in the institutional program.

~~(i)~~(g) "Chief administrative officer" means the president or one so appointed by the board of trustees.

Sec. 11. K.S.A. 71-802 shall be amended to read as follows: 71-802. At any time, if the state board of regents finds that a community college previously approved or deemed approved has failed to comply with the provisions of this act or with any provision of a rule or regulation adopted pursuant to this act, or fails to meet the standards contained in this act, the state board of regents shall so advise the board of trustees. If after 12 calendar months after any such notification such board of trustees has failed to correct the deficiency noted, the state board of regents shall withdraw approval of the community college and it shall not be ~~entitled to~~ eligible for state aid during the continuance of any such period of withdrawal. Any action of the state board of regents in granting, denying or withdrawing approval of a community college shall be subject to review by the legislature.

Sec. 12. K.S.A. 71-1201 shall be amended to read as follows: 71-1201. Territory may be added to any community college district which has been established under this act either by deemed approval or by election approval by one of the following methods:

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(a) The board of education of any unified district a part of which is in the community college district or which touches and adjoins a community college district may petition the state board for attachment of the territory of such unified district to the community college district for community college purposes. Upon receiving any petition under this subsection, the same shall be submitted to ~~the advisory council for its advice and recommendations which, together with the petition, shall be presented~~ to the state board. After considering the petition the state board may approve such attachment, ~~if the advisory council has so recommended. If the advisory council has not so recommended the.~~ The state board shall so inform may seek the recommendation of the board of trustees of the community college involved ~~and may request its recommendation~~ as to such attachment. If such request is made and if such board of trustees recommends such attachment the same may be approved by the state board. Upon granting any approval for attachment of territory the state board shall so inform the county election officers of counties in which the territory to be attached is located, and such county election officers shall conduct an election for approval for such attachment in the area petitioned for attachment. Such election shall be conducted in accordance with the procedure for approval for establishment of a community college as specified in this act. The question submitted shall be: "Shall the proposed attachment of territory to the _____ community college district be approved?", and the blank shall be filled with the name of the community college. The expenses of the election shall be paid by the community college. In the event that such attachment is so approved by such election the state board shall issue an order attaching the same to the community college district. The provisions of subsection (b) of K.S.A. 71-1102, and amendments thereto, shall also apply to this subsection.

(b) Any board of trustees may petition the state board for the attachment of any adjoining territory to the community college district. Such petition shall be processed as in subsection (a) of this section, ~~except that in the event of disapproval by the advisory council the state board shall so inform the board of trustees and in such case such attachment shall not be made.~~ If the ~~advisory council~~ state board approves such petition, the state board shall notify the county election officers of counties in which the territory to be attached is located, and such county election officers shall conduct an election for approval of such attachment in the area petitioned for attachment. No attachment of territory shall be made under this subsection unless such attachment has been approved by a majority of those voting in the territory to be attached. Such election shall be conducted in accordance with the procedure for approval of the establishment of community colleges as specified in this act. The question submitted shall be: "Shall the proposed attachment of territory to the _____ community college district be approved?", and the blank shall be filled with the name of the community college. In the event that such attachment is so approved by such election the state board shall issue an order attaching the same to the community college district. The expenses of the election shall be paid by the community college.

(c) No territory shall be attached to any community college district within 120 days prior to the general election of members of the board of trustees.

(d) If the community college attaching territory under subsection (a) or (b) has member district method of election, no approval thereof shall be given by the state board and no proposition for approval thereof shall be submitted to any election until new proposed member districts for the community college territory as the same will exist after the addition of territory have been established by the state board.

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Sec. 13. K.S.A. 71-1507 shall be amended to read as follows: 71-1507. (a) The board of trustees of any community college and the board of any ~~area vocational school or area vocational technical school~~ technical college or the institution of technology at Washburn university, may make and enter into agreements providing for the transfer from the ~~area vocational school or area vocational technical school~~ technical college or the institute of technology to the community college of any approved career technical education program being offered and taught at the postsecondary level in the ~~area vocational school or area vocational technical school~~ technical college or the institute of technology.

(b) In the event the board of trustees of a community college and the board of ~~an area vocational school or area vocational technical school~~ technical college or the institute of technology enter into an agreement authorized under subsection (a), the following conditions shall apply:

(1) The state board of regents shall be notified of the agreement at the time the agreement is executed.

(2) The agreement shall be effective only after approval by the state board of regents.

(3) Any career technical education program transferred in accordance with the agreement shall be offered and taught in the community college only after approval of the program by the state board of regents.

(4) The agreement shall be subject to change or termination by the legislature.

(5) (A) The duration of the agreement shall be perpetual unless terminated in accordance with provision (B).

(B) Termination of the agreement may be accomplished only upon approval by the state board of regents of a joint petition to it for termination by the contracting boards after adoption of a resolution to that effect by each such board. The state board of regents shall consider the petition and approve or disapprove termination of the agreement. Upon termination of the agreement, any program transferred thereunder shall be discontinued.

Sec. 14. K.S.A. 72-4412 shall be amended to read as follows: 72-4412. As used in this act:

(a) "Board" means the board of education of any school district, the board of trustees of any community college, the board of regents of any municipal university, ~~the board of control of any area vocational technical school~~, the governing body of any technical college, or the chief executive officer of any state educational institution.

(b) ~~"Area vocational school" means any vocational education school established under authority of the laws of this state, approved and officially designated as an area vocational school by the state board, and operated under any board. Any area vocational school, except for purposes of the construction of this act, may retain and use the name given to such school prior to the effective date of this act, even though such name includes the words "area vocational technical school."~~

(c) ~~"Area vocational technical school" means any vocational education school which was classified as a type II area vocational technical school under authority of former laws or which is established and classified as a type II area vocational technical school under authority of this act. The school to which this definition applies is the Southeast Kansas area vocational technical school.~~

The state board may adopt special rules and regulations applicable to the conduct, operation and administration of area vocational technical schools. Nothing in this act shall be

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~~construed to authorize the establishment or operation of any area vocational technical school not specifically designated in this subsection.~~

~~(d)~~ "School district" means any school district organized under the laws of this state.

~~(e)(c)~~ "Community college" means any community college organized and operating under the laws of this state.

~~(f)(d)~~ "Municipal university" means a municipal university established under the provisions of article 13a of chapter 13 of Kansas Statutes Annotated.

~~(g)(e)~~ "State educational institution" means the university of Kansas, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university and Fort Hays state university.

~~(h)(f)~~ "Technical college" means an educational institution that formerly was an area vocational school or an area vocational-technical school and that has been converted to, established as, and officially designated a technical college under authority of this act.

~~(i)(g)~~ "State board" means the state board of regents.

~~(j)(h)~~ "School year" means the twelve-month period ending on June 30.

~~(k)(i)~~ "Career technical education" means organized educational programs offering a sequence of courses which are directly related to the preparation of individuals in paid or unpaid employment in current or emerging occupations requiring other than a baccalaureate or advanced degree. Such programs shall include competency-based applied learning which contributes to an individual's academic knowledge, higher-order reasoning, and problem-solving skills, work attitudes, general employability skills, and the occupational-specific skills necessary for economic independence as a productive and contributing member of society. The term "career technical education" also includes technology education and career and technical education as referenced in the Carl D. Perkins career and technical education act of 2006.

~~(l)(j)~~ "Technology education" means an applied discipline designed to promote technological literacy which provides knowledge and understanding of the impacts of technology including its organizations, techniques, tools and skills to solve practical problems and extend human capabilities in technological areas.

~~(m)(k)~~ "State plan" means a document or set of documents, together with attachments and supplements thereto, containing such provisions as are authorized by this act and required by the Carl D. Perkins career and technical education act of 2006, and acts amendatory thereof or supplemental thereto.

~~(n)(l)~~ "Associate of applied science degree program" means a program that is offered and maintained by a technical college, composed of career technical and general education courses of instruction for which individuals may earn college credit, designed to prepare individuals for gainful employment in technical or technological occupations requiring other than a baccalaureate or advanced degree or to qualify individuals for transfer to another college or university and, after satisfactory completion of the requirements for graduation, results in the conferral of an associate of applied science degree. For the purpose of awarding college credit for completion of coursework leading to the conferral of an associate of applied science degree, the state board of regents shall determine the number of clock hours of instruction in general education courses or career technical education courses which shall be equivalent to a credit hour.

~~(o)~~ "Institute of technology" or "Washburn institute of technology" means the institute of technology at Washburn university.

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Sec. 15. K.S.A. 72-4415 shall be amended to read as follows: 72-4415. The state board shall be responsible for the allocation and distribution of the state and federal funds provided for pursuant to the Carl Perkins Act for career and technical education in accordance with the state plan. Moneys allocated and distributed under the provisions of this section shall be expended only in accordance with and for the purposes specified in federal or state law or the state plan. Payments under this act may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments. Federal funds for career and technical education shall be deposited in the state treasury.

Sec. 16. K.S.A. 72-4440 is hereby amended to read as follows: 72-4440. As used in this act:

(a) ~~"Area vocational school," "area vocational technical school," "board,"~~ "Board," "state board," ~~and "school year" and~~ "technical college" have the meanings respectively ascribed thereto in K.S.A. 72-4412, and amendments thereto.

(b) ~~"Operating budget" shall have the meaning ascribed thereto in K.S.A. 72-4430, and amendments thereto.~~

(c) ~~"School" means any area vocational school and any area vocational technical school.~~ "Eligible institution" or "institution" means any technical college, Coffeyville Community College, Cowley County Community College, Dodge City Community College, Highland Community College, Hutchinson Community College, Johnson County Community College, Kansas City, Kansas Community College, Pratt Community College, Seward County Community College, and the institute of technology at Washburn university.

(d)(c) ~~"Vocational Career technical education capital outlay aid" means state financial aid distributed under this act by the state board to a school~~ an eligible institution for the purpose of construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of ~~school~~ buildings, architectural expenses incidental thereto, the acquisition of buildings ~~for school purposes and school building sites and the acquisition of equipment.~~

Sec. 17. K.S.A. 72-4441 is hereby amended to read as follows: 72-4441. (a) There is hereby established in every ~~area vocational technical school~~ eligible institution a fund which shall be called the ~~"vocational career technical education capital outlay fund,"~~ which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by an ~~area vocational technical school~~ eligible institution from distributions made under this act shall be credited to the ~~vocational career technical education capital outlay fund.~~

(b) Any moneys received, prior to or after the effective date of this act, by an ~~area vocational technical school~~ eligible institution from donations, gifts, grants or bequests, subject to any terms or conditions to the contrary imposed by the donor thereof, may be transferred to or deposited in the ~~vocational career technical education capital outlay fund~~ and may be expended by the ~~area vocational technical school~~ institution for any purpose for which ~~vocational career technical education capital outlay aid~~ may lawfully be expended.

Sec. 18. K.S.A. 72-4442 is hereby amended to read as follows: 72-4442. The amount of ~~vocational career technical education capital outlay aid~~ for each ~~school~~ eligible institution shall be determined by the state board and payments thereof shall be distributed on payment dates to be determined by the state board. The state board shall certify to the director of accounts and reports the amount due as ~~vocational career technical education capital outlay aid~~ to each ~~school~~

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eligible institution five days before each payment date. The director of accounts and reports shall draw warrants on the state treasurer payable to the treasurer of each ~~school entitled to~~ institution eligible for payment of ~~vocational~~ career technical education capital outlay aid, pursuant to vouchers approved by the state board or by a person or persons designated by the state board. Upon receipt of such warrant, the treasurer of each ~~area vocational school shall deposit the amount thereof to the credit of the area vocational school fund. The treasurer of each area vocational technical school~~ eligible institution shall deposit the amount of such warrant to the credit of the ~~vocational~~ career technical education capital outlay fund established by this act.

In the event any ~~school~~ eligible institution is paid more than it is entitled to receive under any distribution made under this act, the state board shall notify the school institution of the amount of such overpayment, and such ~~school~~ institution shall remit the same to the state board. The state board shall remit any moneys so received 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 state general fund. If any such ~~school~~ institution fails so to remit, the state board shall deduct the excess amounts so paid from future payments becoming due to such ~~school~~ institution. In the event any ~~school~~ institution is paid less than the amount to which it is entitled under any distribution made under this act, the state board shall pay the additional amount due at any time within the ~~school~~ academic year in which the underpayment was made or within 60 days after the end of such ~~school~~ academic year.

Sec. 19. K.S.A. 72-4450 shall be amended to read as follows: 72-4450. As used in this act:

(a) "Career technical education program" means a program of vocational or technical training or retraining which is operated at the postsecondary level and is designed to prepare persons for gainful employment.

(b) "Career technical education institution" means any ~~area vocational school, area vocational technical school,~~ technical college, community college, municipal university, or any state educational institution which operates one or more career technical education programs.

(c) "~~Area vocational school, "area vocational technical school, "community college, "Community college, "municipal university, "state educational institution, "technical college, "institute of technology"~~ and "state board" have the meanings respectively ascribed thereto in K.S.A. 72-4412, and amendments thereto.

(d) "Private postsecondary educational institution" and "out-of-state postsecondary educational institution" have the meanings ascribed thereto in K.S.A. 2009 Supp. 74-32,163, and amendments thereto.

(e) "Program" means the Kansas training information program established by this act.

Sec. 20. K.S.A. 72-4453 shall be amended to read as follows: 72-4453. (a) The board of trustees of every community college and the governing board of every ~~area vocational school or area vocational technical school~~ technical college and the institute of technology shall make and enter into agreements providing the transferability of substantially equivalent courses of study and programs which are offered at such educational institutions in order to facilitate the articulation of students to and among such educational institutions.

(b) The following conditions shall apply to the agreements required under subsection (a):

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- (1) The state board of regents shall be notified of the agreement at the time the agreement is executed; and
- (2) the agreement shall be effective only after approval by the state board of regents.
- (c) The state board of regents shall prescribe criteria or guidelines for the purpose of determining which courses of study and programs offered in the ~~area vocational schools and area vocational technical schools~~ technical colleges and the institute of technology are: (1) Substantially equivalent to courses of study and programs offered in the community colleges; and (2) transferable to the community colleges. A current, complete list of such courses of study and programs shall be maintained on file in the office of the state board of regents and shall be open for public inspection at any reasonable time.

Sec. 21. K.S.A. 72-4454 shall be amended to read as follows: 72-4454. The state board of regents shall adopt a policy requiring articulation agreements among ~~area vocational schools, area vocational technical schools,~~ community colleges, technical colleges, the institute of technology and state educational institutions providing for the transferability of substantially equivalent courses of study and programs which are offered at ~~area vocational schools, area vocational technical schools,~~ community colleges, technical colleges, the institute of technology and state educational institutions in order to facilitate articulation of students in technical programs to and among ~~area vocational schools, area vocational technical schools,~~ community colleges, technical colleges, the institute of technology and state educational institutions.

Sec. 22. K.S.A. 72-4466 shall be amended to read as follows: 72-4466. As used in this act:

- (a) ~~"Area vocational school", "area vocational technical school", and~~ "Technical college," "institute of technology" and "community college" have the meanings respectively ascribed thereto in K.S.A. 72-4412, and amendments thereto.
- (b) "Career technical education institution" means any ~~area vocational school, area vocational technical school~~ technical college, the institute of technology or community college.
- (c) "Board" means the state board of regents.
- (d) "Program" means Kansas technology innovation and internship program.

Sec. 23. K.S.A. 72-4470a shall be amended to read as follows: 72-4470a. (a) ~~On or before July 1, 2005, a~~ All technical college boards shall ~~develop and present to the state board of regents a plan to replace the governing body described in K.S.A. 72-4470, and amendments thereto, with a new~~ establish and maintain a plan for a governing board, which shall be separate and independent of any board of education of any school district, to operate, control and manage the technical college. The plan shall include, but not be limited to, provisions relating to:

- (1) The composition of the independent governing board;
- (2) the territory of the technical college. If the territory of the technical college includes more than one county, the plan shall designate a home county;
- (3) the method of election or appointment and the terms of service of the members of the independent governing board;
- (4) the date upon which the independent governing board shall assume management and control of the technical college;

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(5) the manner, terms upon which and extent to which the facilities, will be transferred to the independent governing board and the division of other assets and indebtedness and other liabilities; and

(6) the manner and terms upon which faculty, employees and students will be transferred to the independent governing board. Subject to the provisions of K.S.A. 2009 Supp. 72-4478, and amendments thereto, such provisions shall specify terms of employment and address other personnel matters.

~~(b) (1) Upon approval of the plan by the state board of regents and the governing body of the technical college which submitted the plan, and~~ On the date determined in the approved plan, the independent governing board established under subsection (a) of this section shall operate subject to the rules, regulations and supervision of the state board of regents in the same manner as other technical colleges, technical schools and area vocational technical schools. Any amendments to the plan shall be submitted to the state board of regents for approval.

~~(2) After June 30, 2007, if the governing body of the technical college and the state board of regents have not approved a plan submitted pursuant to subsection (a), the state board of regents shall have the power to approve the plan and upon such approval and on the date determined in the approved plan, the independent governing board established pursuant to subsection (a) shall operate subject to the rules, regulations and supervision of the state board of regents in the same manner as other technical colleges, technical schools and area vocational technical schools.~~

(c) In addition to such other powers expressly granted by law and subject to the provisions of subsection (b), the governing board shall have the power to:

(1) Determine the career technical and general education courses of instruction that will comprise the associate of applied science degree programs of the college;

(2) establish the requirements for satisfactory completion of the associate of applied science degree programs of the college;

(3) confer the associate of applied science degree upon students who successfully complete an associate of applied science degree program of the college and to award a certificate or diploma to students who successfully complete a career technical education program of the college;

(4) appoint teaching staff and fix and determine teacher qualifications, duties and compensation. No teacher appointed to teach courses comprising the associate of applied science degree programs of the college shall be required to meet licensure requirements greater than those required in the state educational institutions;

(5) have custody of, and be responsible for, the property of the college and be responsible for the operation, management and control of the college;

(6) select a chairperson and such other officers as it deems desirable, from its membership;

(7) sue and be sued;

(8) appoint and fix the compensation and term of office of a president or chief administrative officer of the college;

(9) fix and determine, within state adopted standards, all other employees' qualifications, duties, compensation and all other items and conditions of employment;

(10) enter into contracts;

(11) accept any gifts, grants or donations;

(12) acquire and dispose of real or personal property;

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(13) enter into lease agreements as lessor of any property owned or controlled by the college;

(14) adopt any rules and regulations, not inconsistent with any law or any rules and regulations of the state board of regents, which are necessary for the administration and operation of the college or for the conduct of business of the governing board;

(15) contract with one or more agencies, either public or private, whether located within or outside the territory of the college or whether located within or outside the state of Kansas for the conduct by any such agency of academic or career technical education for students of the college and to provide for the payment to any such agency for the contracted educational services from any funds or moneys of the college, including funds or moneys received from student tuition and fees;

(16) appoint as its resident agent for the purpose of service of process, either the president of the technical college or the chairperson of the governing board, or both;

(17) take any other action, not inconsistent with any law or any rules and regulations of the state board of regents, which is necessary or incidental to the establishment, operation and maintenance of the college;

(18) issue bonds for capital improvement projects, enter into bond covenants and take such ancillary action as the governing board approves, relating thereto except that such bonds shall not be secured by a pledge of any property tax revenues of the technical college; ~~and~~

(19) enter into agreements with counties relating to funding for capital improvement projects at technical colleges; and

(20) fix different rates per hour of tuition, fees and charges for the different postsecondary programs administered by such board.

Sec. 24. K.S.A. 72-4480 shall be amended to read as follows: K.S.A. 72-4480. (a) The state board of regents shall identify and approve core indicators of quality performance for ~~vocational education schools and~~ technical colleges and shall establish and implement a data management system that includes a process and format for collecting, aggregating and reporting common and institution-specific information documenting effectiveness of the ~~schools and~~ colleges in meeting the role and mission thereof.

(b) In each fiscal year, commencing with the 2003 fiscal year, each ~~vocational education school and~~ technical college is eligible to receive a quality performance grant from the state general fund. If the state board determines that the ~~school or~~ college has demonstrated effectiveness in complying with its role and mission statement and has met or exceeded the core indicators of quality performance for ~~vocational education schools and~~ technical colleges identified and approved by the state board, the ~~school or~~ college shall receive a quality performance grant in an amount which shall be determined by the state board by computing 2% of the amount of postsecondary aid the ~~school or~~ college received in the preceding fiscal year. The computed amount is the amount of the quality performance grant the ~~school or~~ college shall receive for the fiscal year.

(c) The distribution of the appropriation for quality performance grants to ~~vocational education schools and~~ technical colleges entitled to such grants shall be made at a time to be determined by the state board. The state board shall certify to the director of accounts and reports the amount due to each ~~vocational education school and~~ technical college entitled to a grant, and the director of accounts and reports shall draw a warrant upon the state treasurer in favor of the

~~school or college~~ for such amount. Upon receipt of the warrant, the treasurer of the ~~school or college~~ shall credit the amount of the warrant to the general fund.

Sec. 25. K.S.A. 72-6214 shall be amended to read as follows: 72-6214. (a) As used in this section, the following terms shall have the meanings respectively ascribed to them unless the context requires otherwise:

(1) "Board" means the state board of regents, the state board of education, the board of trustees of any public community ~~junior~~ college, the board of regents of any municipal university, ~~the board of control of any area vocational technical school~~ the governing board of any technical college and the board of education of any school district.

(2) "Student" means a person who has attained eighteen (18) years of age, or is attending an institution of postsecondary education.

(3) "Pupil" means a person who has not attained eighteen (18) years of age and is attending an educational institution below the postsecondary level.

(b) Every board shall adopt a policy in accordance with applicable federal laws and regulations to protect the right of privacy of any student, or pupil and his or her family regarding personally identifiable records, files and data directly related to such student or pupil. The board shall adopt and implement procedures to effectuate such policy by January 1, 1977. Such procedures shall provide for: (1) Means by which any student or parent of a pupil, as the case may be, may inspect and review any records or files directly related to the student or pupil; and (2) restricting the accessibility and availability of any personally identifiable records or files of any student or pupil and preventing disclosure thereof unless made upon written consent of such student or parent of such pupil, as the case may be. To the extent that any other provision of law conflicts with this section, this section shall control.

Sec. 26. K.S.A. 73-1217 shall be amended to read as follows: 73-1217. The board of trustees of every community college, the board of regents of Washburn university of Topeka, the governing board of ~~control~~ of every ~~area vocational school~~ technical college and the governing body of every other institution of post-high school education which is supported by any state moneys shall provide for enrollment without charge of tuition or fees for any dependent of a prisoner of war or a person missing in action, so long as such dependent is eligible, but not to exceed 12 semesters of instruction or the equivalent thereof at all such institutions for any person if the person started such instruction prior to July 1, 2005, or 10 semesters if the person started such instruction on or after July 1, 2005. Once a person qualifies as a dependent under the terms and provisions of this act, no occurrence, such as the return of the dependent's father or his reported death, shall disqualify the dependent from the provisions or benefits of this act. The state board of regents, the board of trustees of any community college, or the governing body of any other institution which grants tuition for fees without charge to a dependent under this act may file a claim with the Kansas veterans' commission for reimbursement of the amount of such tuition or fees. The Kansas veterans' commission shall administer this act and qualifications of persons as dependents shall be determined by such commission. Such commission may adopt rules and regulations making more specific the definitions herein contained and for the administration of this act.

Sec. 27. K.S.A. 73-1218 shall be amended to read as follows: 73-1218. The state board of regents, the board of trustees of every community ~~junior~~ college, the board of regents of

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Washburn university of Topeka, the governing board of every ~~area vocational school, the board of control of every area vocational technical school~~ technical college and the governing body of every other institution of post-high school education which is supported by any state moneys shall provide for enrollment without charge of tuition or fees for any dependent of a person who died as the result of a service-connected disability suffered during the Vietnam conflict as a result of such conflict, so long as such dependent is eligible, but not to exceed twelve (12) semesters of instruction or the equivalent thereof at all such institutions for any person. Once a person qualifies as a dependent under the terms and provisions of this act, no occurrence, such as the return of the dependent's father or mother, shall disqualify the dependent from the provisions or benefits of this act. The governing body of every institution of post-high school education which is supported by any state moneys and which grants tuition or fees without charge to a dependent under this act may file a claim with the Kansas veterans' commission for reimbursement of the amount of such tuition or fees. The Kansas veterans' commission shall administer this act and the qualification of persons as dependents shall be determined by such commission. Such commission may adopt rules and regulations making more specific the definition herein contained and for the administration of this act.

"Dependent" as used in this act shall mean any child born to, legally adopted by, or in the legal custody of a person who was a resident of the state of Kansas at the time such person entered service of the United States armed forces and who, while serving in said U. S. armed forces in the geographical area of the Vietnam conflict, has been declared to be a person who died as the result of a service-connected disability suffered during the Vietnam conflict as a result of such conflict.

Sec. 28. K.S.A. 74-3201b shall be amended to read as follows: 74-3201b. As used in the Kansas higher education coordination act:

(a) "State board of regents" or "state board" means the state board of regents provided for in the constitution of this state and established by K.S.A. 74-3202a, and amendments thereto, except as otherwise specifically provided in this act.

(b) "State educational institution" means any state educational institution, as defined in K.S.A. 76-711, and amendments thereto.

(c) "Municipal university" means Washburn university of Topeka or any other municipal university established under the laws of this state.

(d) "Community college" means any community college established under the laws of this state.

(e) "Technical college" means any technical college established under the laws of this state.

(f) ~~"Career technical education school" means any area vocational school or area vocational technical school established under the laws of this state.~~ "Institute of technology" or "Washburn institute of technology" means the institute of technology at Washburn university.

(g) "Public university" means any state educational institution.

(h) "Postsecondary educational institution" means any public university, municipal university, community college, and technical college ~~and career technical education school~~, and includes any entity resulting from the consolidation or affiliation of any two or more of such postsecondary educational institutions.

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(i) "Private postsecondary educational institution" and "out-of-state postsecondary educational institution" have the meanings ascribed thereto in K.S.A. 2009 Supp. 74-32,163, and amendments thereto.

(j) "Adult basic education program" and "adult supplementary education program" have the meanings respectively ascribed thereto in K.S.A. 72-4517, and amendments thereto.

(k) "Representative of a postsecondary educational institution" means any person who is the holder of an associate degree, a bachelor's degree, or a certificate of completion awarded by a postsecondary educational institution.

Sec. 29. K.S.A. 74-32,146 shall be amended to read as follows: 74-32,146. As used in the Kansas national guard educational assistance act:

(a) "Kansas educational institution" means and includes ~~area vocational schools, area vocational technical schools,~~ community colleges, the municipal university, state educational institutions, technical colleges, the institute of technology at Washburn university and accredited independent institutions.

(b) "Eligible guard member" means a newly enlisted or reenlisted member of the Kansas national guard with not more than 20 years of service and who is enrolled at a Kansas educational institution. The term eligible guard member does not include within its meaning any member of the Kansas national guard who is the holder of a baccalaureate or higher academic degree, who does not hold a high school diploma or general educational development (GED) credentials, or who is entitled to federal educational benefits earned by membership in the Kansas national guard, except financial assistance under the federal education assistance program (FEAP) for members of the selected reserve.

(c) "Kansas national guard educational assistance program" or "program" means the program established pursuant to the provisions of the Kansas national guard educational assistance act.

(d) "Educational program" means a program which is offered and maintained by a Kansas educational institution and leads to the award of a certificate, diploma or degree upon satisfactory completion of course work requirements

Sec. 30. K.S.A. 74-32,151 shall be amended to read as follows: 74-32,151. (a) This section and K.S.A. 74-32,152 through 74-32,159, and amendments thereto, shall be known and may be cited as the workforce development loan program act.

(b) As used in the workforce development loan act, "postsecondary educational institution" shall have the meaning ascribed thereto by K.S.A. 74-3201b, and amendments thereto.

(c) Within the limits of appropriations and private contributions therefor, and in accordance with the provisions of this act, the state board of regents may award such loans to Kansas residents who are enrolled in or admitted to ~~an area vocational technical school, a technical college, community college, vocational school coordinated under the state board of regents~~ the institute of technology at Washburn university or associate degree programs at a postsecondary educational institutions and who enter into a written agreement with the state board of regents as provided in K.S.A. 74-32,152 and amendments thereto.

(d) The board of regents may accept any private contributions to the program. The chief executive officer of the board of regents shall turn such contributions over to the state treasurer who shall deposit such moneys into the workforce development loan fund.

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(e) After consultation with the secretaries of the departments of social and rehabilitation services and commerce, the board may establish a list of education programs in which an applicant must enroll to be eligible for a loan under this program.

(f) The loans shall be awarded on a priority basis to qualified applicants who have the greatest financial need with the highest priority given to those applicants with the greatest financial need who were in foster care on their 18th birthday or were released from foster care prior to their 18th birthday after having graduated from high school or completing the requirements for a general educational development (GED) certificate while in foster care. All loans shall be awarded to resident students attending area vocational technical schools, technical colleges, community colleges, area vocational schools or associate degree programs at postsecondary educational institutions. Special preference shall also be established for residents drawing unemployment compensation or such residents who were laid off from employment within the prior six months. The board may also establish preferences for workers deemed to be eligible for North American free trade agreement transition assistance under United States department of labor standards or the Kansas department of labor standards.

(g) Loans awarded under this program shall be awarded on an annual basis and shall be in effect for one year unless otherwise terminated before the expiration of such period of time. Such loans shall be awarded for the payment of tuition, fees, books, room and board and any other necessary school related expenses.

Sec. 31. K.S.A. 75-4364 is hereby amended to read as follows: 75-4364. (a) As used in this section:

(1) "Kansas educational institution" means and includes ~~area vocational schools, area vocational technical schools,~~ community colleges, the municipal university, state educational institutions, the institute of technology at Washburn university and technical colleges.

(2) "Public safety officer" means a law enforcement officer or a firefighter or an emergency medical services attendant.

(3) "Law enforcement officer" means a person who by virtue of office or public employment is vested by law with a duty to maintain public order or to make arrests for violation of the laws of the state of Kansas or ordinances of any municipality thereof or with a duty to maintain or assert custody or supervision over persons accused or convicted of crime, and includes wardens, superintendents, directors, security personnel, officers and employees of adult and juvenile correctional institutions, jails or other institutions or facilities for the detention of persons accused or convicted of crime, while acting within the scope of their authority.

(4) "Firefighter" means a person who is: (1) Employed by any city, county, township or other political subdivision of the state and who is assigned to the fire department thereof and engaged in the fighting and extinguishment of fires and the protection of life and property therefrom; or (2) a volunteer member of a fire district, fire department or fire company.

(5) "Emergency medical services attendant" means a first responder, emergency medical technician, emergency medical technician-intermediate, emergency medical technician-defibrillator or a mobile intensive care technician certified by the emergency medical services board pursuant to the statutory provisions contained in article 61 of chapter 65 of Kansas Statutes Annotated.

(6) "Dependent" means (A) a birth child, adopted child or stepchild or (B) any child other than the foregoing who is actually dependent in whole or in part on the individual and who is related to such individual by marriage or consanguinity.

(7) "State board" means the state board of regents.

(8) "Military service" means any active service in any armed service of the United States and any active state or federal service in the Kansas army or air national guard.

(9) "Prisoner of war" means any person who was a resident of Kansas at the time the person entered service of the United States armed forces and who, while serving in the United States armed forces, has been declared to be a prisoner of war, as established by the United States secretary of defense, after January 1, 1960.

(10) "Resident of Kansas" means a person who is a domiciliary resident as defined by K.S.A. 76-729, and amendments thereto.

(11) "Spouse" means the spouse of a deceased public safety officer or deceased member of the military service who has not remarried.

(b) Every Kansas educational institution shall provide for enrollment without charge of tuition or fees for: (1) Any dependent or spouse of a public safety officer who died as the result of injury sustained while performing duties as a public safety officer so long as such dependent or spouse is eligible; (2) any dependent or spouse of any resident of Kansas who died on or after September 11, 2001, while, and as a result of, serving in military service; and (3) any prisoner of war. Any such dependent or spouse and any prisoner of war shall be eligible for enrollment at a Kansas educational institution without charge of tuition or fees for not to exceed 10 semesters of undergraduate instruction, or the equivalent thereof, at all such institutions.

(c) Subject to appropriations therefor, any Kansas educational institution, at which enrollment, without charge of tuition or fees, of a prisoner of war or a dependent or spouse is provided for under subsection (b), may file a claim with the state board for reimbursement of the amount of such tuition and fees. The state board shall include in its budget estimates pursuant to K.S.A. 75-3717, and amendments thereto, a request for appropriations to cover tuition and fee claims pursuant to this section. The state board shall be responsible for payment of reimbursements to Kansas educational institutions upon certification by each such institution of the amount of reimbursement to which entitled. Payments to Kansas educational institutions shall be made upon vouchers approved by the state board and upon warrants of the director of accounts and reports. Payments may be made by issuance of a single warrant to each Kansas educational institution at which one or more eligible dependents or spouses or prisoners of war are enrolled for the total amount of tuition and fees not charged for enrollment at that institution. The director of accounts and reports shall cause such warrant to be delivered to the Kansas educational institution at which any such eligible dependents or spouses or prisoners of war are enrolled. If an eligible dependent or spouse or prisoner of war discontinues attendance before the end of any semester, after the Kansas educational institution has received payment under this subsection, the institution shall pay to the state the entire amount which such eligible dependent or spouse or prisoner of war would otherwise qualify to have refunded, not to exceed the amount of the payment made by the state in behalf of such dependent or spouse or prisoner of war for the semester. All amounts paid to the state by Kansas educational institutions under this subsection shall be deposited in the state treasury and credited to the state general fund.

(d) The state board shall adopt rules and regulations for administration of the provisions of this section and shall determine the qualification of persons as dependents and spouses of public safety officers or United States military personnel and the eligibility of such persons for the benefits provided for under this section.

Postsecondary Technical Education Statutory Clean-Up Legislation/2010

Sec. 32. K.S.A. 75-53,112 shall be amended to read as follows: 75-53,112. As used in the Kansas foster child educational assistance act:

(a) "Kansas educational institution" means and includes any ~~area vocational school, area vocational technical school,~~ community college, the municipal university, state educational institution, the institute of technology at Washburn university or technical college.

(b) "Eligible foster child" means anyone: (1) Who (A) is in the custody of the secretary and in a foster care placement on the date such child attained 18 years of age, (B) has been released from the custody of the secretary prior to attaining 18 years of age, after having graduated from a high school or fulfilled the requirements for a general educational development (GED) certificate while in foster care placement and the custody of the secretary, (C) is adopted from a foster care placement on or after such child's 16th birthday, or (D) left a foster care placement subject to a guardianship under chapter 38 or 59 of the Kansas Statutes Annotated on or after such child's 16th birthday; and

(2) who enrolls in a Kansas educational institution on or after July 1, 2006.

(c) "Kansas foster child educational assistance program" or "program" means the program established pursuant to the provisions of the Kansas foster child educational assistance act which shall provide for undergraduate enrollment of eligible foster children through the semester the eligible foster child attains 23 years of age.

(d) "Educational program" means a program which is offered and maintained by a Kansas educational institution and leads to the award of a certificate, diploma or degree upon satisfactory completion of course work requirements.

(e) "Secretary" means the secretary of social and rehabilitation services.

Sec. 33. 75-7222 is hereby amended to read as follows: 75-7222. As used in this act, unless the context requires otherwise:

(a) "Board" means the state board of regents.

(b) "Hospital" means a licensed hospital, as defined in K.S.A. 65-425, and amendments thereto.

(c) "Library" means: (1) The state library; (2) any public library established and operating under the laws of this state; or (3) any regional system of cooperating libraries, as defined in K.S.A. 75-2548, and amendments thereto.

(d) "Network" means the KAN-ED network created pursuant to this act.

(e) "School" means: (1) Any unified school district, school district interlocal cooperative, school district cooperative or nonpublic school accredited by the state board of education; or (2) any community college, technical college, ~~area vocational school, area vocational technical school,~~ the institute of technology at Washburn university or Kansas educational institution, as defined in K.S.A. 74-32,120, and amendments thereto.

Sec. 34. K.S.A. 76-6a13 is hereby amended to read as follows: 76-6a13. As used in this act, unless the context otherwise requires:

(a) "Board" means the state board of regents or the board of regents of a municipal university or the governing board of control of the Northwest Kansas area vocational technical school ~~northwest Kansas technical college~~ or the governing board of control of the North-Central Kansas area vocational technical school ~~north central Kansas technical college~~ or the board of trustees of any community college.

(b) "Institution" means and includes any state educational institution operated and managed under the control and supervision of the state board of regents, any municipal university organized under the laws of Kansas, any community college, the ~~Northwest Kansas area vocational-technical school, and the North Central Kansas area vocational-technical school.~~

(c) "Building," when heretofore or hereafter acquired or constructed by the state board of regents for any state educational institution under the control and supervision of the state board of regents, means and includes one or more dormitories, kitchens, dining halls, student union buildings, field houses, student hospitals, libraries, on-campus parking, hospital buildings or facilities for the university of Kansas medical center, including out-patient treatment or support facilities and acquisition of any real estate therefor, additions heretofore or hereafter erected in connection therewith, or rehabilitation or renovation of an existing building, or any combination thereof, or any stadium, structure or facility when the same is deemed necessary by the state board of regents to carry out the purposes of the institution, or additions heretofore or hereafter erected in connection with such stadium, structure or facility. The state board of regents shall not issue any revenue bonds for acquisition or construction of any building, structure or facility or additions erected in connection therewith, or for rehabilitation or renovation of an existing building, as authorized by this section, unless such acquisition, construction or rehabilitation or renovation has been authorized by appropriation or other act of the legislature and the state board of regents has first advised and consulted on such acquisition, construction or rehabilitation or renovation with the joint committee on state building construction.

(d) "Revenue bonds" means bonds issued by a board under authority of K.S.A. 76-6a13 *et seq.*, and amendments thereto, and payable as to both principal and interest solely and only out of (1) the income and revenues arising from the operation of the building for which such bonds are issued, or (2) in the case of a building to be constructed for an institution under the control and supervision of the state board of regents and upon a determination by the state board of regents that the best interests of the state and the institution will be served thereby, the revenues derived from student fees levied for this purpose or for other bonds after such other bonds are retired, or both, (3) any combination of the revenues described in clause (1) or (2), and (4) in addition to the revenues described in clauses (1), (2) or (3), in the discretion of the board, out of one or both of the following additional sources: (A) The proceeds of any grant in aid of such project which may be received from any source, and (B) the net income and revenues arising from the operation of another building already owned and operated by the board and located on the same campus of the institution where the building for which bonds are to be issued will be located.

(e) "Net income and revenue" means the income arising from the operation of a building remaining after providing for the costs of operation of such building and the costs of maintenance thereof.

(f) "Building," when heretofore or hereafter acquired or constructed by a board other than the state board of regents, means and includes one or more dormitories, kitchens, dining halls, student union buildings, field houses, student hospitals, libraries, on-campus parking or additions heretofore or hereafter erected in connection therewith, or any combination thereof.

Sec. 35. K.S.A. 76-768 shall be amended to read as follows: 76-768. (a) On and after July 1, 2006:

(1) No postsecondary educational institution shall print or encode a person's social security number on or into the person's identification card.

Postsecondary Technical Education Statutory Clean-Up Legislation/2010

(2) Any distinguishing identifier assigned to the person's identification card shall be a combination of numbers or letters or both, which is unique to such person.

(3) A person's distinguishing identifier shall not, in any way, be based on or depend on the person's social security number.

(b) As used in this section:

(1) "Person" means an employee of or a student enrolled at a postsecondary educational institution.

(2) "Postsecondary educational institution" means and includes ~~area vocational schools, area vocational technical schools,~~ community colleges, the municipal university, state educational institutions, technical colleges, the institute of technology at Washburn university and private institutions of postsecondary education.

Sec. 36. K.S.A. 71-201, 71-601, 71-604, 71-609, 71-609a, 71-613, 71-613a, 71-614, 71-620, 71-701, 71-802, 71-1201, 71-1507, 71-1706, 72-4412, 72-4415, 72-4428, 72-4430, 72-4431, 72-4432, 72-4433, 72-4435, 72-4416, 72-4440, 72-4441, 72-4442, 72-4450, 72-4453, 72-4454, 72-4466, 72-4468, 72-4470a, 72-4480, 72-6214, 72-6803, 73-1217, 73-1218, 74-3201b, 74-3229a, 74-32,146, 74-32,151, 75-4364, 75-53,112, 75-7222, 76-6a13, 76-768, and 76-781 are hereby repealed.

Sec. 37. This act shall take effect and be in force from and after its publication in the Kansas Register.



KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

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KACCT 2010-2011 Legislative Proposals:
Proposal 2

1. Legislative Proposal

The community colleges would like to have the tax credits reinstated to 60% of statutorily available amounts. In addition, community colleges would like unused tax credits to go into a pool if not used by a certain date so that another college could use them rather than the tax credits being lost.

2. Issue Background

This legislation on tax credits for community colleges, technical colleges and postsecondary education institutions was enacted in 2007. Community Colleges were not given the option of pooling unused tax credits by a date certain so other community colleges could use them, but instead lose them if not used in the taxing year. Community Colleges request that we be given this option. In addition, we request that the 60% tax credit be restored. (The legislature gave the tax credits a “haircut” in 2009. (K.S.A. 79-32,264). In addition, this current legislation only allows tax credits through tax year 2012, and we would like to extend that date.

3. Rationale/Consequences

Taxpayers making contributions to community colleges for capital improvements were allowed tax credits and this provision allowed community colleges to fund important capital improvements like renovation and infrastructure improvement. We would ask to restore tax credits to 60%. Community Colleges have had a 12 -13% reduction in state operating grants, loss of the equipment & machinery slider and lowered valuations. Raising the credit back to 60% and allowing reallocation for community colleges of unused credits prior to the end of the year would financially help community colleges.

4. Fiscal and Administrative Impact

Reallocation of unused tax credits within the taxing year, will not cost anything more than current law allows. Lowering the total tax credit amount (in 2010, capped at \$208,233.33) so that 60% of the amount is allowed, rather than allowing 54% of \$208,233.33, would have no greater fiscal impact for the State.

5. Impact on other State Agencies

None more than currently required.

6. Questions Legislators May Ask/Possible Political Hurdles

Obstacles expected would be request for original amount of tax credit in a time of a large gap between state revenues and expenditures. Those who would lobby perhaps against this might be Department of Revenue and those who oppose tax credits. Those competing for scarce state dollars might object. No outreach with proponents or opponents has occurred.

7. Draft legislation attached. Proposed deletions are highlighted in yellow and bracketed; proposed amendments with new language are highlighted in blue.

KACCT legislative proposal 2010
Proposal 2 – Legislative Draft

*delete highlighted and bracketed portion

*add blue highlighted portion

79-32,264

Chapter 79.--TAXATION

Article 32.--INCOME TAX

79-32,264. Limitations on tax credits; credits allowed and amounts to be carried forward. (a) For tax years 2009 and 2010, for any tax credit provided under the following: K.S.A. 65-7107, 79-1117, 79-32,176, 79-32,177, 79-32,190 and 79-32,200 and K.S.A. 2009 Supp. 40-2246, 74-50,154, 74-50,173, 74-50,208, 74-8133, 74-8205, 74-99c09, 79-32,153, 79-32,160a, 79-32,181a, 79-32,182b, 79-32,196, 79-32,197, 79-32,201, 79-32,202, 79-32,204, 79-32,207, 79-32,211a, 79-32,212, 79-32,213, 79-32,215, 79-32,218, 79-32,222, 79-32,224, 79-32,229, 79-32,234, 79-32,239, 79-32,242, 79-32,244, 79-32,246, 79-32,252, 79-32,261 and [79-32,262], and amendments thereto, the total of any such credit or credits allowed against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, shall not exceed the lesser of 90% of the total amount of such credit or credits earned in a current tax year or claimed in a current tax year as a carry forward from a prior tax year, or 90% of the tax as computed prior to the allowance of any such credit or credits. Except as otherwise provided by subsections (c) and (d), the amount of such credit or credits that may be carried forward in any succeeding taxable year shall be reduced by an amount equal to the lesser of 10% of the total amount of such credit or credits earned in a current tax year or claimed in a current tax year as a carry forward from a prior tax year, or 10% of the tax as computed prior to the allowance of any such credits.

(b) For tax years 2009 and 2010, for any tax credit provided under K.S.A. 2009 Supp. 79-32,206 and 79-32,210, and amendments thereto, the total amount of any credits refunded or allowed against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated, shall not exceed 90% of the total amount of tax credit or credits earned, and the remaining portion of such tax credit or credits shall be lost.

(c) For any tax credit or credits earned pursuant to K.S.A. 79-32,160a, and amendments thereto, other than tax credits earned pursuant to subsection (e) of K.S.A. 79-32,160a, and amendments thereto, in a tax year prior to 2009 and carried forward from such prior tax year and claimed in tax years 2009 or 2010, any reduction in the amount of credit or credits that may be carried forward to any succeeding tax year determined pursuant to subsection (a), may be carried forward to any tax year after 2010, pursuant to the applicable carry-forward period provided in K.S.A. 79-32,160a, and amendments thereto.

(d) For any tax credit earned pursuant to subsection (e) of K.S.A. 79-32,160a, and amendments thereto, by a taxpayer qualified and certified under the provisions of K.S.A. 74-50,131, and amendments thereto, who has received prior to June 1, 2009, written approval from the secretary of commerce of a certificate of intent to invest in a qualified business facility, any reduction in the amount of credit or credits that may be carried forward to any succeeding tax year determined pursuant to subsection (a), may be carried forward to any tax year after 2010, pursuant to the applicable carry-forward period provided in K.S.A. 79-32,160a, and amendments thereto.

History: L. 2009, ch. 142, § 2; May 28.

79-32,261

Chapter 79.--TAXATION Article 32.--INCOME TAX

79-32,261. Tax credit for certain contributions to community college, technical college or postsecondary educational institution. (a) On and after July 1, 2008, any taxpayer who contributes in the manner prescribed by this section to a community college located in Kansas for capital improvements, to a technical college for deferred maintenance or the purchase of technology or equipment or to a postsecondary educational institution located in Kansas for deferred maintenance, shall be allowed a credit against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated. The tax credit allowed by this section is applicable for the tax year 2008 for any contributions made on and after July 1, 2008, and [for the tax years 2009, 2010, 2011 and 2012] for any contributions made during the entire tax year after 2009. The amount of the credit allowed by this section shall not exceed 60% of the total amount contributed during the taxable year by the taxpayer to a community college or a technical college located in Kansas for such purposes. The amount of the credit allowed by this section shall not exceed 50% of the total amount contributed during the taxable year by the taxpayer to a postsecondary educational institution for such purposes. If the amount of the credit allowed by this section for a taxpayer who contributes to a community college or a technical college exceeds the taxpayer's income tax liability imposed by the Kansas income tax act, such excess amount shall be refunded to the taxpayer. If the amount of the tax credit for a taxpayer who contributes to a postsecondary educational institution exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the taxable year in which the contribution is made. Prior to the issuance of any tax credits pursuant to this section, the structure of the process in which contributions received by a community college, a technical college or a postsecondary educational institution qualify as tax credits allowed and issued pursuant to this section shall be developed by a community college, a technical college and a postsecondary educational institution in consultation with the secretary of revenue and the foundation or endowment association of any such community college, technical college or postsecondary educational institution in a manner that complies with requirements specified in the federal internal revenue code of 1986, as amended, so that contributions qualify as charitable contributions allowable as deductions from federal adjusted gross income.

(b) (1) Upon receipt of any such contributions to a community college made pursuant to the provisions of this section, the treasurer of the community college shall deposit such contributions to the credit of the capital outlay fund of such community college established as provided by K.S.A. 71-501a, and amendments thereto. Expenditures from such fund shall be made for the purposes described in subsection (a) of K.S.A. 71-501, and amendments thereto, except that expenditures shall not be made from such fund for new construction or the acquisition of real property for use as building sites or for educational programs.

(2) Upon receipt of any such contributions to a technical college made pursuant to the provisions of this section, such contributions shall be deposited to the credit of a deferred maintenance fund or a technology and equipment fund established by the technical college which received the contribution. Expenditures from such fund shall be made only for the purpose as provided in this subsection.

(3) Upon receipt of any such contributions to a postsecondary educational institution made pursuant to the provisions of this section, such contributions shall be deposited to the credit of the appropriate deferred maintenance support fund of the postsecondary educational institution which received the contribution. Expenditures from such fund shall be made only for the purposes designated for such fund pursuant to law.

(c) (1) In no event shall the total amount of credits allowed under this section for taxpayers who contribute to any one such community college or technical college exceed the following amounts: For the tax year 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount not to exceed \$156,250; and for [the] succeeding tax years [2010, 2011 and 2012,] an amount not to exceed \$208,233.33. Any tax credit not used by a community college by a date certain as determined by the board of regents in conjunction with the community colleges can be reallocated to another community college for use in the same taxing year.

(2) In no event shall the total of credits allowed under this section for taxpayers who contribute to postsecondary educational institutions exceed the following amounts: For the tax year 2008, an amount not to exceed \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to exceed \$15,000,000. Except as otherwise provided, the allocation of such tax credits for each individual state educational institution shall be determined by the state board of regents in consultation with the secretary of revenue and the university foundation or endowment association of each postsecondary educational institution, and such determination shall be completed prior to the issuance of any tax credits pursuant to this section. Not more than 40% of the total of credits allowed under this section shall be allocated to any one postsecondary educational institution unless all such postsecondary educational institutions approve an allocation to any one such postsecondary educational institution which exceeds 40% of the total of such credits allowed under this section.

(d) As used in this section: (1) "Community college" means a community college established under the provisions of the community college act;

(2) "deferred maintenance" means the maintenance, repair, reconstruction or rehabilitation of a building located at a technical college or a postsecondary educational institution which has been deferred, any utility systems relating to such building, any life-safety upgrades to such building and any improvements necessary to be made to such building in order to comply with the requirements of the Americans with disabilities act or other federal or state law;

(3) "postsecondary educational institution" means the university of Kansas, Kansas state university of agriculture and applied science, Wichita state university, Emporia state university, Pittsburg state university, Fort Hays state university and Washburn university of Topeka; and

(4) "technical college" means a technical college as designated pursuant to K.S.A. 72-4472, 72-4473, 72-4474, 72-4475 and 72-4477, and amendments thereto.

(e) Any taxpayer not subject to Kansas income, privilege or premiums tax who contributes to a community college, technical college or postsecondary educational institution, hereinafter designated the transferor, may sell, assign, convey or otherwise transfer tax credits allowed and earned pursuant to this section. The sale price of a tax credit shall be at least 50% of the full value of the credit. Such credit shall be deemed to be allowed and earned by any such taxpayer which is only disqualified therefrom by reason of not being subject to such Kansas taxes. The taxpayer acquiring earned credits, hereinafter designated the transferee, may use the amount of the acquired credits to offset up to 100% of the taxpayer's income, privilege or premiums tax liability for the taxable year in which such acquisition was made. Such credits may be sold or transferred only one time and, if sold or transferred, shall be transferred in the tax year such credit is earned or the two successive

tax years. A transferred credit shall be claimed in the year purchased. The transferor shall enter into a written agreement with the transferee establishing the terms and conditions of the sale or transfer and shall perfect such transfer by notifying the secretary of revenue in writing within 30 calendar days following the effective date of the transfer, subject to the review and approval or denial of such transfer by the secretary of revenue. The transferor and transferee shall provide any information pertaining to the sale or transfer as may be required by the secretary of revenue to administer and carry out the provisions of this section. The amount received by the transferor of such tax credit shall be taxable as income of the transferor, and the excess of the value of such credit over the amount paid by the transferee for such credit shall be taxable as income of the transferee.

(f) The secretary of revenue shall submit an annual report to the legislature to assist the legislature in the evaluation of the utilization of any credits claimed pursuant to this act, including information specific as to each community college, technical college or postsecondary educational institution. Such report shall be due on or before the first day of the legislative session following the tax year in which the credits were claimed.

(g) The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this section.

History: L. 2007, ch. 200, § 16; May 24.

Amend KSA 75-7201

1) Legislative Proposal- Amend KSA 75-7201 to raise the dollar threshold that triggers approval from the Chief Information Technology Officer from \$250,000 to \$1,000,000 and eliminate infrastructure projects from the definition of Information Technology Project.

2) Issue Background- KSA 75-7201 provides the definitions for KSA 75-7201 through 75-7212 which lay out the procedures and authorizations required for information technology projects. The procedures require that a project plan be submitted to and approved by the Chief Information Technology Officer (CITO) for all projects that exceed \$250,000. The State Universities propose to raise the dollar threshold to \$1,000,000 with the additional requirement that more than \$500,000 of the total cost must be costs external to the organization. The State Universities also propose to eliminate "infrastructure projects" from the definition of information technology project. Infrastructure projects would include the following types of projects:

- Any investment in telecommunications equipment, network equipment, or computer support facilities associated with new building construction or major building rehabilitation.
- Any investment in telecommunications equipment, network equipment, or computing equipment purchased primarily to replace comparable but outmoded equipment.
- Any software, hardware, or licensing upgrade to an existing, fully operational system (for example, an enterprise-level financial or human resources system)

3) Rationale/Consequences- The reporting and approval process was established twelve years ago primarily for other state agencies as a planning and budgeting process by which they are requesting a project budget and then held accountable for reporting on the use of those funds. The State Universities are not requesting funding but are required to follow the same process. We are moving at a very different pace than the current CITO approval process allows. The amount of time it takes to go through this process does not blend well with the agility necessary to implement a project, particularly when more and more projects include some element of leverage and negotiations with a vendor.

Since this legislation was passed 12 years ago, all of the State Universities have developed capable Information Technology (IT) and telecommunications support groups who are capable of handling infrastructure projects routinely. In the last twelve years, technology costs have changed, the complexity of IT has changed, making \$250,000 an extremely low threshold for enterprise scale projects in 2010. In addition, the \$250,000 threshold is a one-size-fits-all figure intended to cover everything from a university to the Kansas Cosmetology Board. A \$250,000 undertaking is a major effort for the Cosmetology Board but a very modest initiative for a State University.

In addition, the planning process methodology, based on 15-year old frameworks for application development ("coding"), is inappropriate for infrastructure projects and adds considerable unproductive overhead to otherwise straightforward, routine IT and telecommunication activities.

Reducing the project reporting burden (and staff cost/overhead of generating those reports) to the state is consistent with the principles embodied in block grants and decentralized purchasing authority.

4) Fiscal and Administrative Impact- It is difficult to quantify the fiscal impact as a result of this proposal. Reducing the project reporting burden would result in less staff time and overhead costs dedicated to generating reports.

5) Impact on other State Agencies- The Office of the Chief Information Technology Officer should experience a reduction in workload. No other State Agencies will be impacted by this proposed legislation.

6) Questions Legislators May Ask/ Possible Political Hurdles/ Anticipated Opposition or Allies-

- The recent experience gained during the passage of the purchasing and surplus property statutes during the 2010 legislative session would indicate questions will be raised regarding how the State Universities will work together collaboratively as well as who will maintain oversight over these projects if the current state process is eliminated.
- Why should the universities be treated differently? Answer: All of the Regents Universities now have mature information technology units that are experienced in managing complex projects. This was not the case when the legislation was passed 12 years ago.

7) Draft of Proposed Legislation- (proposed amendment highlighted)

75-7201

Chapter 75.--STATE DEPARTMENTS; PUBLIC OFFICERS AND EMPLOYEES Article 72.--INFORMATION TECHNOLOGY

75-7201. Definitions. As used in K.S.A. 2009 Supp. 75-7201 through 75-7212, and amendments thereto:

(a) "Cumulative cost" means the total expenditures, from all sources, for any information technology project by one or more state agencies to meet project objectives from project start to project completion or the date and time the project is terminated if it is not completed.

(b) "Executive agency" means any state agency in the executive branch of government.

(c) "Information technology project" means a project for a major computer, telecommunications or other information technology improvement with an estimated cumulative cost of \$250,000 or more and includes any such project that has proposed expenditures for: (1) New or replacement equipment or software; (2) upgrade improvements to existing equipment and any computer systems, programs or software upgrades therefor; or (3) data or consulting or other professional services for such a project.

(1) For state universities under the control of the Kansas state board of regents, "information technology project" means a project for a major computer, telecommunications or other information technology improvement with an estimated cumulative cost of \$1,000,000 or more, including \$500,000 or more in costs to parties that are external to the university or Board of Regents, and includes

- a. any project, other than infrastructure projects, that has proposed expenditures for new or replacement equipment or software;
- b. upgrade improvements to existing equipment and any computer systems, programs or software upgrades therefor; or
- c. data or consulting or other professional services for such a project.

(2) For state universities under the control of the Kansas state board of regents, "infrastructure projects" means any of the following:

- a. any investment in telecommunications equipment, network equipment or computer support facilities associated with new building construction or major building rehabilitation;
- b. any investment in telecommunications equipment, network equipment or computing equipment purchased primarily to replace comparable but outmoded equipment; or
- c. any software, hardware, or licensing upgrade to an existing, fully operational system.

(d) "Information technology project change or overrun" means any of the following:

(1) Any change in planned expenditures for an information technology project that would result in the total authorized cost of the project being increased above the currently authorized cost of such project by more than either \$1,000,000 or 10% of such currently authorized cost of such project, whichever is lower;

(2) any change in the scope of an information technology project, as such scope was presented to and reviewed by the joint committee or the chief information technology officer to whom the project was submitted pursuant to K.S.A. 2009 Supp. 75-7209 and amendments thereto; or

(3) any change in the proposed use of any new or replacement information technology equipment or in the use of any existing information technology equipment that has been significantly upgraded.

(e) "Joint committee" means the joint committee on information technology.

(f) "Judicial agency" means any state agency in the judicial branch of government.

(g) "Legislative agency" means any state agency in the legislative branch of government.

(h) "Project" means a planned series of events or activities that is intended to accomplish a specified outcome in a specified time period, under consistent management direction within a state agency or shared among two or more state agencies, and that has an identifiable budget for anticipated expenses.

(i) "Project completion" means the date and time when the head of a state agency having primary responsibility for an information technology project certifies that the improvement being produced or altered under the project is ready for operational use.

(j) "Project start" means the date and time when a state agency begins a formal study of a business process or technology concept to assess the needs of the state agency, determines project feasibility or prepares an information technology project budget estimate under K.S.A. 2009 Supp. 75-7209 and amendments thereto.

(k) "State agency" means any state office or officer, department, board, commission, institution or bureau, or any agency, division or unit thereof.

History: L. 1998, ch. 182, § 1; May 21.

Housing Suspense Fund

- 1) Legislative Proposal- Amend KSA 76-762 to make the use of the Housing Suspense Fund optional rather than mandatory.
- 2) Issue Background- KSA 76-762 authorizes three housing funds at each state educational institution: a housing suspense fund, a housing operations fund, and a housing system repairs, equipment and improvement fund. The statute provides that all payments received for rents and boarding fees and other charges in connection with the operation of the housing system be remitted to the state treasurer and deposited in the housing suspense fund. Some of the universities would prefer to deposit funds directly to the Operations fund rather having the funds flow through the Suspense fund.
- 3) Rationale/Consequences- Some of the universities would prefer to deposit funds directly to the Operations fund rather than having the funds flow through the Suspense fund to the Operations fund.
- 4) Fiscal and Administrative Impact- There is no proposed fiscal impact to the proposal.
- 5) Impact on other State Agencies- There will be no impact on other State Agencies.
- 6) Questions Legislators May Ask/ Possible Political Hurdles/ Anticipated Opposition or Allies-
- 7) Draft of Proposed Legislation- (proposed amendment highlighted)

76-762. Same; operating funds created; deposit of moneys; interest on moneys deposited in housing system suspense fund; use of moneys in funds. (a) There is hereby created in the custody of the state treasurer the following funds at each state educational institution from which the housing system shall be operated:

- (1) A housing system suspense fund;
- (2) a housing system operations fund; and
- (3) a housing system repairs, equipment and improvement fund.

(b) Payments received for rents and boarding fees and other charges in connection with the operation of the housing system shall be remitted 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 housing system suspense fund **or the housing system operations fund as directed by the state educational institution.**

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the housing system suspense fund, **the housing system operations fund and the housing system repairs, equipment and improvement fund** of each state educational institution interest earnings based on:

- (1) The aggregate of (A) the average daily balance of moneys in the housing system suspense fund (B) the average daily balance of moneys in the housing system operations fund, and (C) the average daily balance of moneys in the housing system repairs, equipment and improvement fund of the state educational institution for the preceding month; and
- (2) the net earnings rate for the pooled money investment portfolio for the preceding month.

(d) The housing system operations fund shall be used to pay the expenses of operation of the housing systems and for the operation and maintenance of the system. ~~The state educational institution shall transfer~~ **Transfers may be made** from the housing system suspense fund to the operations fund amounts needed for the operation and maintenance of the system **as determined by the state educational institution**. Each state educational institution shall establish such accounts within the housing system operations fund as are required for the efficient management of the system.

(e) The housing system repairs, improvements and equipment fund shall be used for repairs, equipment, improvements and expansion of the housing system that cannot be financed from the housing system operations fund. Transfers may be made to this fund from the housing system suspense fund or the housing system operations fund as determined by the state educational institution. Expenditures from this fund may be made for projects that have been approved by the state board of regents.

History: L. 1985, ch. 296, § 2; L. 1996, ch. 253, § 34; L. 2001, ch. 5, § 421; L. 2006, ch. 132, § 12; July 1, 2007.

JCERTA Earned Income Retention

- 1) Legislative Proposal- Enable the Universities to retain earned interest on revenue raised by the Johnson County Education Research Triangle Authority sales tax.

- 2) Issue Background- The Johnson County Education Research Triangle Authority (“JCERTA”) oversees revenue raised by a one-eighth-cent sales tax in Johnson County. The JCERTA funds are used for building, construction, academic and research program development and growth, faculty and staff recruitment and retention, and operations and maintenance in support of the undergraduate and graduate programs at the Edwards Campus of the University of Kansas, the research and education programs in animal health and food safety and security at the Johnson County location of Kansas State University, and the medical education and life sciences and cancer research programs at the Johnson County locations of the University of Kansas Medical Center.

Current statutes do not contemplate what is to be done with the interest earned on JCERTA funds. However, the earned interest on JCERTA funds should be used in the same manner as other revenue derived from the JCERTA sales tax. Amending the statute would ensure that all revenue, including earned interest, from the sales tax is used for its intended purpose of supporting the Johnson County Education Research Triangle.

- 3) Rationale/Consequences- Retaining earned interest to further support the Johnson County Education Research Triangle is consistent with the Johnson County Education Research Triangle Authority Act. Specifically, K.S.A. 76-5005 directs that, “[a]ll revenue received by the county treasurer pursuant to this act shall be appropriated by the county to the Johnson county education research triangle authority.” Retaining the earned interest ensures that all revenue so received is appropriated to JCERTA. Furthermore, retaining the earned interest is consistent with other statutes, such as K.S.A. 76-762, that allow state agencies to retain the earned interest on funds used to support the institutions mission.

- 4) Fiscal and Administrative Impact- Retaining the earned interest on JCERTA funds would increase the revenue available to support the research triangle.

- 5) Impact on other State Agencies- The three components of the research triangle: the Johnson County locations of the University of Kansas Medical Center, the Edwards Campus of the University of Kansas, and the Johnson County location of Kansas State University would benefit from retaining the earned interest on JCERTA funds.

- 6) Questions Legislators May Ask/ Possible Political Hurdles/ Anticipated Opposition or Allies-

- 7) Draft of Proposed Legislation- (proposed amendment highlighted)

19-5003. Same; creation; imposition or levy of tax; sales tax, administration and procedure; voter recall

(a) If a majority of the electors voting at the election provided in [K.S.A. 19-5002](#), and amendments thereto, shall approve such proposition to create the Johnson county education research triangle authority and to grant authority to impose a retailers' sales or levy an annual tax

on real property within the county, or combination of both, the authority shall be created and the board of county commissioners shall provide by resolution for the imposition of the sales tax or levy of the annual tax on real property, or combination of both, and pledging the revenues received therefrom for such purposes as specified in this section. With regard to the retailers' sales tax, Johnson county shall utilize the services of the state department of revenue to administer, enforce and collect such tax. The sales tax shall be administered, enforced and collected in the same manner and by the same procedure as other countywide retailers' sales taxes are levied and collected and shall be in addition to any other sales tax authorized by law. Upon receipt of a certified copy of a resolution authorizing the levy of a countywide retailers' sales tax pursuant to this act, the state director of taxation shall cause such tax to be collected within and outside the boundaries of Johnson county at the same time and in the same manner provided for the collection of the state retailers' sales tax and local retailers' sales tax. All retailers' sales tax moneys collected by the director of taxation under the provisions of this act shall be remitted 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 Johnson county education research triangle authority retailers' sales tax fund which fund is hereby established in the state treasury. Any refund due on any retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from retailers' sales tax revenue collected pursuant to this act. All retailers' sales tax revenue collected within any county pursuant to this act shall be remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of Johnson county.

(b) Any such sales tax imposed or tax levy on real property enacted by the voters of Johnson county shall be subject to voter recall upon proper petition and submission of the issue to a recall ballot in a general election.

(c) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the Johnson county education research triangle funds appropriated to the University of Kansas, Kansas State University, and the University of Kansas Medical Center interest earnings based on the average daily balance of moneys in the Johnson county education research triangle fund for the preceding month.

Legislative Proposal

The Kansas Board of Regents supports the aviation industries request to the Governor and Kansas Legislature for research and workforce training funding in the FY2012 legislative session.

Issue Background

Below is a draft letter being prepared for the Governor by the aviation industry:

The aviation industry in Kansas is experiencing a very challenging year as we have experienced a significant downturn in our national and state economies. However, aviation is a long term growth industry; one that can continue to help fuel the Kansas economy for decades to come. Focused financial support from the state is critical to ensure we enter the economic recovery in a strong competitive position.

The aviation industry is one of the major drivers of the Kansas economy. As a result of the aviation employment, **each aviation job in Kansas generates an additional 3.6 jobs throughout the state.** In addition, **every Kansas residents pays \$525 less in taxes due to the combined revenues and business activities of the aviation industry.**

As you begin preparing the FY 2012 budget, we want to draw your attention to the importance of continued funding for aviation research and workforce training. Our industry faces two enormous challenges requiring state assistance to overcome.

The first is the need to stay at the forefront of exponentially changing technology. In 2010, the state funded \$5 million for aviation research at NIAR based on your budget recommendation. We respectfully request again that \$5 million funding be requested during the 2011 legislative session. NIAR is the center of excellence in new technologies that are critical to retaining world leadership in the aerospace and general aviation markets our companies address. **Most importantly, NIAR's research is truly customer driven in that it is prioritized by our Kansas based aviation companies.**

The second great challenge facing our companies is having a sufficient number of qualified employees when the aviation market returns. We must not let the current slump in aviation sidetrack our efforts to gain a competitive advantage in workforce development. Before the economic downturn, Wichita-based aviation companies projected a need to add another 1,000 employees per year in each of the next nine years. These additions are above and beyond the new workers necessary to replace those who retire.

Kansas aviation companies, the City of Wichita, Sedgwick County and the State of Kansas have been focusing on the workforce training issue for over 10 years. The result of that time, effort

and attention is visible in north Wichita, as the first phase of the National Center for Aviation Training nears completion in 2010. By addressing our great need for qualified employees, the Center will enable thousands of Kansans to be trained to perform good, high paying jobs. These employment opportunities will allow many Kansans to remain in our state once they have been professionally trained.

We are respectfully requesting \$5 million per year for aviation technical training programs for the next two years beginning with FY 2012. As you know, a request for \$5 million was funded because of your leadership. While it is easy to focus on the short term downturn, we must be prepared to address the recovery and the resulting training needs to ensure we have the most highly skilled workforce in the world.

We appreciate your leadership, support and recognition of the importance of the aviation industry in Kansas. We look forward to discussing these requests and are prepared to answer any questions you may have about the investments and the return on those investments for the State of Kansas.

Rationale/Consequences

Aviation is the number one export of the United States

Manufacturing is the largest economy in the State of Kansas

- The Kansas aviation industry is pleased that the Governor and Kansas Legislature have maintained their focus on economic growth in Kansas. Boeing, Bombardier, Cessna Aircraft, Spirit AeroSystems and Hawker Beechcraft account for a significant portion of the gross domestic product of the state and have a vested interest in initiatives that help maintain and grow their contribution to the state economy.
- Manufacturing is 16 billion dollars of the Kansas economy to put that in perspective the agriculture, oil and gas economies are less than 4 billion dollars.

Each Kansas resident pays \$525 less in taxes due to the combined revenues and business activities of the aviation sector (see above).

The fiscal impact of aviation to the state of Kansas was estimated to be \$1.2 billion.

Each aviation job creates 3.6 other jobs in Kansas (see above).

These aviation research projects will help the Kansas aviation industry reduce cycle-time-to-market, reduce costs, enhance quality and safety for improved competitiveness, and retain and create jobs.

The continued support for research and development by the state helps the Kansas

Congressional delegation leverage federal funding for NIAR.

- In 2004, NIAR was named an FAA Center of Excellence for Advanced Materials and a NASA National Center for Advanced Materials Performance.
- In 2006, the Department of Defense created a Center of Excellence for Aging Aircraft at NIAR. As a result of this center, NIAR was awarded \$4M in contract work from the Air Force for aging KC135 tanker work and expects to be awarded a follow-on program for an additional \$25M.

Historically the state has used EDIF funds (lottery revenue) to fund these aviation requests.

Fiscal and Administrative Impact

None

Impact on other State Agencies

Request from the aviation industry directly impacts a Kansas Board of Regents University and a technical college.

Questions Legislators May Ask / Possible Political Hurdles / Anticipated Opposition or Allies

This aviation request has been supported by the governor and put in the budget and been funded by the legislature when requested. The requests are solid and the questions are few.

Draft of Proposed Legislation

None

Wichita State University
KBOR 2011 Legislative Proposal Suggestion
Concerning Authority to Issue Revenue Bonds for
Remodeling of the Rhatigan Student Center
September 10, 2010

1. Legislative Proposal

Wichita State University requests legislative authority for the issuance of approximately \$33 million in revenue bonds for the Rhatigan Student Center Expansion and Renovation Project.

2. Issue Background

The Rhatigan Student Center (RSC) serves as a venue for food services, the University Bookstore, meeting rooms, recreational facilities, a bank, and lounge space for students to relax or study. It also houses the Student Government Association, Student Activities Council, Center for Student Leadership, Shocker Bowling Program, and other academic and campus-related programs. The building opened in 1959, and a major addition was added on at the south end of the building in 1969. The building has undergone miscellaneous interior remodeling projects over the years, but the elevators and mechanical systems in the building are now in need of replacement and/or refurbishing. While the RSC has served the University campus well for the past fifty years, it has become increasingly apparent that many areas of the building need to be upgraded and expanded in an effort to accommodate the needs of students, faculty, staff, alumni, and the community.

3. Rationale/Consequences

After assessing current needs, the potential for future growth, and an evaluation of existing building conditions and its infrastructure, conceptual plans and cost estimates were developed for a major renovation and expansion to the Rhatigan Student Center. Resulting plans include additions to the building totaling approximately 35,000 square feet, renovation to approximately 80% of the existing building, and upgrades to the building's infrastructure. The project is included in the Wichita State University Five Year Capital Improvement Plan. Deferred maintenance and accessibility issues must be addressed.

4. Fiscal and Administrative Impact

The estimated cost of the project, including bond costs, is approximately \$33 million. The project will be funded through a sale of revenue bonds supported by student fees as approved by the Wichita State University Student Government Association and the Kansas Board of Regents. Assessment of the \$6.00 per credit hour student fee began in the fall 2010 semester.

5. Impact on Other State Agencies

There will be no impact on other state agencies.

Wichita State University
KBOR 2011 Legislative Proposal Suggestion
Concerning Authority to Issue Revenue Bonds for
Remodeling of the Rhatigan Student Center
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6. Questions Legislators May Ask

Questions are not expected as this is standard operating procedure for these types of projects.

7. Draft of Proposed Legislation

Proposed legislation is being drafted by the Kansas Development Finance Authority, and Gilmore and Bell, bond counsel.