

Kansas Board of Regents  
Postsecondary Education Institution Loan Application

House Bill (HB) 2237 of the 2007 Kansas Legislature, authorizes \$100.0 million in bonds (\$20.0 million each fiscal year) beginning in FY 2008, to be requested by the Board of Regents from the Kansas Development Finance Authority (KDFA) for Washburn University, the community colleges, and technical colleges. The principal and interest for the bonds would be paid from the State General Fund, with the institutions reimbursing the State General Fund for the principal portion of the payments each year. The bonds would be let as 8-year bonds, with a cap of \$15.0 million in bonds per institution over the five-year period. Bond payments would begin after July 1, 2008.

Any default on payments due under the loan agreement will result in the KBOR intercepting state funding to the institution and may require the applicant to levy additional ad valorem taxes. KBOR is considering asking the Legislature to extend years 2 through 5 to 20 year bonds.

Barton is initially requesting \$1,300,000 from KBOR for the purpose of renovating the Library and renovating and expanding the Technical building. These bonds must be paid off within 8 years. The estimated cost of the project is \$4,300,000. There are two options for funding the additional \$3,000,000. If KBOR is successful in extending the bonds to a 20 year payoff, Barton could apply for the additional \$3,000,000 in state bonds. If the bonds are not extended to 20 year bonds, the additional funds would be financed with certificates of participation.

For bond year #1, the application must be received in the KBOR office by December 21, 2007.