

Approved 2-14-83
Date

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by BILL BUNTEN at
Chairperson

1:30 ~~am~~/p.m. on Tuesday, February 8, 1983 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Marlin Rein -- Legislative Research
Lyn Entrikin-Goering -- Legislative Research
Bill Gilmore -- Legislative Research
Jim Wilson -- Office of the Revisor
LewJene Schneider -- Administrative Assistant
Charlene Wilson -- Committee Secretary

Conferees appearing before the committee:

Mr. David Monical -- Legislative Research
Mr. Stan Koplík -- Executive Director--Board of Regents

Others Present: (Attachment I)

The meeting was called to order by Chairman Buntén at 1:30 p.m.

The Chairman called upon David Monical to continue with his review of Budget Memo 83-8, which had begun at yesterday's meeting. (This attachment is filed with the minutes of February 7, 1983).

Section J, Equipment, Computers, Libraries: Mr. Monical stated that equipment is the easiest purchase on a campus to defer. It tends not to be a strong budget item although it does appear in the budgets. And it also tends to be the type of item in that in the end of the year, if items need to be purchased in other areas, equipment purchases are put off in that fiscal year in the hopes that it can be bought in the subsequent year. This practice is common on campuses throughout the country. Therefore, the creation of a particular line for major equipment purchases would tend to alleviate some of the problems. Representative Shriver asked if any other state agencies use the computer systems at the universities and if so are they charged for that usage. Mr. Monical indicated that all of the university computers are accessible by outside users, primarily the state, and they are charged on an at cost basis. Additionally, in some cases, they do allow private or semi-public types of organizations to utilize the facilities and they are charged at a somewhat higher rate. Mr. Shriver asked if they are underutilizing DISC by going to the universities to use the computers. Mr. Monical answered in hypothetical terms that most of the uses that an agency would make of the university computers would not be the same type of massive data processing uses that state agencies typically make of DISC.

Chairman Buntén stated that since the Governor did not recommend funding the equipment, computers and libraries but on the other hand did recommend a \$1.5 million increase for the Board of Regents Office for research grants, how will these grants be used. Mr. Monical could not address this question with any surety, therefore the Chairman called upon Mr. Stan Koplík, Executive Director of the Board of Regents to address the question. Mr. Koplík stated that some interest would be attracted by the universities on the part of private enterprise of a particular project. Jointly with a 50-50 match of funding, they could carry out some of these projects. The research that would be done by virtue of the state's private enterprise partnership will result in improving the economic environment, improving opportunities for employability and adding to the research reputation of the state of Kansas.

Chairman Buntén asked what the budget was for OOE at the Regents Institutions last year. Mr. Monical indicated that the base budget for OOE last year, excluding utilities, was \$67,644,370.00. Chairman Buntén then asked what was recommended by the Governor for an increase from the base for FY84. Mr. Monical indicated that the sum was \$4,411,706.00 or 7%.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,room 514-S, Statehouse, at 1:30 ~~xxx~~p.m. on Tuesday, February 8, 1983.

Representative Luzzati asked Mr. Koplik what plan they are formulating for research overhead for the \$1.5 million. Mr. Koplik indicated that this will be addressed in the forthcoming bill. He further stated that none of this money is to be used directly for the projects.

Chairman Buntun asked, regarding the regents' recommendation for \$1.3 million for computers, if this was to be considered as a catch-up measure and what dollar amount is necessary to catch up. Mr. Monical indicated that this was indeed a form of catching up and he further stated that he has not seen a dollar amount from any of the universities that would be needed to catch up. Chairman Buntun asked if the fact that we are behind is the reason for the \$1.3 million request. Mr. Monical indicated that the board would probably argue that this reflects two factors. One being inflation in these areas and the other being the lag that exists with the Kansas institutions from the average of their peers. Chairman Buntun stated then that the \$1.3 million would be in addition to the 7% recommendation. Mr. Monical indicated that this was correct.

Section K, Servicing New Buildings: Mr. Monical indicated that a typo appears on p. 607 in the paragraph headed Formulas and the \$.043 in the last sentence should read \$0.43. Representative Farrar asked since K-State is on KP&L power, which would result in probably \$1.00 or more difference lower for the cost of gas, why isn't this reflected on the chart in light of the fact that other institutions are on a higher line of utility service. Mr. Monical speculated that some of this may be due to the age of some of the buildings at K-State and they make rather extensive use of window air conditioners, which are less energy efficient, therefore, what they are saving on the gas side they are spending on the electricity side.

Section L, Student Tuition: Mr. Monical indicated that an important thing to keep in mind with regard to student tuition is the fact that the 25% does not mean that an individual student is paying a 25% increase for tuition. Representative Holderman asked what the percent of increase would be if it is not 25%. Mr. Monical answered by saying that it depends greatly upon which area of study the student is in. Mr. Monical mentioned that the tuition does not include any special fees a student may have to pay.

Representative Meacham asked how long it has been since there has been a tuition increase. Mr. Monical replied that the last increase occurred in 1982 and that was 22.5%. Representative Meacham asked then how much the general fund contribution had grown during the same 2 year period. It was indicated by Mr. Monical that this amount was not known at this time but at the request of Representative Meacham the information will be obtained and made available to the committee.

Section M, Base Budget Reductions: With relation to "peer" institutions, Chairman Buntun asked what are the peer institutions for KU and K-State. Mr. Monical indicated that they are the same ones used in the formula funding group, those being Iowa, Iowa State, Oklahoma, Oklahoma State, North Carolina, North Carolina State, Oregon, Oregon State, Colorado and Colorado State. Chairman Buntun asked if any of our Regents had gone out and visited these peer institutions. Mr. Monical stated that the staff of the respective institutions go out to the peer institutions about every two years to go over the budget and make sure that the costs are being measured on the campuses are as comparable as they can make them.

Representative Dyck asked where the Governor started with the base budget reduction. Mr. Monical indicated that he started with the 1983 budget, as approved by the legislature, not minus the 4%. He provided for the maintenance increases, enrollment, new buildings, etc. and added all of that together to get the picture that, if the state had the money, this is what would be given to them to maintain the budget. Then the decision was made that the state did not have the resources to support the Regents' Institutions so all that would be recommended would be the "A Level" allocations. Therefore, the reduction had to be made from what would have been provided if resources were available to what the Governor felt could be provided given the existing resources. This reduction is \$14 million.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,

room 514-S Statehouse, at 1:30 ~~xxx~~ p.m. on Tuesday, February 8, 1983.

Representative Mainey asked how many positions that are to be done away with are not filled at the present time. Mr. Monical stated that the institutions will first eliminate all vacant positions. Then they will reduce under-filled positions. The extent to which it will effect people who currently have jobs cannot be forseen at this time.

The meeting was adjourned at 3:30 p.m.

GUESTS

DATE 2-8-87

NAME	ADDRESS	REPRESENTING
1. Fred Seidenmann	Wichita	WSU
2. Stan Z. Kelly	Topeka	Board of Regents
3. Mark C. Tallman	Topeka	ASK
4. Chris Leaver	Topeka	ASK
5. Bruce Zernson	Lawrence	leg. intern
6. Nickie Stein	Topeka	KS St. Nurses' Assn.
7. Harley Dwyer	Topeka	Budget Division
8. Mike Johnson	Manhattan	N. St.
9. Rich Friedrich	Topeka	American Association of University Professors
10. James Skellett	Emporia	E.S.U.
11. Pat B. Dallen	Topeka	Division of Budget
12. Jill Walter	topeka	leg. intern
13. Bill Hollenbeck	Pittsburg	Pitt St Univ
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