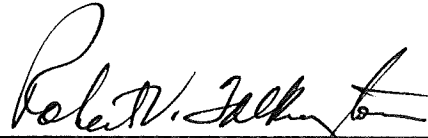


SENATE SUBCOMMITTEE REPORTS

1983 H.B. 2135 (FY 1983 Appropriations)  
Kansas State University  
KSU Veterinary Medical Center

1983 H.B. 2148 (FY 1984 Appropriations)  
Kansas State University  
KSU Veterinary Medical Center

1983 H.B. 2156 (Capital Improvements)  
Kansas State University  
KSU Veterinary Medical Center



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Senator Robert V. Talkington  
Subcommittee Chairman



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Senator Billy Q. McCray

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 2135 Bill Sec. 5

Analyst: Monical Analysis Pg. No. 52 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 83</u>	<u>Governor's Rec. FY 83</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 65,245,720	\$ 64,546,755	\$ ---
General Fees Fund	13,482,351	13,578,785	---
Land Grant Funds	6,055,705	6,320,161	---
Interest	85,000	85,000	---
General Use Funds	<u>\$ 84,868,776</u>	<u>\$ 84,530,701</u>	<u>\$ ---</u>
Other Funds	50,796,278	50,796,278	---
Subtotal	<u>\$135,665,054</u>	<u>\$135,326,979</u>	<u>\$ ---</u>
<b>Capital Improvements</b>			
State General Fund	\$ 5,000	\$ 5,000	\$ ---
Educational Building Fund	4,445,216	4,433,216	---
Other Funds	2,072,990	2,065,697	---
Subtotal	<u>\$ 6,523,206</u>	<u>\$ 6,503,913</u>	<u>---</u>
TOTAL	<u>\$142,188,260</u>	<u>\$141,830,892</u>	<u>\$ ---</u>

<b>F.T.E. Positions:</b>			
Classified	1,871.2	1,871.2	---
Unclassified	2,242.6	2,242.6	---

Agency Request/Governor's Recommendation

The agency's budget request contains four supplemental funding adjustments other than those pursuant to the budget allotments. Requested are a \$96,434 State General Fund appropriation to offset reductions in tuition income to the General Fees Fund; a \$50,000 supplemental appropriation to offset reductions in federal land-grant instructional funds; a \$214,456 supplemental appropriation to offset reductions in federal land-grant research funds; and a \$7,293 supplemental appropriation to fully finance a special assessment for street repairs on North Manhattan Avenue.

The Governor recommends none of the requests for supplemental appropriations and reduces expenditures to reflect the withholding of classified merit increases and a \$12,000 lapse in Educational Building Funds for final planning of Nichols Gymnasium.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House in not providing additional supplemental funding for FY 1983.

## SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 2148 Bill Sec. 3Analyst: Monical Analysis Pg. No. 52 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 76,430,813	\$ 68,773,478	\$ (7,498,616)
General Fees Fund	15,765,059	15,616,080	—
Land Grant Funds	6,424,782	6,424,782	—
Interest	148,000	148,000	—
General Use Funds	\$ 98,768,654	\$ 90,962,340	\$ (7,498,616)
Other Funds	55,931,569	54,852,706	—
Subtotal	<u>\$154,700,223</u>	<u>\$145,815,046</u>	<u>\$ (7,498,616)</u>
Capital Improvements:			
State General Fund	\$ 2,870,410	\$ —	\$ —
Educational Bldg. Fund	3,739,760	1,500,000	(1,500,000)
Other Funds	894,685	894,685	—
Subtotal	<u>\$ 7,504,855</u>	<u>\$ 2,394,685</u>	<u>\$ (1,500,000)</u>
TOTAL	<u>\$162,205,078</u>	<u>\$148,209,731</u>	<u>\$ (8,998,616)</u>
F.T.E. Positions:			
Classified	1,882.0	1,847.2	—
Unclassified	2,242.4	2,196.5	—

Agency Request/Governor's Recommendation

The University's request for FY 1984 includes the following systemwide items: a 9.0 percent increase for unclassified salaries and a 1.0 percent increase in the state's retirement contribution for unclassified employees; a 7.0 percent increase for classified salaries; a 9.0 percent increase for student salaries; a 10.0 percent increase for other operating expenditures; and a 20.0 percent increase for utilities. Additional funding of \$100,000 is requested for equipment purchases; \$250,000 for increased support of computer operations; and \$100,000 for library acquisitions. In adjusting for enrollment changes, the request includes the addition of \$566,812 (\$408,192 in salaries and \$158,620 in other operating expenditures) for support of 14.0 F.T.E. unclassified and 8.0 F.T.E. classified positions. To maintain new buildings entering service, the University requests a total of \$531,332 (\$207,370 for salaries, \$54,869 for other operating expenditures, and \$269,093 for utilities) and the addition of 14.5 F.T.E. classified positions. In order to bring budgeted expenditures into closer correspondence with actual expenditures, the University requests that \$600,000 budgeted for salaries be transferred to other operating expenditures. This request includes the deletion of 14.2 F.T.E. unclassified and 11.7 F.T.E. classified positions.

Requested capital improvements include \$3,739,760 (plus \$2,000,000 in FY 1985) for construction of a classroom and office facility within the shell of Nichols Gymnasium. Other requested capital improvements include \$668,000 for energy conservation projects; \$329,500 to resurface and repair streets; \$472,030 for planning of a chemistry-biochemistry building; \$750,000 for a chilled water distribution system; \$194,380 for planning Phase II of the Plant Sciences Complex; and \$456,500 for a centrifugal chiller. Requested projects from local funds are \$394,685 for parking lot improvements and \$500,000 for dormitory maintenance and repair.

The Governor recommends the following systemwide adjustments: a 4.0 percent increase for unclassified, classified, and student salaries; a 7.0 percent increase for other operating expenditures; and a 20.0 percent increase for utilities. The Governor's recommendations include the addition of \$566,812 and 22.0 F.T.E. positions due to enrollment changes. The Governor also recommends the transfer of \$600,000 from salaries to other operating expenditures and the deletion of 25.9 F.T.E. positions as requested by the University. Funding for servicing new buildings is recommended at the requested level of \$531,332 along with the addition of 14.5 F.T.E. positions. Because of fiscal constraints, the Governor recommends a base budget reduction of \$3,294,126 (\$2,751,162 in salaries and \$542,964 in other operating expenditures) and the deletion of 34.8 F.T.E. classified and 45.9 F.T.E. unclassified positions.

Recommended capital improvements include multi-year funding totaling \$5,739,760 from the Educational Building Fund for reconstruction of Nichols Gym. The recommendation appropriates \$1,500,000 for FY 1984 and \$4,239,760 for FY 1985 and is contained in H.B. 2156. Other capital improvements recommended are \$394,685 for parking lot improvements and \$500,000 for dormitory maintenance, both to be financed from local funds.

#### House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustments and comments:

1. Based on systemwide considerations the Subcommittee recommends the following adjustments:
  - a. Deletion of \$2,749,931 for salary increases.
  - b. Deletion of \$4,568,542 for utility costs.
  - c. Deletion of \$173,489 to reflect a recommended 5.5 percent increase in other operating expenditures.
  - d. Deletion of \$6,654 to correct an error in the requested funding for enrollment adjustments.
  - e. Deletion of \$1,500,000 for reconstruction of a classroom-office facility within the shell of Nichols Gymnasium. This item will be considered along with all other newly recommended capital improvements following review by the Joint Committee on State Building Construction. All new capital improvement projects recommended by the Governor will be considered in conjunction with H.B. 2156.
2. The Subcommittee recommends the addition of a proviso to the Student Coliseum Bond Fee Fund which would allow for investment of the funds and the crediting of interest to the Fee Fund. Further, the proviso should authorize that any interest collected on the investment of the bond fees during FY 1983 shall be transferred to the Student Coliseum Bond Fee Fund on July 1, 1983.

3. The Subcommittee concurs with the recommended transfers from salaries to other operating expenditures in the areas of research and extension. The Subcommittee also recognizes that the FY 1984 transfers represent only the first phase and additional transfers will be requested for FY 1985 in an attempt to bring budgeted and actual expenditures into closer agreement. The Subcommittee is concerned that the University followed the practice of underspending salaries to provide additional support for other operating expenditures for a long period without legislative review. It is the Subcommittee's intention to review in detail the operating expenditures component of the extension and research budgets in conjunction with the FY 1985 budget request. This detailed review is deferred until that time to allow the University an opportunity to develop its final proposals for transferring salary funds from unfilled positions to other operating expenditures. The Subcommittee expects the University to provide a detailed justification for retention of any funds to be transferred to other operating expenditures as part of its FY 1985 legislative budget request.
4. The Subcommittee notes that the University has responded to concerns expressed by the 1982 Legislature and that a program statement for Weber Hall remodeling and additions is on file with the Board of Regents and the Joint Committee on State Building Construction. The Subcommittee, therefore, recommends that the Joint Committee on State Building Construction review this program statement and the proposed project as part of its activities during the 1983 Interim. The Subcommittee also notes the efforts of the University in attempting to improve the facilities in Weber Hall for use by the Animal Science Department. Such improvements consist of \$83,000 in University funds for purchase and installation of a refrigeration system and \$41,415 for roof replacement in the current fiscal year. Additionally, the University proposes using \$116,500 from its FY 1984 major repairs allocation for additional roof repairs on Weber Hall and its associated arena.

#### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations and recommends the following capital improvement projects for inclusion in H.B. 2156:

1. Appropriation of \$1,500,000 for FY 1984 from the Educational Building Fund for construction of a classroom and office building in the shell of Nichols Gymnasium. The recommendation also includes appropriation of \$4,239,760 for FY 1985 to bring the total project cost to \$5,739,760.
2. Appropriation of \$125,000 for FY 1984 from the Educational Building Fund for preliminary planning of a chemistry-biochemistry building.
3. Appropriation of \$112,000 for FY 1984 from the Educational Building Fund for Weber Hall roof repairs.
4. Appropriation of \$113,000 for FY 1984 from the Educational Building Fund for preliminary planning of renovation of Weber Hall.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Based on systemwide considerations, the Subcommittee recommends the following adjustment:
  - a. Addition of \$173,489 to reflect a recommended 7.0 percent increase in other operating expenditures.
2. Addition of \$30,000 and 1.0 F.T.E. unclassified position to provide a coordinator for the International Grains Program.

SUBCOMMITTEE REPORT

Agency: K.S.U. Veterinary Medical Center Bill No. 2135 Bill Sec. \_\_\_\_\_  
 Analyst: Monical Analysis Pg. No. 58 Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 83</u>	<u>Governor's Rec. FY 83</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 4,947,340	\$ 4,675,569	\$ --
General Fees Fund	1,624,852	1,624,852	--
Hospital Revenue Fund	985,527	985,527	--
General Use Funds	\$ 7,557,719	\$ 7,285,948	\$ --
Other Funds	328,651	328,651	--
Subtotal	<u>\$ 7,886,370</u>	<u>\$ 7,614,599</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 2,102	\$ 2,102	\$ --
Educational Building Fund	32,000	32,000	--
Other Funds	--	--	--
Subtotal	<u>\$ 34,102</u>	<u>\$ 34,102</u>	<u>\$ --</u>
<b>TOTAL</b>	<u>\$ 7,920,472</u>	<u>\$ 7,648,701</u>	<u>\$ --</u>
<b>F.T.E. Positions:</b>			
Classified	119.1	119.1	--
Unclassified	89.5	89.5	--

Agency Request/Governor's Recommendation

The agency's budget request contains one supplemental funding adjustment other than those pursuant to the budget allotments. This request is for a \$225,000 State General Fund supplemental appropriation to offset the loss of federal capitation grant funding.

The Governor does not recommend replacement of federal capitation grants and also reduces the budget to reflect the withholding of merit increases for classified employees. Further, the Governor's recommendations do not include a transfer to the Hospital and Diagnostic Laboratory Improvement Fund should revenues exceed the \$950,000 revenue floor.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. The Subcommittee recommends that if receipts to the Hospital and Diagnostic Laboratory Revenue Fund exceed the revenue floor of \$950,000, that one-half of the excess be transferred to the Hospital and Diagnostic Improvement Fund in accordance with Chapter 25, 4(d) and (e) of the 1982 Session Laws. No granting of additional expenditure authority is required and it is unlikely that this action will lower substantially the FY 1984 limitation on the Hospital and Diagnostic Laboratory Revenue Fund. The Subcommittee makes no further adjustment in anticipation of a Governor's budget amendment.

House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House in not providing additional supplemental funding for FY 1983.



SUBCOMMITTEE REPORT

Agency: KSU Vet. Med. Center Bill No. 2148 Bill Sec.             
 Analyst: Monical Analysis Pg. No. 58 Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 6,099,292	\$ 5,144,209	\$ (1,635,111)
General Fees Fund	1,528,263	1,700,000	--
Hospital Revenue Fund	1,015,000	1,170,000	--
General Use Funds	\$ 8,642,555	\$ 8,014,209	\$ (1,635,111)
Other Funds	360,952	352,727	--
Subtotal	<u>\$ 9,003,507</u>	<u>\$ 8,366,936</u>	<u>\$ (1,635,111)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	--	--	--
Other Funds	--	--	--
Subtotal	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<b>TOTAL</b>	<u><u>\$ 9,003,507</u></u>	<u><u>\$ 8,366,936</u></u>	<u><u>\$ (1,635,111)</u></u>
<b>F.T.E. Positions:</b>			
Classified	119.1	117.4	--
Unclassified	100.0	88.4	--

Agency Request/Governor's Recommendation

The agency's request for FY 1984 includes the following systemwide items: a 9.0 percent increase for unclassified salaries and a 1.0 percent increase in the state's retirement contribution for unclassified employees; a 7.0 percent increase for classified salaries; a 9.0 percent increase for student salaries; a 10.0 percent increase for other operating expenditures; and a 20.0 percent increase for utilities. Additional funding of \$225,000 (\$113,400 for salaries and \$111,600 for other operating expenditures) and 10.5 F.T.E. unclassified positions are requested to replace the loss of federal capitation funding. The revenue floor on the Hospital and Diagnostic Laboratory Revenue Fund (above which the institution retains 50 percent of the additional income) is requested at \$950,000.

The Governor recommends the following systemwide adjustments: a 4.0 percent increase for unclassified, classified, and student salaries; a 7.0 percent increase for other operating expenditures; and a 20.0 percent increase for utilities. The Governor also recommends that the revenue floor on the Hospital and Diagnostic Laboratory Revenue Fund be increased to \$990,000. Because of fiscal constraints, the Governor recommends a base budget reduction of \$137,007 (\$116,383 in salaries and \$20,624 in other operating expenditures) and the deletion of 1.7 F.T.E. classified and 1.1 F.T.E. unclassified positions.

No capital improvements were requested or recommended for the Veterinary Medical Center.

### House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations with the following adjustments and comments:

1. Based on systemwide considerations the Subcommittee recommends the following adjustments:
  - a. Deletion of \$187,321 for salary increases.
  - b. Deletion of \$1,424,764 for utility costs.
  - c. Deletion of \$23,026 to reflect a recommended 5.5 percent increase in other operating expenditures.
2. The Subcommittee concurs with the Governor's recommended expenditure limitation of \$1,170,000 on the Hospital and Diagnostic Laboratory Revenue Fund. However, the Subcommittee recommends that the revenue floor be increased from the \$990,000 recommended by the Governor to \$1,015,000. This recommendation results in a 6.8 percent increase over the \$950,000 revenue floor in the current year and more accurately reflects estimated revenues for FY 1983 and FY 1984.
3. The Subcommittee recognizes the University's efforts in attempting to develop a separate budget for the Hospital and Diagnostic Laboratory Revenue Fund as requested by the 1982 Legislature. However, the Subcommittee is concerned that the present procedures reflect only expenditures from Hospital and Diagnostic Laboratory Funds and may understate total expenditures in support of this activity. The Subcommittee encourages the University to continue its efforts in specifically identifying expenditures associated with hospital and laboratory operations. This information will enable the Legislature to fully assess the needs of the hospital and laboratory in relation to the other activities of the Veterinary Medical Center.

### House Committee Recommendations

The House Committee concurs with the Subcommittee recommendations.

### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations with the following adjustment:

1. Based on systemwide considerations, the Subcommittee recommends restoration of \$23,026 to reflect a recommended 7.0 percent increase in other operating expenditures.