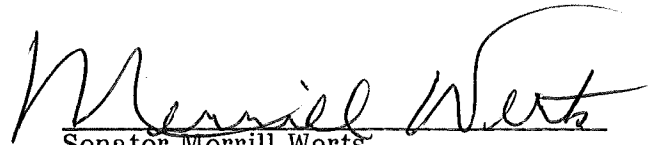


SENATE SUBCOMMITTEE REPORTS

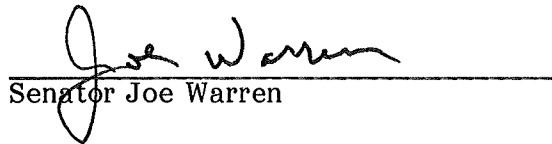
1983 H.B. 2135 (FY 1983 Appropriations)
University of Kansas

1983 H.B. 2148 (FY 1984 Appropriations)
University of Kansas

1983 H.B. 2156 (Capital Improvements)
University of Kansas



Senator Merrill Werts
Subcommittee Chairman



Senator Joe Warren

SUBCOMMITTEE REPORT

Agency: University of Kansas Bill No. 2135 Bill Sec. _____

Analyst: Monical Analysis Pg. No. 72 Budget Pg. No. 3-79

<u>Expenditure Summary</u>	<u>Agency Req. FY 83</u>	<u>Governor's Rec. FY 83</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 71,575,961	\$ 71,299,154	\$ --
General Fees Fund	18,908,713	18,611,670	--
Interest	25,000	25,000	--
General Use Funds	<u>\$ 90,509,674</u>	<u>\$ 89,935,824</u>	<u>\$ --</u>
Other Funds	51,019,710	51,884,716	--
Subtotal	<u>\$142,529,384</u>	<u>\$141,820,540</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 185,919	\$ 100,919	\$ --
Educational Building Fund	3,688,892	3,688,892	--
Other Funds	1,158,124	1,158,124	--
Subtotal	<u>\$ 5,032,935</u>	<u>\$ 4,947,935</u>	<u>\$ --</u>
TOTAL	<u>\$147,562,319</u>	<u>\$146,768,475</u>	<u>\$ --</u>
F.T.E. Positions:			
Classified	1,980.2	1,980.2	--
Unclassified	2,258.3	2,258.3	--

Agency Request/Governor's Recommendation

The agency's budget request contains two supplemental funding adjustments other than those pursuant to the budget allotments. Requested are a \$297,043 increase in the expenditure limitation on the General Fees Fund due to greater than anticipated enrollments and \$85,000 for additional brick repair on Murphy Hall. The Governor does not recommend the release of \$297,043 in additional tuition income and recommends funding the Murphy Hall project in FY 1984. The other adjustment recommended by the Governor consists of reducing the budget to reflect the withholding of merit increases for classified employees.

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 expenditure authority of \$297,043 from the General Fees Fund.

SUBCOMMITTEE REPORT

Agency: University of Kansas Bill No. 2148 Bill Sec. 7
 Analyst: Monical Analysis Pg. No. 72 Budget Pg. No. 3-79

<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	\$ 82,583,745	\$ 73,358,526	\$ (9,514,444)
General Fees Fund	21,650,621	22,691,000	--
Interest	25,000	25,000	--
General Use Funds	<u>\$104,259,366</u>	<u>\$ 96,074,526</u>	<u>\$ (9,514,444)</u>
Other Funds	56,602,349	55,319,045	375,060
Subtotal	<u>\$160,861,715</u>	<u>\$151,393,571</u>	<u>\$ (9,139,384)</u>
Capital Improvements:			
State General Fund	\$ 2,318,300	\$ --	\$ --
Educational Building Fund	6,575,890	5,515,000	(315,000)
Other Funds	560,000	560,000	--
Subtotal	<u>\$ 9,454,190</u>	<u>\$ 6,075,000</u>	<u>\$ (315,000)</u>
TOTAL	<u>\$170,315,905</u>	<u>\$157,468,571</u>	<u>\$ (9,454,384)</u>
F.T.E. Positions:			
Classified	1,985.4	1,931.4	(0.7)
Unclassified	2,264.3	2,235.2	(5.0)

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 \$175,000 is requested for equipment purchases; \$175,000 for increased support of computer operations; and \$100,000 for library acquisitions. In adjusting for enrollment changes the request includes a reduction of \$577,476 (\$499,865 in salaries and \$77,611 in other operating expenditures). To maintain new buildings entering service, the University requests a total of \$407,687 (\$58,119 for salaries, \$16,893 for other operating expenditures, and \$332,675 for utilities) and the addition of 4.5 F.T.E. classified positions. The University also requests \$28,932 and 1.0 F.T.E. unclassified position to establish a bachelor's degree program in Atmospheric Science. A total of \$195,646 in State General Fund support is requested for operation of the Fire Service Training Program to replace funding formerly transferred from the Fire Marshal's Fee Fund. This request also includes the addition of a 0.7 F.T.E. classified and 5.0 F.T.E. unclassified positions.

Requested capital improvements include \$270,200 to replace the heating, ventilating, and air conditioning system in Bailey Hall; \$386,000 for planning of a new library; \$488,290 for remodelings in the Art and Design Building and Broadcasting Hall; \$1,130,000 for energy conservation measures in the power plant; \$206,800 for planning renovation of Spooner Hall; \$294,800 for repairs to Dyche Hall; \$588,100 for various roof repairs; and \$330,000 to plan a facility for the State Biological Survey. Included in the request is \$5,200,000 previously appropriated for construction of an addition to Haworth Hall. Items requested from local funds include \$130,000 for student union maintenance; \$330,000 for residence hall maintenance; and \$100,000 for parking lot improvements.

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 reduction of \$577,476 as requested due to enrollment changes. Funding for servicing new buildings is recommended at the requested level of \$407,687 along with the addition of 4.5 F.T.E. positions. State General Fund appropriations of \$176,061 are recommended for support of the Fire Service Training Program along with the addition of 5.7 F.T.E. positions. The Governor also recommends a State General Fund appropriation of \$50,000 for support of the Law Enforcement Training Center due to reductions in estimated receipts to the Law Enforcement Training Center Fund. A State General Fund appropriation of \$150,000 is recommended to finance an evaluation of "shelter homes" as recommended by the Governor's Task Force on Domestic Violence. Because of fiscal constraints, the Governor recommends a base budget reduction of \$3,484,666 (\$1,904,006 in salaries and \$1,580,660 in other operating expenditures) and the deletion of 54.0 F.T.E. classified and 28.1 F.T.E. unclassified positions.

Recommended capital improvements from the Educational Building Fund include \$85,000 for brickwork repair on Murphy Hall (requested as a FY 1983 supplemental appropriation) and \$230,000 for replacement of the air handling system in Bailey Hall. From local funds the Governor recommends the expenditure of \$130,000 for student union maintenance, \$330,000 for residence hall maintenance, and \$100,000 for parking lot improvements. Because of favorable construction bids the Governor also recommends modification to the multi-year appropriations for construction of an addition to Haworth Hall. This recommendation is contained in H.B. 2156 and lapses \$450,000 from the FY 1985 appropriation of \$5,000,000 and lapses \$1,006,375 from the FY 1986 appropriation of \$1,475,000.

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 \$2,938,074 for salary increases.
 - b. Deletion of \$5,960,654 for utility costs.
 - c. Deletion of \$215,716 to reflect a recommended 5.5 percent increase in other operating expenditures.
 - d. Deletion of \$85,000 for Murphy Hall brick repair and \$230,000 for replacement of the heating, ventilating, and air conditioning system in Bailey Hall. These items 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 that the line items of appropriation previously employed by the Legislature be restored.
3. The Subcommittee recommends deletion of the provisos relating to drilling, by the Geological Survey, of a gas well on the grounds of Osawatomie State Hospital. Drilling has been completed and the provisos are no longer required.
4. The Subcommittee recommends the following changes to restricted fee accounts:
 - a. Change "Institute for Social and Environmental Studies" to "Center for Public Affairs."
 - b. Addition of the following account titles: "Applied English Center; Cartographic Services; Economic Education; Study Abroad Programs; Recreational Activities; Animal Care Activities."
5. The Subcommittee recommends the deletion of \$50,000 from the State General Fund for support of the Law Enforcement Training Center. The Subcommittee recommends that the University charge tuition for those students seeking college credit for the basic law enforcement training program and further recommends the creation of a "Law Enforcement Training Center Fees Fund" for receipt of any tuition so charged. The Subcommittee recommends that any expenditures from this fee fund be for support of the Law Enforcement Training Center and endorses continuation of the proviso prohibiting any credit hours generated by the Law Enforcement Training Center from being included in the University's base budgeted enrollment figures.
6. The Subcommittee recommends deletion of \$150,000 for evaluation of shelter homes for victims of domestic violence.
7. The Subcommittee concurs with the addition of State General Fund support for the Fire Service Training Program, but recommends the deletion of 0.7 F.T.E. classified and 5.0 F.T.E. unclassified positions. The change in the position limitation is not required and was due to an error in the University's budget request.
8. The Subcommittee recommends enactment of legislation to continue in existence the \$40 intent to drill fee which provides revenue to the Geological Survey Fund. The Subcommittee also recommends that the language regarding expenditures from the Geological Survey Fund be amended to include operating expenditures of the Geological Survey.
9. The Subcommittee notes the Governor's recommendation includes an expenditure limitation of \$186,538 on the Geological Survey Fund for equipment purchases. This has been offset by a corresponding reduction in expenditures from the State General Fund. The Subcommittee recommends that this expenditure limitation be increased by \$200,000 to \$386,538 with a corresponding reduction in State General Fund appropriations for the

- Geological Survey. This recommendation does not increase total expenditure authority but shifts \$200,000 from the State General Fund to the Geological Survey Fund. It is the Subcommittee's intention that the additional support from the Geological Survey Fund be used to support the activities of the well core sample library in Wichita. The Subcommittee feels that the Geological Survey Fund is an appropriate source of support for the well sample library as its primary users are from private industry. The Subcommittee notes that these recommendations are contingent upon continuation of the intent to drill fee and the Geological Survey Fund.
10. The Subcommittee recommends deletion of the proviso allowing for purchase of insurance for women's intercollegiate athletics from the State General Fund. The University is the only Regent's institution continuing to purchase such insurance in this manner and, although the premium amount is modest (\$1,300), the Subcommittee feels that this insurance should be purchased from Athletic Corporation funds.
 11. The Subcommittee notes with concern the impending cancellation of the Regents Honesty Blanket Bond. Were it not for the provisions of K.S.A. 75-4106, which prevents cancellation until substitute coverage is in effect, the institutions would currently be uninsured. The Subcommittee makes the following observations regarding this matter: (1) It appears that cancellation is attributable, in part, to the University's failure to follow appropriate procedures in consulting with the Commissioner of Insurance prior to the filing of claims. The Subcommittee trusts that the University's awareness of these procedures will eliminate any such oversight in the future; (2) the Subcommittee is concerned with the financial control procedures employed by the University which allowed for the occurrence of such losses. The Subcommittee recommends that the University evaluate its financial control procedures and report to the Committee prior to the 1984 Legislative Session on steps which have been taken to minimize the possibility of such losses in the future; (3) the Subcommittee is also concerned with the apparent lack of communication among the public entities involved: the University, the Board of Regents, and the Committee on Surety Bonds and Insurance. The Subcommittee trusts that the consequences resulting from these incidents will lead, in the future, to increased coordination and communication among the parties involved.
 12. The Subcommittee acknowledges the University's receipt of a gift from the Honeywell Corporation of a Honeywell CP-6 Computer. The University has identified the costs of bringing this computer on-line for instructional use as \$175,060 (\$79,560 on-going costs and \$95,500 one-time costs). The Subcommittee also notes the bequest of Lee M. Bush (Class of 1911) totaling \$1.2 million dollars to the Kansas University Endowment Association. The will states in Article III that the bequest be used by the University of Kansas Endowment Association "for such purposes at the University of Kansas for which state and other funds are not available, as may be recommended by the Chancellor of the University and approved by the Board of Trustees of the said Association." The Subcommittee recommends that the Chancellor notify the Kansas University Endowment Association that "state and other funds are not available" to commence operations of the Honeywell computer gift and recommend that funding of \$175,060 be provided from the Lee M. Bush bequest to finance the operation of this computer in FY 1984.

House Committee Recommendations

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

1. Deletion of Subcommittee recommendation No. 12.
2. Addition of \$50,000 for other operating expenditures.
3. Inclusion of the following capital improvement projects in H.B. 2156:
 - a. Appropriation of \$230,000 for FY 1984 from the Educational Building Fund to replace the Bailey Hall air handling system.
 - b. Appropriation of \$85,000 for FY 1984 for Murphy Hall brickwork repairs.
 - c. Modification of previously appropriated funding for Haworth Hall. The changes include reductions in the previous appropriation of \$450,000 in FY 1985 and \$1,006,375 in FY 1986 to reflect lower than anticipated construction costs. Also recommended is a reduction of \$135,000 for FY 1984 and a like increase for FY 1985.

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 \$215,716 to reflect a recommended 7.0 percent increase in other operating expenditures.
2. Reduction of \$200,000 in expenditure limitation on the Geological Survey Fund and an increase of \$200,000 in State General Fund appropriations for the Geological Survey. This returns funding of the Wichita well core sample library to the State General Fund and assumes that the intent to drill fee providing revenue to the Geological Survey Fund will be discontinued on June 30, 1983.
3. The Subcommittee recommends the introduction of legislation to provide that the Director of the Biological Survey shall be an unclassified employee of the University. At present, statutes (K.S.A. 76-339) provide that the Director must serve on the faculty.
4. Modification of transfer from the General Fees Fund to the National Direct Student Loan Fund from \$35,000 to \$22,222 to reflect actual requirements. Addition of \$2,222 transfer to the Health Professions Student Loan Fund to reflect actual matching requirements.

5. Shift of \$2,000,000 in State General Fund appropriations from salaries to other operating expenditures. This was requested by the University and has no impact on expenditures, while allowing the University to pay a greater portion of nine-month faculty salaries from the General Fees Fund.
6. Reappropriation of any unencumbered balance in the Lindley Hall renovation account.
7. Creation of a restricted fee account for the Geological Survey.
8. Addition of a proviso allowing for purchase of building and contents insurance for the Watkins Student Hospital. The facility was constructed using student fees and now that the indebtedness is being retired, insurance is no longer required under the bond obligation. This proviso would allow for the continued purchase of insurance from the "Student Health Facility Maintenance, Repairs and Equipment Fee Fund" at no cost to the State General Fund.
9. The Subcommittee, at the request of the University, recommends various modifications to dormitory and restricted fund account titles, including the elimination of two which are no longer required.
10. Elimination of the word "faculty" from the General Fund line item appropriation for rental of Carruth-O'Leary Hall for office space in recognition that the facility houses administrative offices as well.

SUBCOMMITTEE REPORT

Agency: Kansas University Medical Center Bill No. 2563²⁵⁶³ ~~2148~~ Bill Sec. 9
 Analyst: Rein Analysis Pg. No. 85 Budget Pg. No. 3-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY84*</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 68,793,926	\$ 60,208,571	\$ (9,956,875)
General Fees Fund	4,314,836	4,459,000	--
Hospital Revenue Fund	53,072,167	53,072,167	1,000,000
Subtotal - General Use	<u>\$126,180,929</u>	<u>\$117,739,738</u>	<u>\$ (8,956,875)</u>
Other Funds	33,212,532	32,795,429	935,000
Subtotal - Operating	<u>\$159,393,461</u>	<u>\$150,535,167</u>	<u>\$ (8,021,875)</u>
Capital Improvements:			
State General Fund	\$ 2,561,800	\$ --	\$ --
Other Funds	<u>6,691,893</u>	<u>4,171,893</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 9,253,693</u>	<u>\$ 4,171,893</u>	<u>\$ --</u>
TOTAL	<u><u>\$168,647,154</u></u>	<u><u>\$154,707,060</u></u>	<u><u>\$ (8,021,875)</u></u>
F.T.E. Positions:			
Classified	3,174.8	3,124.1	--
Unclassified	1,350.7	1,336.3	5.0

* Reflects Governor's Budget Amendment Nos. 1 and 5.

Summary of Agency Request/Governor's Recommendations

The University's general use fund request totals \$126,180,929; the Governor's original recommendation \$116,554,738. Apart from systemwide issues, the University requested \$37,670 to initiate a Ph.D. program in nursing, \$249,482 to offset in part the loss of federal funds for the Children's Rehabilitation Unit, and \$100,000 for biomedical research equipment. None of the special requests were recommended by the Governor.

The University requested \$4,880,766 to continue the Medical Scholarship Program (subsequently revised to \$4,205,276). The Governor's recommendation of \$3,353,292 assumes no new students will be admitted to the program in the coming academic year.

The University's capital improvement request of \$9,253,693 includes \$359,000 for a Hazardous Waste Incinerator, \$1,427,000 for remodeling of the older hospital areas, \$2,850,000 for expanding the power plant, and \$648,800 for equipping an emergency room radiology suite. The only project recommended by the Governor is \$380,000 for a Hazardous Waste Incinerator of sufficient size to accommodate the requirements of both the University of Kansas and Kansas State University.

The University did submit a request in February asking for authority to expend \$525,000 from the Hospital Fund to remodel space for Rehabilitation Medicine Clinical Services. The Governor has not addressed this latest request.

House Subcommittee Recommendations

The following adjustments are necessary to carry out earlier decisions made by the full Committee.

1. Delete \$1,444,376 for the 4 percent increase for unclassified staff.
2. Delete \$2,788,595 for the 4 percent increase for classified staff.
3. Delete \$380,108 for the 4 percent increase in residency stipends.
4. Delete \$83,893 for the 7 percent increase in support of Wichita hospital-based residents.
5. Delete \$15,166 for the 4 percent increase in student salaries.
6. Delete \$4,843,076 for utilities.
7. Reduction of \$400,352 due to revising the increase for other operating expenditures from 7.0 to 5.5 percent.

The Committee also approved \$935,000 in Educational Building Funds for the purchase and installation of hospital equipment. That appropriation is contained in H.B. 2156. The addition is reflected in the table in this Subcommittee report as a legislative addition.

Governor's Budget Amendments. The Governor has submitted two budget amendments in regard to the Medical Center. Budget Amendment No. 1 added \$321,497 for OOE to correct an error in the original Governor's recommendation. Budget Amendment No. 5 adds \$1,185,000 for FY 1984 to reduce the rate of shrinkage on nursing personnel from an amount in excess of 5 percent down to 3 percent. The Subcommittee concurs with both Governor's budget amendments. The recommended reduction in shrinkage is reflective of current conditions and the Governor's recommendation will hopefully resolve that issue.

Hospital OOE. An adequate level of operating support is essential if the hospital is to generate the additional \$5.8 million in income necessary to finance the FY 1984 budget. Earlier, the full Committee approved the \$935,000 for equipment. To restore the remainder of the \$1.2 million inadvertently lapsed, the Subcommittee recommends restoration of \$365,000 in additional OOE.

Medical Scholarships. As the Committee is aware, the Governor has proposed that no new students be entered into the Medical Scholarship Program. The Subcommittee devoted considerable time to this issue and is in agreement with the Governor to the extent that further reductions in the scope of the program are probably warranted. The Subcommittee favors a more gradual restricting of the program. One consideration is that those students selected for admission this fall were advised that 100 scholarships would be available as currently authorized by law. The Senate Ways and Means is currently considering S.B. 282 which would carry out the Governor's recommendation. It is understood that the Senate may amend the bill to permit a gradual reduction in program scope beginning in FY 1985 when only 75 new scholarships would be allowed and reducing the program further to 50 entrants in FY 1986. The Subcommittee concurs with this approach

and recommends that \$800,000 be added to the Governor's FY 1984 recommendation. Because the number of scholarships is subject to legislative appropriations, in the future, the University should not assure prospective students of their availability.

When S.B. 282 is considered by our Committee, further actions should be considered including the creation of a Medical Scholarship Fund into which default payments from prior recipients would be deposited. Such repayments could then be used to supplant State General Funds in the continued financing of the program. The Subcommittee also believes that the current statute should be examined for other refinements that might be desired. One issue that has surfaced concerns the student (Type I recipient) who enters into a practice in Kansas but not a medically-underserved area. Under the current law, the physician is required to repay the full scholarship including the tuition allowance. This inequity should be examined for possible change.

Poison Control Center. The 1982 Legislature authorized funding to establish a Poison Control Center at the University Hospital. Use of this service by physicians and hospitals across the state has been extensive and exceeds the current program capacity. An amount of \$28,691 is recommended to finance an additional Poison Information Specialist and a second in-bound Watts line. Addition of the position will permit the Center to increase hours of operation to better serve the Kansas medical community.

Affiliated Family Practice. S.B. 17 will remove the current \$80,000 limit on state support for the Salina program. The Subcommittee is aware that loss of a federal training grant will escalate an already-serious funding problem. The University did not include special funding for this program nor did the Governor. The Subcommittee notes that the University is providing substantial support for residency training in Topeka for which special funding has never been provided. The Subcommittee believes that the University administration should address the funding needs of the mandated Salina program from the resources it has available for outreach efforts.

Wichita Branch. Because of the expanding role of the Branch in Salina and graduate training programs in Wichita, additional staffing authorizations are needed. The Subcommittee recommends that an additional 4.0 F.T.E. unclassified positions be authorized. Funding would be from nonstate funds.

Children's Rehabilitation Unit. The University's request for \$249,482 to offset in part the loss of federal funds for this program is not recommended by the Governor. The program provides several essential purposes; education, research, and service. To continue this program, though at a significantly reduced level, the Subcommittee recommends addition of \$175,000 in state funds. Federal funding of \$282,000 is assumed, a reduction of \$420,000 from the current fiscal year.

Residencies. The University currently supports 372 residency positions. In several disciplines the number of authorized residencies exceed the capacity of the permanent staff to support and supervise their training. In other cases, notably the foreign medical graduate internships, the number of positions authorized appear to exceed justified need. The Subcommittee recommends a reduction of \$370,000 and 20 residency positions for FY 1984. The University is requested to provide to the 1984 Legislature a proposed program for reducing the number of slots to desired levels together with any alternative funding arrangements they believe to be desirable.

House Committee Recommendations

The full Committee added \$100,000 for biomedical research equipment.

Senate Subcommittee Recommendations

The Subcommittee recommends the following adjustments:

1. Authorization to transfer quarterly to the University of Kansas hospital fund an amount not to exceed \$150,000.
2. Authorization to expend \$525,000 from the University of Kansas hospital fund to remodel and renovate an area for rehabilitation medicine.
3. Increase the position limitations by 35.0 classified and 3.0 unclassified positions to permit filling those positions which the Governor recommended abolishing when he proposed reducing the base budget for the Medical Center. Some of that funding has been restored and some of the positions need to be restored also.

The full House Committee added \$100,000 for biomedical research equipment without indicating whether the addition is to be one-time, or added to the base budget. The Senate subcommittee concurs with the addition and recommends it be a permanent adjustment to the base budget.

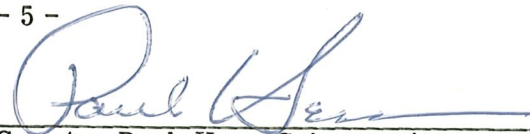
The Senate Subcommittee concurs with the House policy to remove all salary increases. However, the amounts removed were incorrect and the following adjustments are necessary to accurately reflect the impact of that policy decision.

1. Addition of \$1,122,774 for classified salaries (correct adjustment is \$1,665,821 and not the \$2,788,595 removed by the House).
2. Addition of \$374,073 for unclassified staff salaries (correct adjustment is \$1,070,303 and not the \$1,444,376 removed by the House).
3. Addition of \$123,244 for residency stipends (correct adjustment is \$256,864 and not the \$380,108 removed by the House).

The House also removed \$83,893 for increasing the contractual support provided for hospital residents in Wichita. This OOE item should be eventually increased in accordance with the final policy established on salaries.

The House Committee also removed \$400,352 due to reducing the OOE increase from 7 to 5.5 percent. By action of the full Senate Committee, funding was restored to the 7 percent level for the other Regents institutions. The Subcommittee leaves to the discretion of the full Committee, the decision as to whether a similar adjustment should be made for KUMC.

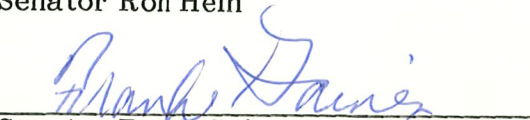
Finally, the Subcommittee notes the retirement of Executive Vice-Chancellor David Waxman from his current position this coming summer. His contributions to the University and the state are numerous. His example of dedication is a standard by which few would wish to be measured. Fortunately, while Dr. Waxman will be vacating his current position, the University will not lose the value of his service.

A handwritten signature in blue ink, appearing to read "Paul Hess", written over a horizontal line.

Senator Paul Hess, Subcommittee
Chairman

A handwritten signature in blue ink, appearing to read "Ronald W. Hein", written over a horizontal line.

Senator Ron Hein

A handwritten signature in blue ink, appearing to read "Frank Gaines", written over a horizontal line.

Senator Frank Gaines