

Approved _____

4-22-85
Date

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at _____
Chairperson

12:00 Noon a.m./p.m. on Wednesday, April 3, 1985 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Gloria Timmer, Legislative Research
Lyn Goering, Legislative Research
Mary Galligan, Legislative Research
Laura Howard, Legislative Research
Jim Wilson, Revisor's Office
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Dr. Robert Harder, SRS
Duane Johnson, State Library
Others present (Attachment 1)

Chairman Bunten called the meeting to order at 12:00 Noon. The chairman's father, Robert M. Bunten, was recognized. Mr. Bunten and his friend, Warren Shaw were visitors to the Ways and Means Committee.

KANSAS STATE UNIVERSITY (Attachment 2)

Representative Rolfs presented the FY 1985 portion and moved for adoption of the report. Seconded by Representative Wisdom. Motion carried.

Representative Rolfs presented the FY 1986 portion and moved that the subcommittee report be adopted. Seconded by Representative Heinemann. Motion carried.

Representative Wisdom was recognized and stated his objection to Item #8, Page 8, of the subcommittee report which recommends deletion of \$128,000 and 3.0 unclassified positions for establishment of the International Livestock program. He then moved that the committee be allowed to reconsider action just taken on the subcommittee report. Seconded by Representative Solbach. Motion carried.

Representative Rolfs told the committee that Congressman Roberts is working on getting federal funding for this program, but that it is 2 to 3 years away. He does not feel it warrants priority status at this time.

Representative Teagarden supported the motion to fund the program, he said the \$128,000 would serve as "seed" money to get the program started. There are other states considering the program, but only one institution will be chosen, and he feels it would be a boon for Kansas.

After more discussion, Representative Wisdom offered a motion to restore the \$128,000 for establishment of the International Livestock program, to the budget. Seconded by Representative Teagarden. The vote was 10 to 11. The motion failed.

Representative Rolfs moved that the subcommittee report be adopted. Seconded by Representative Heinemann. Motion carried.

VETERINARY MEDICAL CENTER (Attachment 3)

Representative Rolfs presented the FY 1985 portion and moved that the report be adopted. Seconded by Representative Wisdom. Motion carried.

Representative Wisdom reported on the FY 1986 subcommittee report. For purposes of discussion, he called committee's attention to Item 3, page 4, which recommends deletion of \$393,859 for the Center's program improvement related to regionalization of the Veterinary Medical School with Nebraska.

Chairman stated that there is agreement between the House and the Senate on this program and he believes it will go through.

Representative Rolfs moved that the subcommittee report be adopted. Seconded by Representative Fuller. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 12:00 Noon a.m./p.m. on Wednesday, April 3, 1985

KANSAS UNIVERSITY (Attachment 4)

Representative Duncan presented the subcommittee report. There was discussion regarding Item 10, relating to Cheyenne Bottoms. Subcommittee recommends that funding for the project be provided through Fish and Game budget in the Omnibus bill, with a proviso that prescribes a match. Representative Duncan reported that he is presently working on the proviso and if a bill is needed, he will introduce it. The cost for the study will be approximately \$180,000 over the 18-month period.

Representative Hamm offered a motion to remove Item 5, page 6, from the subcommittee report which in effect deletes \$250,000 requested by the University to increase the base OOE budget. Seconded by Representative Rolfs.

Representative Wisdom offered a substitute motion that \$250,000 be added to the budget for all of the Regents' institutions to increase the base, on the basis that all schools should be treated equally.

There was considerable discussion and argument on whether all universities should be considered equally or if they should all be considered separately because each has different priorities.

On a vote on Representative Wisdom's motion, the motion failed.

On the motion offered by Representative Hamm to remove Item 5 of the subcommittee report, the motion carried.

Representative Solbach moved that Item 4, page 6, which recommends deletion of \$266,090 for a Bachelor of Science program be restored to the budget. Seconded by Representative Miller. The motion carried.

Representative Duncan moved that the subcommittee report, as amended, be adopted. Seconded by Representative Shriver. Motion carried.

WICHITA STATE UNIVERSITY (Attachment 5)

Representative Guldner reported for FY 1985 and moved for adoption of the report. Seconded by Representative Dyck. Motion carried.

Representative Guldner reported for FY 1986. There were no questions - he then moved for adoption of the report. Seconded by Representative Dyck. Motion carried.

KANSAS TECHNICAL INSTITUTE (Attachment 6)

Representative Guldner presented the report for FY 1985 and moved for adoption. Seconded by Representative Dyck. Motion carried.

Representative Guldner presented the FY 1986 report. Representative Ott brought before the committee, for discussion purposes, the fact that OOE has been reduced approximately \$200,000. Since the heating bill on the one new building is set for \$52,000, he feels this matter should be considered before making any final decision.

Representative Guldner moved for adoption of the report. Representative Dyck seconded. Motion carried.

FORT HAYS STATE UNIVERSITY (Attachment 7)

Representative Lowther presented the subcommittee report and moved that it be adopted. Seconded by Representative Solbach. Motion carried.

PITTSBURG STATE UNIVERSITY (Attachment 8)

Representative Louis presented the report and moved that it be adopted. Seconded by Representative Helgerson. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 12:00 Noon a.m./p.m. on Wednesday, April 3, 1985

BOARD OF REGENTS (Attachment 9)

Representative Duncan presented the FY 1985 report and moved for adoption. Seconded by Representative Ott. Motion carried.

Representative Duncan reported that the subcommittee has not completed its analysis of the FY 1986 budget requests. One of the reasons for the delay is pending results of a post audit report relating to faculty teachers and graduate teacher assistants.

University of Kansas MEDICAL CENTER (Attachment 10)

Representative Heinemann presented the FY 1985 report and moved for adoption. Seconded by Representative Hamm. Motion carried.

Representative Heinemann presented the FY 1986 report and moved for adoption. Seconded by Representative Mainey. Motion carried.

Chairman turned to HB 2577 -- an act concerning the department of social and rehabilitation services; relating to the form of budget estimates and requests and the provisions of the governor's budget reports and recommendations relating to the department and institutions thereunder.

Representative Rolfs explained the bill for the committee and a proposed amendment (Attachment 11) was presented. The bill would allow the youth centers and SRS institutions to be combined for budgetary purposes. Representative Rolfs moved that the amendment be adopted. Seconded by Representative Wisdom. Motion carried.

Secretary Harder addressed the committee and explained that the bill applies to central office management and allows for overall management in one function. It does not change the pattern of the institutions.

Representative Rolfs moved that HB 2577, as amended, be recommended favorable for passage. Seconded by Representative Heinemann. Motion carried.

Chairman Buntin distributed copies of a house bill relating to grants-in-aid to libraries and requested introduction. Duane Johnson of the State Library explained the provisions of the bill. Representative Solbach moved the bill be introduced and that a check-off be provided. Seconded by Representative Lowther. Motion carried. (See Attachment 12 for bill draft)

Meeting adjourned at 1:55 p.m.

1985
GUESTS

Date 4/3/85

Name	Address	Representing
Marlin Reed	KC	Kumc
John P. Whitcomb	Pittsburg	M + Camel
Rebecca White	Pittsburg	self
Kim P. Shuch	Hays	Fort Hays State U.
Charles V. Hamm	Forbes Field - Topeka	Kan Dept of H + E
Robert Egan	Topeka	KDHE
Michael Jolly	Lawrence	WOK
Allen Coit	Lawrence	Sen. Karr
Mike Johnson	Abie	J.S.U.
John Stuhler	Manhattan	KAPS
John W. Woodruff	Topeka	to be in & to be in
Etzel Mary Miller	Topeka	ARC/KS
Lula Paslay	Topeka	ARC/KS
Rep. Jo Ann Pottloff	83rd District	
Ann Cobb	Topeka	KU
Fred Erdmann	Wichita State Community	Wichita KS.
Eel Wallewanna	Wichita	Washburn
Lisa Euse	Lawrence	The University of Kansas

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(1)

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 161 Bill Sec. 11

Analyst: Galligan Analysis Pg. No. 555 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 74,073,760	\$ 74,073,760	\$ —
General Fees Fund	16,197,798	16,197,798	(50,000)
Land Grant Funds	6,780,977	6,780,977	50,000
Interest	175,000	175,000	—
General Use Funds	<u>\$ 97,227,535</u>	<u>\$ 97,227,535</u>	<u>\$ 0</u>
Other Funds	54,287,132	54,287,132	—
Subtotal	<u>\$151,514,667</u>	<u>\$151,514,667</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 637,200 ^a	\$ 539,500	\$ (19,553) ^b
Educational Building			
Fund	4,603,576	4,524,301	(110,000)
Other Funds	4,160,017	4,160,017	—
Subtotal	<u>\$ 9,400,793</u>	<u>\$ 9,223,818</u>	<u>\$ (129,553)</u>
TOTAL	<u>\$160,915,460</u>	<u>\$160,738,485</u>	<u>\$ (129,553)</u>
F.T.E. Positions:			
Classified	1,863.2	1,863.2	—
Unclassified	2,193.7	2,193.7	—

a) Includes a supplemental request for \$97,700.

b) Amount of major maintenance funds reappropriated to FY 1986.

Agency Request/Governor's Recommendation

The University requests a supplemental appropriation of \$97,700 from the State General Fund to be used to begin designing an addition to the James R. MacDonald Laboratory during the current fiscal year. The total cost of the addition is estimated to be \$1,094,700. The University requests the balance of the funding as a State General Fund capital improvement appropriation for FY 1986. The addition would house new research equipment that will be purchased with a \$3.2 million grant from the Department of Energy.

The Governor does not recommend funding of the \$97,700 supplemental request for capital improvement expenditures. The recommendation for FY 1986 includes almost the entire amount requested for planning and construction of the new physics facility.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following exceptions:

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1. Reduction of \$50,000 from the current year expenditure limitation on the General Fees Fund. The adjustment will not result in a reduction of expenditure authority for the University because it is offset by \$50,000 of unanticipated land grant funds received during the current fiscal year. The Subcommittee recommends that the \$50,000 be retained in the GFF to be expended during FY 1986.
2. The Subcommittee concurs with the Joint Building Construction Committee's recommendation that \$110,000 from the EBF appropriated for the plant sciences greenhouses be lapsed. The reduction is made based upon the bid that was recently accepted.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adjust. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ —	\$ 74,073,760	\$ —
General Fees Fund	(50,000)	16,147,798	—
Land Grant Funds	50,000	6,830,977	—
Interest	—	175,000	—
General Use Funds	\$ 0	\$ 97,227,535	\$ —
Other Funds	—	54,287,132	—
Subtotal	<u>\$ 0</u>	<u>\$151,514,667</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ (19,553) ^a	\$ 519,947	\$ —
Educational Building	(110,000)	4,414,301	—
Fund	—	4,160,017	—
Other Funds	—	—	—
Subtotal	<u>\$ (129,553)</u>	<u>\$ 9,094,265</u>	<u>\$ —</u>
TOTAL	<u>\$ (129,553)</u>	<u>\$160,608,932</u>	<u>\$ —</u>
F.T.E. Positions:			
Classified	—	1,863.2	—
Unclassified	—	2,193.7	—

a) Includes major maintenance funds reappropriated to FY 1986.

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

1. The Subcommittee learned that the University has received bids for replacement of the barn at the Southeast Kansas Experiment Station, the funds for which were appropriated by the 1984 Legislature. The Educational Building Fund appropriation for the project was \$30,000. The bid

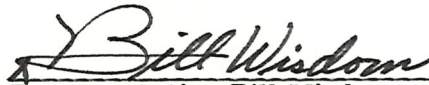
received for the project was approximately \$40,000. In order that the University is able to accept the bid and proceed with construction of the project in FY 1985, the Subcommittee recommends that authorization be provided for expenditure from the Southeast Kansas Experiment Station Fee Fund for the construction project.



Representative Ed Rolfs
Subcommittee Chairman



Representative Wanda Fuller



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Kansas State University Bill No. 166 Bill Sec. 3
 Analyst: Galligan Analysis Pg. No. 555 Budget Pg. No. 3-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 82,148,194	\$ 77,853,177	\$ (1,056,527)
General Fees Fund	17,514,485	17,465,007	(478,107)
Land Grant Funds	6,977,564	6,977,564	—
Interest	103,700	103,700	—
General Use Funds	<u>\$106,743,943</u>	<u>\$102,399,448</u>	<u>\$ (1,534,634)</u>
Other Funds	57,060,774	57,060,774	—
Subtotal	<u>\$163,804,717</u>	<u>\$159,460,222</u>	<u>\$ (1,534,634)</u>
Capital Improvements:			
State General Fund	\$ 997,000	\$ 1,094,000	\$ (547,350)
Educational Building Fund	5,469,000	4,534,246	(52,650)
Other Funds	16,973,787	19,173,787	—
Subtotal	<u>\$ 23,439,787</u>	<u>\$ 24,802,033</u>	<u>\$ (600,000)</u>
TOTAL	<u>\$187,244,504</u>	<u>\$184,262,255</u>	<u>\$ (2,134,634)</u>
F.T.E. Positions:			
Classified	1,873.2	1,862.7	1.0
Unclassified	2,218.4	2,197.9	5.0

Agency Request/Governor's Recommendation

The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 base budget of \$97,387,388. The adjustment to the base includes removal of \$212,258 appropriated for FY 1985 to provide \$204 of additional compensation for classified employees. The base was also adjusted to more accurately reflect workers' compensation and pension plan contribution rates for both classified and unclassified employees. The operating budget requested for FY 1986, including \$6,961,609 for systemwide maintenance increases, \$2,016,379 for systemwide program improvements and \$1,126,500 for individual program improvements, totals \$163,804,717 and would result in an 8.1 percent increase of operating expenditures over the amount authorized for FY 1985. The request includes a total of 34.7 F.T.E. new positions.

The Governor's recommendation for operating expenditures for FY 1986 totals \$159,460,222. The recommendation includes \$1,259,440 for systemwide program improvements, \$5,403,878 for program maintenance increases and \$1,126,500 for individual program improvements. The recommendation includes 8.5 F.T.E. new classified positions to be financed from general use funds and 23.2 F.T.E. additional positions to be financed from restricted use funds. The Governor's recommendation is based upon an FY 1985 adjusted general use budget that is \$290,298 less than the base as adjusted by the University. The bulk of the additional reductions is in unemployment compensation and FICA. The former adjustment was made because the rate that will be in effect during FY 1986 is less than half as much as that included in the budget instructions.

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(2)

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$876,532 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
 - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$23,893 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
 - d. Deletion of \$11,755 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
 - e. Deletion of \$4,443 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
 - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
 - g. Deletion of \$134,061 recommended to provide an additional 6.5 percent increase for GTA stipends.

- h. Deletion of \$69,770 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
 - i. Exclusion of the \$200,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.
 - j. Deletion of \$349,180 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
 - k. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
2. Addition of \$125,000 and 5.0 F.T.E. unclassified positions to enable the University to develop a pilot project to determine the effectiveness of additional faculty advising as a dropout reduction measure. The Subcommittee learned that the University conducted a limited one-semester study in the fall of 1983 that indicated that increased faculty advising could make a significant difference in the retention rate. The Subcommittee is of the opinion that the results of that preliminary study demonstrate that the approach is worthy of a longer test period. The amount recommended is not to be included in the University's base budget in order that subsequent requests for continuation or expansion of the program can be reviewed separately by the Legislature. The Subcommittee recommends that the University submit a report of the activities and results of the program to the Ways and Means Committees at the beginning of the 1987 Legislature so that the progress of the program can be assessed at that time. The funds recommended are to be appropriated as a separate line item.
3. Deletion of \$145,000 recommended for academic and administrative computing systems enhancements. The Subcommittee encourages the University to continue its efforts to develop a long-range plan for meeting the computing needs in both the academic and administrative areas and would expect to have an opportunity to review those plans during the 1986 Session.

4. Add \$55,000 and 1.0 F.T.E. classified position to provide maintenance and support for the Konza Prairie research site. The Subcommittee notes that these additional funds are not to be used for additional research activities, but rather to maintain the site in order that it can continue to adequately support research activities. The Subcommittee notes that the bulk of the research conducted at the site is supported by non-state sources and that the ratio of research funds to support in FY 1984 was approximately 3 to 1. The Subcommittee also notes that the results of the research can be beneficial to Kansans who must be concerned with grassland management.
5. Deletion of \$100,000 of the \$200,000 recommended by the Governor for purchase of instructional equipment. The Subcommittee learned from the President that he and the Chancellor of the University of Kansas had not yet determined whether the plans to develop a high-speed communication link between the two campuses would proceed in the absence of a specific recommendation by the Governor for the project. The reduction made by the Subcommittee is done pending a decision by the Universities on this matter. The Subcommittee is of the opinion that this joint venture may have merit.
6. The Subcommittee concurs with the Joint Building Construction Committee's recommendations for FY 1986. The Committee's recommendations that differ from those of the Governor are as follows:
 - a. delete \$600,000 from the Chemistry-Biochemistry building project and include the amount in the multiyear appropriation for FY 1989; and
 - b. financing of half of the new physics research facility from the EBF rather than the SGF as recommended by the Governor.
7. Reappropriation of any unencumbered balances in the Centers of Excellence account at the end of FY 1985 for expenditure in FY 1986.
8. Reduction of the expenditure limitation on the GFF by \$478,107 in order to more accurately reflect the current estimate of receipts based upon spring enrollment. The Subcommittee learned that the expenditure limitation included in the Governor's recommendation was based upon an estimate of receipts that was overstated by approximately \$570,000. The reduction recommended by the Subcommittee would permit an FY 1986 ending balance of \$100,000.
9. In addition to the recommendations for expenditures, the Subcommittee makes the following observations and recommendations:
 - a. The Subcommittee reviewed the University's request for additional OOE funds to support agricultural extension activities and learned from the Dean of the College of Agriculture that approximately ten positions in the extension service are routinely left unfilled so that funds can be shifted from salaries and wages to OOE. The Subcommittee is concerned that this practice appears to be routine and that it has continued for a number of years. The Subcommittee therefore recommends that

before any additional expenditures are approved for the extension service, the budget be adjusted to accurately reflect the purposes for which expenditures will be made. The Subcommittee also learned that the University has not always received sufficient expenditure authority to provide for fringe benefits at the rates mandated for the federal employees in the extension service. The Subcommittee is of the opinion that if the budget accurately reflected the purposes for which requested funds would be expended, some of the difficulties could be avoided.

- b. The Subcommittee is not convinced that the formula currently used to generate the requests for expenditures for servicing and maintenance of new buildings is an accurate reflection of costs. In particular, the Subcommittee is of the opinion that use of the same formula for all buildings on all campuses is not a good budgeting practice. Therefore, the Subcommittee recommends that the Board of Regents develop new formulas that accommodate differences of use, configuration, volume of traffic, staffing patterns, and other factors that impact the cost of servicing and maintaining buildings on the campuses. The Subcommittee notes the effort that the Board made in this area by developing a more campus-specific means of estimating the cost of utilities for new buildings, and anticipates similar positive results from the development of new formulas for OOE and personnel.
- c. After reviewing this budget and the systemwide recommendations made by the Governor, the Subcommittee is convinced that an examination of the base budgets of the universities is in order. The Subcommittee recommends strongly that the Board of Regents begin such a review on a program by program basis. Given the magnitude of this endeavor, the Subcommittee expects that the reviews would be conducted on a multiyear basis with regular reports with recommendations to the Legislature.
- d. The Subcommittee reviewed the request for additional support for research into respiratory disease in meat animals. The Subcommittee is aware that this research may address a need in Kansas, and would encourage the House Subcommittee to explore the extent of the problem and the degree to which the proposed research would address it.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendation with the following exceptions:

1. Addition of \$43,500 and 1.5 F.T.E. classified positions to provide staff and support for the Horticulture Research Center in Sedgwick County.
2. Addition of \$54,000 and 1.0 F.T.E. unclassified position to establish a hazardous and solid waste disposal research program.

3. Addition of \$128,000 and 3.0 F.T.E. unclassified positions for the International Livestock Program. The amount recommended is to be appropriated as a separate line item and excluded from the University's base budget.

House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjust. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (831,027)	\$ 77,022,150	\$ (718,335)
General Fees Fund	(478,107)	16,986,900	—
Land Grant Funds	—	6,977,564	—
Interest	—	103,700	—
General Use Funds	<u>\$ (1,309,134)</u>	<u>\$101,090,314</u>	<u>\$ (718,335)</u>
Other Funds	—	57,060,774	—
Subtotal	<u>\$ (1,309,134)</u>	<u>\$158,151,088</u>	<u>\$ (718,335)</u>
Capital Improvements:			
State General Fund	\$ (547,350)	\$ 546,650	\$ —
Educational Building Fund	(52,650)	4,481,596	—
Other Funds	—	19,173,787	—
Subtotal	<u>\$ (600,000)</u>	<u>\$ 24,202,033</u>	<u>\$ —</u>
TOTAL	<u><u>\$ (1,909,134)</u></u>	<u><u>\$182,353,121</u></u>	<u><u>\$ (718,335)</u></u>
F.T.E. Positions:			
Classified	2.5	1,865.2	(4.3)
Unclassified	9.0	2,206.9	(7.0)

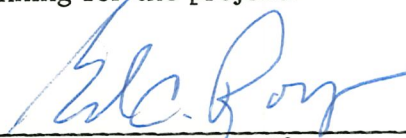
The Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$293,185 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Addition of \$209,246 to provide an additional .5 percent employer contribution to TIAA. The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$2,872 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0 percent increase of the

student salary base. The Committee further recommends inclusion of a proviso on the student salaries line item in the appropriation bill that \$36,573 (one-half of the increase) be used to pay student wages in excess of the federal minimum wage.

- d. Addition of \$55,731 to the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University has available for the current fiscal year but anticipates no reappropriation.
 - e. Decrease of the fee waiver amount for FY 1986 to 65 percent. This recommendation is not an expenditure item, but will result in an increase of revenue to the General Fees Fund of \$23,017.
 - f. Deletion of \$167,450 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase for FY 1986.
 - g. Deletion of \$200,000 recommended for additional library acquisitions.
 - h. Deletion of \$100,000 recommended for the systemwide instructional equipment program improvement.
 - i. Deletion of \$125,805 and 4.3 F.T.E. classified positions recommended for servicing and maintenance of new buildings. The Committee is of the opinion that the formula used to develop the requests for maintenance and support for new buildings should be examined by the Board of Regents and possibly altered to more accurately reflect the cost of adding new facilities to the campus.
2. In accordance with the systemwide decision that each of the Subcommittees should review the plans for expenditure of the additional student fees, the Subcommittee recommends that \$200,000 of the additional fee revenue be expended for library acquisitions.
 3. The Subcommittee reviewed the request for a supplemental utility appropriation that was submitted by the Board of Regents and recommends that any action on the request be included in the Omnibus Bill. By deferring action on this item, the Committee will have an additional month's actual expenditure to examine.
 4. Deletion of \$125,000 and 5.0 F.T.E. unclassified positions recommended for an academic advising program.
 5. Addition of \$150,000 for OOE to support the Extension Service.
 6. Deletion of \$45,000 and 1.0 classified position recommended for support for the Konza Prairie research site. The recommendation would leave \$10,000 of the recommended amount for student salaries at the site.

7. Addition of \$54,000 and one each classified and unclassified positions as requested for a respiratory disease in meat animals research project.
8. Deletion of \$128,000 and 3.0 unclassified positions recommended for establishment of the International Livestock program.
9. Introduction of legislation that would exempt the KSU coliseum project from payment of 1 percent of the construction costs to the Division of Architectural Services as required by K.S.A. 75-1269.
10. Change the title of the Agricultural Institute line item to International Grains Program as requested by the University and approved by the Board of Regents at their January meeting. The program will be included in the University's budget as a public service rather than a research activity in the future.
11. Inclusion of a proviso on the State General Fund appropriation for construction of the Ion Coliseum facility that would allow the University to reimburse the KSU foundation for the expenses incurred during FY 1985 to employ the architect and begin planning for the project.



Representative Ed Rolfs
Subcommittee Chairman



Representative Wanda Fuller



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Veterinary Medical Center Bill No. 161 Bill Sec. New

Analyst: Galligan Analysis Pg. No. 564 Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Recommendations</u>
Operating Expenditures:			
State General Fund	\$ 5,058,887	\$ 5,058,887	\$ 20,000
General Fees Fund	1,916,000	1,916,000	—
Hospital Revenue Funds	1,162,000	1,162,000	(20,000)
General Use Funds	\$ 8,136,887	\$ 8,136,887	\$ —
Other Funds	340,021	340,021	—
Subtotal	<u>\$ 8,476,908</u>	<u>\$ 8,476,908</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund Educational Building Fund	\$ 121,092	\$ 121,092	\$ —
	122,486	958	—
Subtotal	<u>\$ 243,578</u>	<u>\$ 122,050</u>	<u>\$ —</u>
TOTAL	<u><u>\$ 8,720,486</u></u>	<u><u>\$ 8,598,958</u></u>	<u><u>\$ —</u></u>
F.T.E. Positions:			
Classified	117.4	117.4	—
Unclassified	88.4	88.4	—

Agency Request/Governor's Recommendation


At its March, 1985 meeting the Board of Regents authorized the Veterinary Medical Center to request a shift of funding from the Hospital Revenue Fund to the General Fees Fund for both fiscal years 1985 and 1986. The shift requested for FY 1985 totals \$33,146.

The timing of the request precluded its inclusion in the Governor's budget.

House Subcommittee Recommendations

The House Subcommittee recommends:

1. Appropriation of \$20,000 from the State General Fund to offset a portion of the anticipated reduction of revenue to the Hospital Revenue Fund during the current year.


 Representative Ed Rolfs
 Subcommittee Chairman


 Representative Wanda Fuller


 Representative Bill Wisdom

4/3/85

(3)

SUBCOMMITTEE REPORT

Agency: Veterinary Medical Center Bill No. 166 Bill Sec. 4
 Analyst: Galligan Analysis Pg. No. 564 Budget Pg. No. 3-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 6,328,608	\$ 5,929,309	\$ (209,759)
General Fees Fund	1,833,303	1,897,000	51,160
Hospital Revenue Funds	1,110,000	1,110,000	—
General Use Funds	<u>\$ 9,271,911</u>	<u>\$ 8,936,309</u>	<u>\$ (158,599)</u>
Other Funds	309,361	309,361	—
Subtotal	<u>\$ 9,581,272</u>	<u>\$ 9,245,670</u>	<u>\$ (158,599)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building	—	121,528	—
Fund	—	—	—
Subtotal	<u>\$ —</u>	<u>\$ 121,528</u>	<u>\$ —</u>
TOTAL	<u>\$ 9,581,272</u>	<u>\$ 9,367,198</u>	<u>\$ (158,599)</u>
F.T.E. Positions:			
Classified	123.4	121.4	2.0
Unclassified	88.4	88.4	—

Agency Request/Governor's Recommendation

The Veterinary Medical Center's (VMC) operating expenditure request for FY 1986 is a 13 percent increase over the estimate of operating expenditures for the current fiscal year. The FY 1985 general use budget was adjusted prior to calculation of the FY 1986 request to remove the \$204 per classified F.T.E. addition compensation (\$25,362) and to include fringe benefits at rates in effect during FY 1986. The adjustments result in a total reduction of \$4,319. The request for FY 1986 includes the systemwide maintenance increases of 7 percent for salaries and other operating expenditures and 15 percent for utilities; a \$3,000 addition to the student wage base and \$450,000 and 6.0 F.T.E. positions for program improvement. In addition to the funding requests for FY 1986, the VMC also requests: (1) a transfer of \$5,000 from the General Fees Fund (GFF) to the Health Professions Student Loan Fund (HPSL) (to match federal loan dollars); (2) addition of restricted fee accounts entitled "Application for Post Baccalaureate Programs" and "Embryo Transfer Unit" to the Restricted Fees Fund (RFF); and (3) addition of 2.0 F.T.E. classified positions to support the Embryo Transfer Unit. The latter new unit will be established as a service unit at the VMC and is to be supported by fees charged for the service.

The Governor's recommendation for operating expenditures for the Veterinary Medical Center (VMC) for FY 1986 totals \$9,245,670 which represent a 9.1 percent increase over estimated expenditures for the current fiscal year. The recommendation is based on the adjusted base included in the request with a further adjustment to reflect the unemployment insurance rate that will be in effect during FY 1986. The recommendation includes a 6 percent increase for unclassified and student salaries and other operating expenditures (OOE) and an 8 percent increase for utilities expenditures. The recommendation also includes \$393,859 and 4.0 F.T.E. positions for the requested program

improvement. The recommendation includes the requested transfer to the student loan fund, but does not include the requested 2.0 F.T.E. positions for the Embryo Transfer Unit.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$53,771 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
 - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$6,570 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
 - d. Deletion of \$456 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
 - e. Deletion of \$8,405 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
 - f. Deletion of \$89,398 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.

- g. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
2. Shift financing of \$51,160 from the SGF to the GFF during FY 1986. This recommendation is based upon the revenue estimate provided after spring, 1985 enrollment and will allow an ending balance of \$35,000.
 3. Addition of two new accounts to the restricted fees fund: (1) application for post baccalaureate programs; and (2) embryo transfer unit. Two F.T.E. classified positions, to be paid from the restricted fee fund, are added for the embryo unit.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee recommendations.

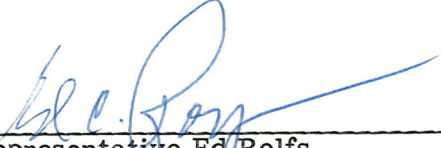
House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjustments to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (209,759)	\$ 5,719,550	\$ (395,605)
General Fees Fund	51,160	1,948,160	—
Hospital Revenue Funds	—	1,110,000	(20,000)
General Use Funds	\$ (158,599)	\$ 8,777,710	\$ (415,605)
Other Funds	—	309,361	—
Subtotal	<u>\$ (158,599)</u>	<u>\$ 9,087,071</u>	<u>\$ (415,605)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building	—	121,528	—
Fund	—	—	—
Subtotal	<u>\$ —</u>	<u>\$ 121,528</u>	<u>\$ —</u>
TOTAL	<u>\$ (158,599)</u>	<u>\$ 9,208,599</u>	<u>\$ (415,605)</u>
F.T.E. Positions:			
Classified	2.0	123.4	—
Unclassified	—	88.4	—

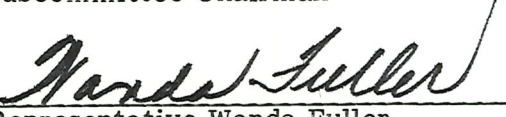
The Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$15,410 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff.

- b. Addition of \$14,290 to provide an additional .5 percent employer contribution to TIAA. (The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$455 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0 percent increase of the student salary base. The Committee further recommends inclusion of a proviso on the student salaries line item in the appropriation bill that \$2,273 (one-half of the 5 percent increase be used to pay student wages in excess of the federal minimum wage.
 - d. Deletion of \$20,171 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase of the base for FY 1986.
- 2. The Subcommittee reviewed the status of the Hospital and Diagnostic Laboratory Fee Fund and recommends appropriation of \$20,000 from the State General Fund to offset an anticipated reduction of revenue to the fund during FY 1986.
 - 3. Deletion of \$393,859 and 4.0 F.T.E. classified positions recommended for the Center's program improvement pending the presentation of a written agreement for the regionalization of the Veterinary Medical School with Nebraska. The Subcommittee concurs with the recommendation of the Legislative Budget Committee that any agreement with another state must include adequate representation of the interests of Kansas and its students.
 - 4. Addition of 2.0 F.T.E. classified positions for the Rapid Focal Fluorescent Inhibition test. The test that was developed at the Center to determine whether animals have rabies, will generate revenue that will be used to support two positions. Two additional positions are recommended to hold in reserve as restricted use positions to be used if they are needed for this activity or other similar purposes.



Representative Ed Rolfs
Subcommittee Chairman



Representative Wanda Fuller



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Kansas Univers. Bill No. 1 Bill Sec. 7
 Analyst: Galligan Analysis Pg. No. 583 Budget Pg. No. 3-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 88,437,846	\$ 83,646,663	\$ (2,099,836)
General Fees Fund	27,257,984	27,981,888	—
Interest	35,000	35,000	—
General Use Funds	<u>\$115,730,830</u>	<u>\$111,663,551</u>	<u>\$ (2,099,836)</u>
Other Funds	61,347,300	61,272,625	—
Subtotal	<u>\$177,078,130</u>	<u>\$172,936,176</u>	<u>\$ (2,099,836)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	1,418,625	1,838,198	131,000
Other Funds	335,000	335,000	—
Subtotal	<u>\$ 1,753,625</u>	<u>\$ 2,173,198</u>	<u>\$ 131,000</u>
 TOTAL	 <u>\$178,831,755</u>	 <u>\$175,109,374</u>	 <u>\$ (1,968,836)</u>
F.T.E. Positions:			
Classified	1,958.6	1,955.5	4.0
Unclassified	2,250.7	2,250.7	6.0

Agency Request/Governor's Recommendation

The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 base budget of \$103,274,766. The adjustment to the base includes removal of \$241,532 appropriated for FY 1985 to provide \$204 per F.T.E. additional compensation for classified employees. The base was also adjusted to remove amounts reappropriated from previous fiscal years that are budgeted for expenditure during the current fiscal year. The operating budget request for FY 1986, including \$8,693,889 for systemwide maintenance increases, \$2,436,156 for systemwide program improvements and \$1,326,019 for individual program improvements totals \$177,078,130 and would result in a 9.5 percent increase of operating expenditures over the amount authorized for FY 1985.

The Governor's recommendation for FY 1986 totals \$172,936,176 which represents a 7.0 percent increase over the Governor's recommendation for the current fiscal year. The Governor concurs with the base adjustments that include removal of the FY 1985 additional classified compensation and reappropriations. The recommendation includes \$5,881,381 for systemwide maintenance increases, \$1,726,684 for systemwide program improvements and \$780,720 for individual program improvements. The latter amount includes funding recommended for the new education research center discussed in item 5 below.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

4/3/85 (4)

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$1,131,519 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
 - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$16,590 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
 - d. Deletion of \$10,454 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
 - e. Addition of \$19,308 to the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
 - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
 - g. Deletion of \$248,528 recommended to provide an additional 6.5 percent increase for GTA stipends.
 - h. Deletion of \$84,097 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
 - i. Exclusion of the \$250,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a

separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.

- j. Deletion of \$503,721 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
 - k. Lapse \$500,000 of State General Fund appropriation for FY 1985. This action does not alter the current year expenditure level recommended by the Governor, but is consistent with Committee policy in regard to shifting current year expenditures.
2. Delete \$100,000 recommended for academic computing.
 3. Delete \$678,000 and 3.0 F.T.E. positions recommended for the Regents' Center of Excellence in Education Research. The Subcommittee notes that program would not be of direct benefit to the University and is of the opinion that if the Center is funded it should be part of the Regents' office.
 4. Addition of \$266,090 and 4.0 F.T.E. unclassified positions requested by the University to establish a Bachelor of Science in Computer Engineering program.
 5. Addition of \$110,000 and 4.0 F.T.E. classified positions requested by the University for a preventive maintenance program for the automated operational systems that have been installed in many of the campus buildings.
 6. Addition of \$200,000 requested by the University to establish an equipment matching fund.
 7. Addition of \$77,675 as a separate line item appropriation for the university affiliated research program at Parsons State Hospital.
 8. Addition of a proviso on the Centers of Excellence line item that would permit reappropriation of unexpended funds at the end of FY 1985.
 9. The Subcommittee reviewed the University's request for funds to establish a microwave communication link with Kansas State University and encourages the two institutions to pursue that and to explore other advanced communications methods that might be mutually beneficial.

10. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction that include reduction of FY 1986 expenditures for the Science Library by \$200,000; increase expenditures for the Snow Hall renovation project by \$240,000 and approve expenditure of \$91,000 for the major utilities analysis. All of the projects are recommended for funding from the Educational Building Fund.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations with the following exception:

1. Addition of \$100,000 for academic computing.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee recommendation with the following exception:

1. Addition of \$205,456 to make a technical adjustment to the appropriation for salaries and wages.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Total Senate Rec.</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (1,798,844)	\$ 81,847,819	\$ (2,108,086)
General Fees Fund	—	27,981,888	1,017,424
Interest	—	35,000	—
General Use Funds	\$ (1,798,844)	\$109,864,707	\$ (1,090,662)
Other Funds	—	61,272,625	—
Subtotal	<u>\$ (1,798,844)</u>	<u>\$171,137,332</u>	<u>\$ (1,090,662)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	131,000	1,969,198	—
Other Funds	—	335,000	11,443,500
Subtotal	<u>\$ 131,000</u>	<u>\$ 2,304,198</u>	<u>\$ 11,443,500</u>
TOTAL	<u><u>\$ (1,663,380)</u></u>	<u><u>\$173,441,530</u></u>	<u><u>\$ 10,352,838</u></u>
F.T.E. Positions:			
Classified	4.0	1,959.5	(13.65)
Unclassified	6.0	2256.7	1.5


The Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$243,113 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA) and includes a technical adjustment of the fringe benefit amount.
 - b. Addition of \$223,976 to provide an additional .5 percent employer contribution to TIAA. (The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$6,516 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0 percent increase of the student salary base. The Committee further recommends inclusion of a proviso on the student salaries line item in the appropriation bill that \$32,580 (one-half of the 5 percent increase) be used to pay student wages in excess of the federal minimum wage.
 - d. Decrease of the GTA fee waiver recommended for FY 1986 to 65 percent. This recommendation is not an expenditure item, but will result in an increase of revenue to the General Fees Fund of \$51,337.
 - e. Deletion of \$188,590 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase of the base for FY 1986.
 - f. Deletion of \$250,000 recommended for additional library acquisitions.
 - g. Deletion of \$100,000 recommended for the systemwide academic computing program improvement.
 - h. Deletion of \$125,000 recommended for the systemwide instructional equipment program improvement.
 - i. Deletion of \$215,078 and 9.65 F.T.E. classified positions recommended for servicing and maintenance of new buildings. The Committee is of the opinion that the formula used to develop the requests for maintenance and support for new buildings should be examined by the Board of Regents and possibly altered to more accurately reflect the cost of adding new facilities to the campuses.
2. In accordance with the systemwide decision that each of the Subcommittees review the plans for expenditure of the additional student fees, the Subcommittee recommends an increase of the expenditure limitation on the General Fees Fund of \$17,424 (1,452 students at \$12 each). The

Subcommittee makes this recommendation after learning that the University increased its estimate of enrollment by 1,452 after the original estimate of fee receipts was made.

3. The Subcommittee reviewed the status of the General Fees Fund of the University after spring enrollment and recommends a shift of financing of \$1,000,000 of the FY 1986 budget to the General Fees Fund from the State General Fund.
4. Deletion of \$266,090 and 4.0 F.T.E. unclassified positions recommended to establish a Bachelor of Science in the Computer Engineering Program.
5. Addition of \$250,000 requested by the University to increase the base OOE budget. The Subcommittee makes this recommendation as a means of restoring the base budget reduction that was imposed in FY 1984. The Subcommittee reiterates its statement of a year ago that the restoration of the funds is a high priority since what was a temporary fiscal crisis for the state became a permanent funding reduction for the institutions.
6. Appropriation of the equipment matching funds recommended by the Senate as a separate line item with a proviso that would require: (1) that the funds be used only to match funds provided by public or private non-state entities; (2) that no more than 25 percent of the total cost could be paid from the equipment matching fund; and (3) that at least 50 percent of the cost of the equipment would be borne by the external agency.
7. Deletion of \$110,000 and 4.0 F.T.E. classified positions recommended to establish a preventive maintenance program.
8. Deletion of \$77,675 recommended for the university affiliated research program at Parsons State Hospital. The Subcommittee does not share the opinion that the existing funding sources are in danger and views support of this research effort as an appropriate expenditure of sponsored research overhead funds.
9. Introduction of legislation that would amend K.S.A. 76-323 to eliminate the requirement that the State Geologist be a member of the faculty of the Department of Geology. The recommendation is that the State Geologist be a member of the unclassified service as is the State Biologist.
10. The Subcommittee learned that agreement has apparently been reached to provide a study of the problems at Cheyenne Bottoms using state agency and university personnel. Funding for the project would be provided through the Fish and Game Commission with instructions to contract with the State Geologic Survey and Biologic Survey to conduct the study over an 18 month period beginning in FY 1986. The Subcommittee therefore recommends the addition of 5.5 F.T.E. research assistant positions for FY 1986 and notes that only 3.0 F.T.E. positions will be required for the first half of FY 1987.
11. Inclusion of two no-limit funds for FY 1985 and FY 1986 in connection with construction of the new human development center on the Lawrence campus. The building will be constructed with \$9,000,000 of federal and \$3,000,000 of gift funds. The estimate of expenditures for FY 1985 is

\$556,500 with the balance budgeted for expenditure during FY 1986. A proviso on the federal fund appropriation is recommended that would authorize the University to raze 7 buildings that occupy the site of the new building. Some of the buildings house portions of the campus physical plant operation that will be moved to facilities on the perimeter of the campus. Other activities housed in the buildings designated to be razed will be moved to existing space on the campus. The Subcommittee recommends that the University prioritize its request for funds to provide the servicing and maintenance of the new building with its program improvement requests for the fiscal year in which the building will begin to be used. The Subcommittee notes that the Joint Building Construction Committee has not made a recommendation on this project, the request for which was only recently received.


Representative J. Sanford Duncan
Subcommittee Chairperson


Representative Jack Shriver


Representative Bob Ott

SUBCOMMITTEE REPORT

Agency: Wichita State University Bill No. 1 Bill Sec. NewAnalyst: Galligan Analysis Pg. No. 591 Budget Pg. No. 3-102

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 34,815,534	\$ 34,815,534	\$ (377,087)
General Fees Fund	10,693,966	10,693,966	377,087
General Use Funds	\$ 45,509,500	\$ 45,509,500	\$ —
Other Funds	16,092,786	15,766,186	—
Subtotal	<u>\$ 61,602,286</u>	<u>\$ 61,275,686</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ 402,000	\$ 405,774	\$ —
Educational Building Fund	895,000	947,912	(900,000)
Other Funds	—	327,382	—
Subtotal	<u>\$ 1,297,000</u>	<u>\$ 1,681,068</u>	<u>\$ (900,000)</u>
TOTAL	<u><u>\$ 62,899,286</u></u>	<u><u>\$ 62,956,754</u></u>	<u><u>\$ (900,000)</u></u>
F.T.E. Positions:			
Classified	613.3	613.3	—
Unclassified	908.5	908.5	—

Agency Request/Governor's Recommendation

The FY 1985 estimate of general use operating expenditures is equal to the amount approved a year ago by the Legislature and is composed of \$34,815,534 of State General Funds and \$10,693,966 of General Fees Funds (GFF). The current year base budget as submitted contains a \$20,291 shift of funds from OOE to salaries and wages. The revised estimate of GFF receipts after fall, 1984 enrollment shows \$198,249 of additional revenue available during the current fiscal year.

The Governor's recommendation of operating expenditures for the current fiscal year totals \$61,275,686, which amount is less than the University's estimate by \$326,600 that is included as a capital improvement expenditure rather than an operating expenditure. In addition to that adjustment of the amount reported as capital improvements expenditures, the recommendation includes as current year expenditures a total of \$52,912 that had been included by the University as reappropriated to FY 1986. The Governor's recommendation for expenditures from the General Fees Fund is equal to the amount approved a year ago. The additional revenue reported by the University after fall enrollment has been included in the recommendation as a balance forward to FY 1986.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following exception:

4/3/85 (5)

1. Lapse \$377,087 of the State General Fund appropriation for the current year with an offsetting increase of the expenditure limitation on the General Fees Fund. This shift of financing of the budget for the current fiscal year is based upon the University's revised estimate of general fee income during the current fiscal year. The shift will leave the University with a balance of \$200,000 (approximately 2 percent of estimated receipts) in the general fees fund at the beginning of FY 1986.
2. Lapse \$900,000 of Educational Building Funds appropriated for the Ablah Library project in accordance with the recommendation of the Joint Committee on State Building Construction. The Committee recommendation included a shift of the \$900,000 from FY 1985 to fiscal years 1988 and 1989. (This recommendation is included in H.B. 2087, the "emergency supplemental" bill.)

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations.

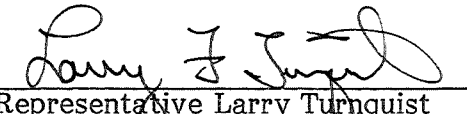
House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjustments to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (377,087)	\$ 34,438,447	\$ —
General Fees Fund	377,087	11,071,053	—
General Use Funds	\$ —	\$ 45,509,500	\$ —
Other Funds	—	15,776,186	—
Subtotal	<u>\$ —</u>	<u>\$ 61,275,686</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ —	\$ 405,774	\$ —
Educational Building Fund	(900,000)	479,912	—
Other Funds	—	327,382	—
Subtotal	<u>\$ 900,000)</u>	<u>\$ 62,056,754</u>	<u>\$ —</u>
TOTAL	<u>\$ (900,000)</u>	<u>\$ 62,056,754</u>	<u>\$ —</u>
F.T.E. Positions:			
Classified	—	613.3	—
Unclassified	—	908.5	—

The Subcommittee concurs with the Senate recommendations.


Representative Harold Guldner
Subcommittee Chairman


Representative Harold Dyck


Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Wichita State University Bill No. 166 Bill Sec. 8
 Analyst: Galligan Analysis Pg. No. 591 Budget Pg. No. 3-102

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 39,433,108	\$ 37,317,199	\$ (773,154)
General Fees Fund	10,991,636	11,459,998	—
General Use Funds	\$ 50,424,744	\$ 48,777,197	\$ (773,154)
Other Funds	16,603,694	16,239,294	—
Subtotal	<u>\$ 67,028,438</u>	<u>\$ 65,016,491</u>	<u>\$ (773,154)</u>
Capital Improvements:			
State General Fund	\$ 3,774	\$ —	\$ —
Educational Building			
Fund	4,924,612	3,221,700	(1,700,000)
Other Funds	782	364,400	—
Subtotal	<u>\$ 4,929,168</u>	<u>\$ 3,586,100</u>	<u>\$ (1,700,000)</u>
TOTAL	<u>\$ 71,957,606</u>	<u>\$ 68,602,591</u>	<u>\$ (2,473,154)</u>
F.T.E. Positions:			
Classified	616.4	614.9	(3.6)
Unclassified	922.3	909.5	2.0

Agency Request/Governor's Recommendation

The operating budget requested for FY 1986 includes \$3,599,606 for program maintenance increases, \$988,075 for systemwide program improvements, and \$380,115 for individual program improvements. The request for general use funds is composed of \$39,887,063 for salaries and wages, \$7,681,223 for other operating expenditure (OOE) and \$2,856,458 for utilities. The requested amount of general use funds is a 10.8 percent increase over the FY 1985 general use base budget. The request is developed from an FY 1985 general use base budget that has been adjusted to remove the \$204 per classified F.T.E. additional compensation appropriated a year ago and to include fringe benefits at the FY 1986 rates. The request includes 16.9 F.T.E. new positions.

The Governor's recommendation of operating expenditures for FY 1986 totals \$65,016,491 and includes \$2,526,066 for program maintenance, \$739,848 for systemwide program improvements and \$178,747 for individual program improvements. The recommendation for general use funds expenditures is composed of \$38,676,746 for salaries and wages, \$7,416,146 for OOE and \$2,684,305 for utilities. The recommended general use funds expenditures are a 7.2 percent increase over the FY 1985 general use base budget. A total of 2.6 F.T.E. new positions are included in the recommendation.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$396,452 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
 - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$7,542 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
 - d. Deletion of \$7,659 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
 - e. Deletion of \$2,920 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
 - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
 - g. Deletion of \$51,016 recommended to provide an additional 6.5 percent increase for GTA stipends.

- h. Deletion of \$28,247 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
 - i. Exclusion of the \$200,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.
 - j. Inclusion of the \$151,000 recommended by the Governor for additional funds for academic computing in a separate line item with a proviso that would prohibit the use of the funds for payment of long term lease purchase agreements. (See also item 7(a) below.)
 - k. Deletion of \$196,746 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
 - l. Deletion of \$58,764 and 1.6 FTE positions recommended for maintenance and operation of the recital hall on the WSU campus. The Committee learned that the University had withdrawn the request after the Governor made his recommendation.
 - m. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation, including the changes noted above.
- 2. Deletion of \$23,808 recommended for additional GTA positions. The Subcommittee concurs with the recommendation of the Governor to provide 2.0 FTE new positions for GTAs.
 - 3. The Subcommittee concurs with the Joint Building Construction Committee's recommendation of appropriation of \$321,700 from the EBF for the College of Business remodeling project during FY 1986. The Subcommittee also concurs with the Building Committee's recommendation of multi-year appropriation from the EBF for the Ablah Library project as follows:

FY 1986	\$2,900,000
FY 1987	4,600,000
FY 1988	2,500,000
FY 1989	574,500

(The Ablah Library project appropriation is contained in H.B. 2087, the "emergency supplemental" bill.)

4. Reappropriation of any unexpended balance in the Centers of Excellence account at the end of FY 1985.
5. Deletion of the physical education and student services complex and associated play fields private grant fund and addition of the Pell grants and pledged residence halls suspense fund to the list of special revenue funds.
6. Shift of two positions from the classified to the unclassified service. The University requested this change in order to have a greater degree of flexibility in staffing of the physical plant program.
7. In addition to the expenditure adjustments noted above, the Subcommittee makes the following observations and recommendations:
 - a. The Subcommittee reviewed the University's request for additional academic computing funding for FY 1986 in accordance with the Committee's systemwide decision. During the review, the Subcommittee learned that the University committed, during the current fiscal year, to a six-year plan to upgrade its computing capabilities. That plan includes two multi-year lease-purchase agreements for mainframe computers. The total cost of the upgrade is estimated to be \$3.8 million with payments extending from FY 1985 through FY 1991. The plan to purchase a new mainframe was not presented in the University's budget for FY 1985, nor was the 1984 Legislature apprised of the University's plans. The Subcommittee is of the opinion that this action is an example of how the state government has allowed itself to move away from a cash basis discipline so that as budgets are reviewed each year, the Legislature looks only at single year commitments, not at the total cost of a project. The Subcommittee also is concerned that some long-term commitments are being made without Legislative review of either the single year or multi-year costs. The Subcommittee questions the appropriateness of this and other similar transactions that are made with increasing frequency throughout state government. The Subcommittee recommends that the Ways and Means Committee require that funding requests that involve multi-year commitments should be brought before the Legislature each year in much the same manner as capital improvements. The Subcommittee feels strongly that long-term purchase commitments must be included in agency budget requests. The Subcommittee specifically concurs with the Governor's recommendation

for FY 1986. However, the Subcommittee notes that the funding made available for FY 1986 cannot be viewed as a commitment to expenditures during future years, any specific strategy the University has adopted in regard to its computer needs, or to a further upgrade of the system.

- b. The Subcommittee is of the opinion that the cooperative education program and the off-campus work-study program are designed to serve two different purposes, and therefore recommends that the University maintain a strict delineation between the two programs.
- c. The existing enrollment adjustment formula may not adequately allow for the needs of the Universities that are generated by the number of people (headcount) who are enrolled. The Subcommittee urges the Board of Regents to reexamine the formula and make a report of its findings and recommendations to the Legislature.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations with the following exception:

- 1. Addition of \$70,089 for a joint project between WSU and the Cerebral Palsy Research Foundation of Kansas to conduct applied rehabilitation engineering research in special education, high technology, and independent living.

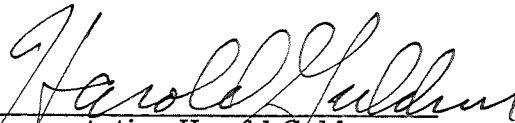
House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adjustments to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (703,065)	\$ 36,614,134	\$ (361,002)
General Fees Fund	—	11,459,998	—
General Use Funds	\$ (703,065)	\$ 48,074,132	\$ (361,002)
Other Funds	—	16,239,294	—
Subtotal	<u>\$ (703,065)</u>	<u>\$ 64,313,426</u>	<u>\$ (361,002)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	(1,700,000)	1,521,700	—
Other Funds	—	364,400	—
Subtotal	<u>\$ (1,700,000)</u>	<u>\$ 1,886,100</u>	<u>\$ —</u>
TOTAL	<u><u>\$ (2,403,065)</u></u>	<u><u>\$ 66,199,526</u></u>	<u><u>\$ (361,002)</u></u>
F.T.E. Positions:			
Classified	(3.6)	611.3	—
Unclassified	2.0	911.5	—


The Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$135,048 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Addition of \$115,983 to provide an additional .5 percent employer contribution to TIAA. (The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$4,722 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0 percent increase of the student salary base. The Committee further recommends inclusion of a proviso on the student salaries line item in the appropriation bill that \$24,825 (one-half of the 5 percent increase) be used to pay student wages in excess of the federal minimum wage.
 - d. Addition of \$29,817 for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves expenditure of the same amount for FY 1986 as the University has available for the current fiscal year.
 - e. Decrease of the GTA fee waiver recommended for FY 1986 to 65 percent. This recommendation is not an expenditure item, but will result in an increase of revenue to the General Fees Fund of \$14,668.
 - g. Deletion of \$75,944 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase of the base for FY 1986.
 - h. Deletion of \$120,000 recommended for additional library acquisitions.
 - i. Deletion of \$151,000 recommended for the systemwide academic computing program improvement.
 - j. Deletion of \$100,000 recommended for the systemwide instructional equipment program improvement.
2. In accordance with the systemwide decision, the Subcommittee reviewed the plans for expenditure of the additional student fees. The Subcommittee learned that the University will allocate the revenue to the academic departments to which the restricted fee funds would have accrued and concurs with that allocation of funds.

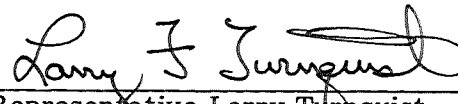
3. Addition of \$79,911 for the joint project between WSU and the Cerebral Palsy Research Foundation of Kansas. The Subcommittee learned that the amount recommended for the project by the Senate Committee would not fund the full scope of research envisioned for the project. This recommendation would permit the University and the Foundation to continue the applied research that is no longer supported by federal funding.
4. Deletion of the language from the appropriation bill that authorizes a transfer of funds from the General Fees Fund to the National Direct Student Loan fund. The Subcommittee learned that the University does not anticipate receipt of any new federal funds for which the transfer would be necessary as a match in FY 1986.



Representative Harold Guldner
Subcommittee Chairman



Representative Harold Dyck



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute Bill No. 161 Bill Sec. New
 Analyst: Galligan Analysis Pg. No. 614 Budget Pg. No. 3-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 85^a</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	2,938,304	\$ 2,926,304	\$ 3,975
General Fees Fund	237,398	240,000	(3,975)
General Use Funds	\$ 3,175,702	\$ 3,166,304	\$ —
Other Funds	417,008	\$ 417,008	\$ —
Subtotal	<u>\$ 3,592,710</u>	<u>\$ 3,583,312</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ 65,000	\$ 65,000	\$ —
Educational Building Fund	1,595,522	1,311,057	160,000
Other Funds	—	—	—
Subtotal	<u>\$ 1,660,522</u>	<u>\$ 1,376,057</u>	<u>\$ 160,000</u>
TOTAL	<u><u>\$ 5,253,232</u></u>	<u><u>\$ 4,959,369</u></u>	<u><u>\$ 160,000</u></u>
F.T.E. Positions:			
Classified	38.5	38.5	—
Unclassified	52.0	52.0	—

(a) Includes a State General Fund supplemental request for \$12,000 and anticipated fee revenue decline of \$36,602 based on fall, 1984 enrollment.

Agency Request/Governor's Recommendation

Kansas Technical Institute (KTI) requests a 12,000 supplemental appropriation from the State General Fund to offset an anticipated \$36,602 decline in revenue to the General Fees Fund for the current fiscal year. The amount requested would result in expenditure of \$24,602 less during FY 1985 than the amount approved a year ago.

The Governor's recommendation for FY 1985 does not include the requested supplemental, but does include a reduction of expenditure of general fees by \$34,000 from the amount originally estimated. The recommendation results in a reduction of operating expenditures by \$34,000 for FY 1985.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Appropriation of \$3,975 to offset the shortfall of general fee receipts during the current fiscal year. The Subcommittee reviewed the Institute's revised estimate of revenue after spring enrollment and determined that a reduction of the expenditure limitation on the General Fees Fund to \$236,025 more accurately reflects the amount that will be available in that

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fund for expenditure during the current fiscal year and will allow for a beginning balance of \$2,000 in FY 1986.

2. Appropriation of \$160,000 from the EBF to permit the Institute to purchase and install a new telephone system for the campus during the current fiscal year. The Subcommittee learned that the Joint Building Construction Committee had reviewed the Institute's request but deferred action until all of the telecommunications requests could be reviewed and prioritized by the Office of Telecommunications within the Department of Administration. The Subcommittee is of the opinion that this project should proceed during the current fiscal year because of the new classroom building that will be ready for occupancy during the summer.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations with the following exceptions:

1. Any plans for expenditure for a new telecommunications system at KTI must be approved by the Office of Telecommunications within DISC.

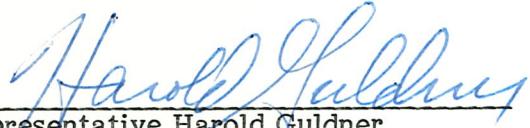
House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adj. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,975	\$ 2,930,279	\$ —
General Fees Fund	(3,975)	236,025	—
General Use Funds	\$ —	\$ 3,166,304	\$ —
Other Funds	—	417,008	—
Subtotal	<u>\$ —</u>	<u>\$ 3,583,312</u>	<u>\$ —</u>
Capital Improvements:			
State General Fund	\$ —	\$ 65,000	\$ —
Educational Building Fund	160,000	1,471,057	—
Other Funds	—	—	—
Subtotal	<u>\$ 160,000</u>	<u>\$ 1,536,057</u>	<u>\$ —</u>
TOTAL	<u>\$ 160,000</u>	<u>\$ 5,119,369</u>	<u>\$ —</u>
F.T.E. Positions:			
Classified	—	38.5	—
Unclassified	—	52.0	—

The Subcommittee concurs with the Senate adjustments with the following exception:

1. The Subcommittee learned that the Board of Regents has submitted a request for supplemental utility appropriation of \$5,006. The

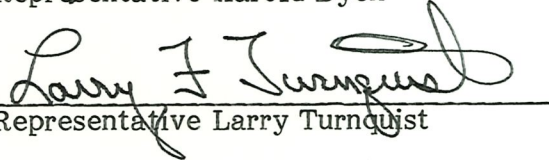
Subcommittee recommends that this item be considered for inclusion in the Omnibus Bill at which time another month of actual expenditure data should be available.



Representative Harold Guldner
Subcommittee Chairman



Representative Harold Dyck



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute Bill No. 166 Bill Sec. 10

Analyst: Galligan Analysis Pg. No. 614 Budget Pg. No. 3-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,369,449	\$ 3,176,468	\$ (32,169)
General Fees Fund	350,000	300,000	—
General Use Funds	\$ 3,719,449	\$ 3,476,468	\$ (32,169)
Other Funds	435,339	435,339	—
Subtotal	<u>\$ 4,154,788</u>	<u>\$ 3,911,807</u>	<u>\$ (32,169)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	186,500	184,465	(105,000)
Other Funds	—	—	—
Subtotal	<u>\$ 186,500</u>	<u>\$ 184,465</u>	<u>\$ (105,000)</u>
TOTAL	<u>\$ 4,341,288</u>	<u>\$ 4,096,272</u>	<u>\$ (137,169)</u>
F.T.E. Positions:			
Classified	43.5	41.5	—
Unclassified	55.0	52.0	—

Agency Request/Governor's Recommendation

The requested amount of general use funds for FY 1986 is based upon an adjusted FY 1985 budget of \$3,192,955. The adjustment to the base includes removal of \$7,348 appropriated for the \$204 per classified F.T.E. positions additional compensation in FY 1985. The request for FY 1986, including systemwide maintenance and program improvement increases as well as individual program improvements, totals \$4,154,788 and represents a 15.6 percent increase over the FY 1985 revised estimate. The request includes a total of \$249,581 for program maintenance increases, \$132,820 for systemwide program improvements, and \$20,351 for an institutional program improvement. The systemwide program improvements include 3.0 F.T.E. additional positions and the institutional program improvement includes a 1.0 F.T.E. additional position.

The Governor's recommendation for operating expenditures for FY 1986 totals \$3,911,807. The recommendation includes \$116,906 for systemwide program improvements, \$20,351 for the individual program improvement and \$156,828 for program maintenance increases. The recommendation is built upon an FY 1985 general use base budget of \$3,187,235. The base budget was adjusted to reflect the unemployment insurance rates that will be in effect for FY 1986. The recommendation includes 3.0 F.T.E. additional classified positions for servicing and maintenance of the new classroom building.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions:

(6)

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$19,693 from the amount recommended for the increase for unclassified salaries and to adjust fringe benefit rates to reflect FY 1986 rates. The adjustment provides for a 5.5 percent average salary increase for unclassified staff.
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed in accordance with Committee policy, pending passage of the legislation.
 - c. Deletion of \$239 from the amount recommended for an increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
 - d. Deletion of \$3,981 from the amount recommended for the maintenance increase of OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
 - e. Deletion of \$8,256 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institution's expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986 at this time. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
 - f. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation.
2. Deletion of the \$160,000 recommended expenditure from the EBF to purchase and install a new campus telephone system. The Subcommittee recommends appropriation of the funds as an FY 1985 supplemental.
3. The Subcommittee concurs with the recommendation of the Joint Committee on Building Construction to appropriate a total of \$55,000 for FY 1986 to begin planning for renovation of the Aeronautical Technology Complex and a women's dormitory.
4. The Subcommittee received testimony from President Creech in regard to the decline of enrollment for FY 1985. The Subcommittee is of the opinion that the decline is correctly characterized as an anomaly and therefore does not recommend any funding adjustment for FY 1986 at this time. The

Subcommittee notes that the President's testimony indicated that the decline in enrollment for the current fiscal year has the effect of bringing the Institute's actual student/faculty ratio into line with the ratio used in the enrollment adjustment.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

House Subcommittee Recommendations


<u>Expenditure Summary</u>	<u>Senate Adjust. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (32,169)	\$ 3,144,299	\$ (65,845)
General Fees Fund	—	300,000	—
General Use Funds	\$ (32,169)	\$ 3,444,299	\$ (65,845)
Other Funds	—	435,339	—
Subtotal	<u>\$ (32,169)</u>	<u>\$ 3,879,638</u>	<u>\$ (65,845)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	(105,000)	79,465	—
Other Funds	—	—	—
Subtotal	<u>\$ (105,000)</u>	<u>\$ 79,465</u>	<u>\$ —</u>
TOTAL	<u><u>\$ (137,169)</u></u>	<u><u>\$ 3,959,103</u></u>	<u><u>\$ (65,845)</u></u>
F.T.E. Positions:			
Classified	—	41.5	(1.5)
Unclassified	—	52.0	—

The Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$8,627 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff.
 - b. Addition of \$7,591 to provide an additional .5 percent employer contribution to TIAA. (The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$152 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0 percent increase of the student salary base. The Committee further recommends inclusion of a

proviso on the student salaries line item in the appropriation bill that \$761 (one-half of the 5 percent increase) be used to pay student wages in excess of the federal minimum wage.

- d. Deletion of \$9,556 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase of the base for FY 1986.
 - e. Deletion of \$55,101 and 1.5 F.T.E. classified positions recommended for servicing and maintenance of new buildings. The Committee is of the opinion that the formula used to develop the requests, maintenance, and support for new buildings should be examined by the Board of Regents and possibly altered to more accurately reflect the cost of adding new facilities to the campuses.
2. In accordance with the systemwide decision, the Subcommittee reviewed the plans for expenditure of the additional student fees. The Subcommittee concurs with the Senate's recommendation that the Institute expend the \$6,619 estimated to be collected as a result of the additional \$6 per F.T.E. student charge to install a closed-circuit audi-visual network in the new technology center.



Representative Harold Guldner
Subcommittee Chairman



Representative Harold Dyck



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Fort Hays State University Bill No. 166 Bill Sec. 2
 Analyst: Galligan Analysis Pg. No. 549 Budget Pg. No. 3-29

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 16,397,174	\$ 15,701,179	\$ (119,585)
General Fees Fund	3,748,879	3,665,659	(30,000)
General Use Funds	<u>\$ 20,146,053</u>	<u>\$ 19,366,838</u>	<u>\$ (149,585)</u>
Other Funds	7,281,085	6,873,787	—
Subtotal	<u>\$ 27,427,138</u>	<u>\$ 26,240,625</u>	<u>\$ (149,585)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	390,250	476,886	—
Other Funds	1,920,330	457,300	250,000
Subtotal	<u>\$ 2,310,580</u>	<u>\$ 934,186</u>	<u>\$ 250,000</u>
TOTAL	<u>\$ 29,737,718</u>	<u>\$ 27,174,811</u>	<u>\$ 100,415</u>
F.T.E. Positions:			
Classified	294.4	293.4	1.0
Unclassified	321.6	320.6	—

Agency Request/Governor's Recommendation

The request for FY 1986 is based on an adjusted FY 1985 general use budget of \$18,309,415. The adjustment to the base includes removal of \$42,534 appropriated for the FY 1985 \$204 per F.T.E. additional compensation for classified employees. The base was also adjusted to more accurately reflect workers' compensation and pension plan contribution rates for both classified and unclassified employees. The operating budget for FY 1985 is 5.9 percent more than the amount expended during FY 1984. The operating budget requested for FY 1986, including systemwide maintenance increases and program improvements as well as individual program improvements, totals \$27,427,138 and would result in a 9.2 percent increase of operating expenditures over the amount authorized for FY 1985. The Governor recommends a total operating budget of \$26,240,625 which represents a 6.2 percent increase over the estimate for the current fiscal year. The recommendation includes further adjustments to the FY 1985 base to reflect FY 1986 unemployment insurance rates. Thus the general use base to which the recommended increases are added is \$40,966 less than the approved FY 1985 general use budget.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$134,524 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a

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5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).

- b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
- c. Deletion of \$4,711 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
- d. Addition of \$13,685 to the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
- e. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
- f. Deletion of \$12,300 recommended to provide an additional 6.5 percent increase for GTA stipends.
- g. Deletion of \$13,120 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
- h. Exclusion of the \$43,395 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.
- i. Deletion of \$70,074 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any

savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.

- j. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation including the changes noted above.
2. Addition of \$71,460 and 1.0 F.T.E. classified position for the equipment and support staff to establish a computer lab in remodeled Martin Allen Hall. The recommendation includes salary funds for one F.T.E. unclassified position for one-half year because the University will not need to fill the position until the remodeling work is completed. The Subcommittee appreciates the University's candor in presenting its computing plans to the Legislature and the President's willingness to discuss the long term plans in regard to computer activities.
3. Addition of a proviso on the oil and gas royalties fund that would restrict expenditure of the funds to use of the University farm with no expenditure limitation.
4. Reduction of the expenditure limitation on the GFF by \$30,000 based upon the revised revenue estimate made after spring enrollment. This reduction would result in a FY 1986 ending balance of approximately \$18,000 as recommended by the Governor.
5. The Subcommittee endorses the siting of the Department of Education's Summer Academy for High Achieving Students at FHSU.
6. The Subcommittee visited the campus during the review of the University's budget and was very impressed with its operation and efficiency. It appears that every effort is made to extend resources as far as possible through cordial cooperation between the academic and administrative elements. The appearance and atmosphere of the campus are evidence of the positive results of the efforts.
7. The Subcommittee concurs with the recommendations of the Joint Building Construction Committee in particular that for the Sheridan Coliseum renovation project. The Committee recommends that the University have authority to expend \$250,000 of gift funds to complete final planning for the coliseum renovation project during FY 1986. As part of its recommendation, the Committee specifically reserves the prerogative to review the plans and the progress of the fund raising effort prior to committing any additional state funds to the project.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations.

House Subcommittee Recommendation


<u>Expenditure Summary</u>	<u>Senate Adjustments to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (119,585)	\$ 15,581,594	\$ (135,854)
General Fees Fund	(30,000)	3,635,659	—
General Use Funds	\$ (149,585)	\$ 19,217,253	\$ (135,854)
Other Funds	—	6,873,787	—
Subtotal	<u>\$ (149,585)</u>	<u>\$ 26,091,040</u>	<u>\$ (135,854)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	—	476,886	—
Other Funds	250,000	707,300	—
Subtotal	<u>\$ 250,000</u>	<u>\$ 1,184,186</u>	<u>\$ —</u>
TOTAL	<u>\$ 100,415</u>	<u>\$ 27,275,226</u>	<u>\$ (135,854)</u>
F.T.E. Positions:			
Classified	1.0	294.4	—
Unclassified	—	320.6	—

The Subcommittee concurs with the Senate recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$67,971 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA) and includes a technical adjustment of the fringe benefit amount.
 - b. Addition of \$48,472 to provide an additional .5 percent employer contribution TIAA. (The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$3,676 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0% increase of the student salary base. The Committee further recommends inclusion of a proviso on the student salaries line item in the appropriation bill that \$13,817 (one-half of the 5 percent increase) be used to pay student wages in excess of the federal minimum wage.
 - e. Decrease of the GTA fee waiver recommended for FY 1986 to 65 percent. This recommendation is not an expenditure item, but will result in an increase of revenue to the General Fees Fund of \$4,161.

- f. Deletion of \$31,462 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase of the base for FY 1986.
 - g. Deletion of \$43,395 recommended for additional library acquisitions.
 - h. Deletion of \$62,500 recommended for the systemwide instructional equipment program improvement.
2. In accordance with the systemwide decision, the Subcommittees reviewed the plans for expenditure of the additional student fees, and concurs with the University's plan to expend the additional revenue for instructional equipment.
 3. The Subcommittee reviewed the status of the General Fees Fund of the University after spring enrollment and recommends a shift of expenditures of \$18,000 during the current fiscal from the General Fees Fund to the State General Fund. This shift would allow the University to have an ending balance of approximately \$21,000 nearly equal to that recommended by the Governor.
 4. Addition of \$60,000 for the development of a pilot program for FY 1986 for high achieving high school students. The program is to be designed using the goals and guidelines developed for the Kansas Honors Academy by the State Department of Education. The Subcommittee makes this recommendation in part because of the existence of the expertise to operate the program at FHSU due to the presence of the College Studies for the Gifted program at the University. Since this is to be a pilot project, the Subcommittee recommends that a report of the activities and evaluation of the methodology be submitted to the Department of Education and the appropriate Ways and Means subcommittees at the beginning of the 1986 and 1987 Sessions. The funds are to be appropriated in a separate line item and excluded from the University's base budget.
 5. Deletion of \$35,322 from the amount recommended for unclassified salaries of phase II of the computing system program improvement. The deletion adjusts the expenditure to correspond with the Senate recommendation that the program improvement include one classified and .5 unclassified positions.
 6. The Subcommittee learned that the University had determined that a shift of approximately \$9,000 of its enrollment adjustment from student salaries to OOE would enable a better use of existing resources. The Subcommittee concurs with the shift in light of the economy of western Kansas and recommends the appropriate base budget adjustment.
 7. The Subcommittee expresses its concern over the continued decline in enrollment at FHSU. The Subcommittee urges the University to re-evaluate its continuing education policy to make certain that its programs are meeting the needs of the service area, are useful to persons in agribusiness in responding to the current crisis in agriculture and useful to those persons who may need retraining to change their vocation. The

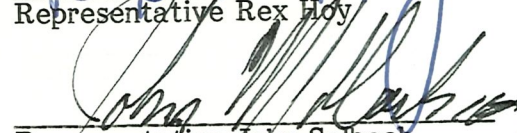
Subcommittee believes that such action may assist the University in stabilizing its enrollment and in better responding to the needs of Kansas citizens.



Representative Jim Lowther
Subcommittee Chairman



Representative Rex Hoy



Representative John Solbach

SUBCOMMITTEE REPORT

Agency: Pittsburg State University Bill No. 100 Bill Sec. 6

Analyst: Galligan Analysis Pg. No. 576 Budget Pg. No. 3-59

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 17,746,171	\$ 16,975,473	\$ (562,735)
General Fees Fund	3,711,764	3,721,155	197,548
General Use Funds	\$ 21,457,935	\$ 20,696,628	\$ (365,187)
Other Funds	4,083,109	4,083,109	—
Subtotal	<u>\$ 25,541,044</u>	<u>\$ 24,779,737</u>	<u>\$ (365,187)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	538,000	12,974	531,500
Other Funds	—	—	—
Subtotal	<u>\$ 538,000</u>	<u>\$ 12,974</u>	<u>\$ 531,500</u>
TOTAL	<u>\$ 26,079,044</u>	<u>\$ 24,792,711</u>	<u>\$ 166,313</u>
F.T.E. Positions:			
Classified	268.4	266.7	.7
Unclassified	325.4	324.4	(2.0)

Agency Request/Governor's Recommendation

The requested general use budget of \$20,696,628 for FY 1986 is computed on an adjusted FY 1985 base budget of \$19,565,855. The adjustment to the base includes removal of the \$204 per classified F.T.E. position additional compensation appropriated a year ago. The base adjustment also includes \$44,480 to pay accumulated sick leave to retirants; \$64,374 to provide an additional 1 percent employer contribution to TIAA; and adjustments to other fringe benefits to reflect FY 1986 rates. The operating budget for FY 1985 (not including capital improvements) is 6.6 percent more than the amount expended for operations during FY 1984. The request for FY 1986, which includes \$1,414,862 for program maintenance increases, \$281,000 for systemwide program improvements, and \$196,218 for individual program improvements, totals \$25,541,044 and would result in a 10 percent increase over the amount authorized for FY 1985.

The Governor recommends an operating budget of \$24,779,737 for FY 1986. The recommended level of expenditures is 6.7 percent more than the level approved for the current fiscal year and includes \$944,823 for program maintenance, \$115,071 for systemwide program improvements and \$130,983 for an individual program improvement. The general use budget recommended for FY 1986 totals \$20,696,628.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

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1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$148,810 from the amount recommended for the increase for unclassified salaries. The adjustment provides for a 5.5 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA. (Included in the reduction in (a) above.) The Committee recommends the increased contribution and introduced a bill that would amend existing law to permit it. The funding is removed, in accordance with Committee policy, pending passage of the legislation (S.B. 350).
 - c. Deletion of the amount recommended for accumulated sick leave for classified and unclassified employees. (\$3,337 in addition to the amount deleted in (a) above.) The Committee recognizes that the payment of accumulated leave may pose a problem for some agencies, but recommends that any additional amounts requested for that purpose be sought as supplementals after the payments are made in order that the impact on the operating budget can be accurately assessed.
 - d. Deletion of \$3,834 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.5 percent increase of the student salary base.
 - e. Deletion of \$1,168 from the amount recommended for the off-campus work-study program for FY 1986. In making this recommendation, the Committee approves the same expenditure level for FY 1986 as the University estimated for FY 1985 in its budget request. The Committee recommends reappropriation of unexpended amounts from the current fiscal year to FY 1986 with a reduction of the new appropriation by the amount the University identified as a carryforward balance in its budget.
 - f. Continuation of the separate line item for the off-campus work-study program in the appropriation bill and continuation of the proviso on the student salaries and wages line item that permits expenditure of those funds for the off-campus program. The Committee also recommends that the program be expanded to permit participation of public, non-state employers such as schools, cities and counties as well as private employers.
 - g. Deletion of \$10,071 recommended to provide an additional 6.5 percent increase for GTA stipends.
 - h. Deletion of \$12,552 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 5.5 percent increase of the base for FY 1986.
 - i. Exclusion of the \$30,000 recommended for library acquisitions from the base OOE budget and appropriation of the amount as a

separate line item. The Committee makes this recommendation in order that the Legislature will have an opportunity to review any subsequent requests for additional library funds separately.

- j. Inclusion of the \$25,000 recommended by the Governor for additional funds for academic computing in a separate line item with a proviso that would prohibit the use of the funds for payment of long term lease purchase agreements.
 - k. Deletion of \$79,432 recommended for the increase of the utilities base budget. The Committee's recommendation for utilities expenditures is to appropriate the same amount for expenditure during FY 1986 as the institutions expend during the current fiscal year. Since the Board of Regents has not yet acted upon any requests for supplementals, the Committee cannot recommend a specific amount for FY 1986. The Committee also recommends continuation of a separate line item appropriation for utilities with a proviso that permits reappropriation of any savings for energy conservation projects. The Committee further recommends that in the future the appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from the previous fiscal year.
 - l. Reformatting of the appropriation bill to include the line items that are in the current year's appropriation, including the changes noted above.
2. Increase the expenditure limitation on the GFF for FY 1986 by \$197,548 based upon the revised receipts estimate after spring enrollment. The shift of financing does not increase the expenditure level because the State General Fund is reduced by an equal amount. The Subcommittee also recommends that the University be given authority to match new NDSL funds received during FY 1986 with a transfer from the General Fees Fund as requested.
 3. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction for \$531,500 from the Educational Building Fund to remodel three buildings for the technology programs and to begin planning for remodeling of Porter Hall for use by the art department.
 4. Deletion of \$130,983 and 3.0 F.T.E. (two unclassified, one classified) positions recommended to establish academic service centers on the campuses of two community colleges in southeast Kansas. The Subcommittee is of the opinion that this project does not have any positive impact on the quality of the University's existing programs. The Subcommittee suggests that the Board review the request in light of maintaining the quality of the existing programs.
 5. Addition of \$25,000 and 1.7 F.T.E. classified positions for a maintenance technician and data entry operator requested by the University.

6. The Subcommittee notes that there are six community colleges within 70 miles of Pittsburg State University and suggests that the Legislature review the provision of state financial assistance to so many postsecondary educational institutions in such close proximity. There appears to be some duplication of effort in the expenditure of state funds for these institutions and the geographic concentration seems to have a negative impact on Pittsburg State University and the overall quality of education.
7. The Subcommittee is concerned about the presence of a cosmetology program at the University and the use of University resources to support a program that might better be located at a community college or vocational-technical school.
8. The Subcommittee notes the improvement in the relations between the faculty and the administration and commends all of the staff for the improved atmosphere and efforts to develop better working relationships.

Senate Committee Recommendation

The Committee concurs with the Subcommittee's recommendations with the following exceptions:

1. Addition of \$130,983 and 3.0 F.T.E. positions as recommended by the Governor to establish academic service centers in the community colleges in southeast Kansas. The Committee recommends that the funds be appropriated as a separate line item and that both the funding and credit hours generated should be excluded from the respective bases.

House Subcommittee Recommendations


<u>Expenditure Summary</u>	<u>Senate Adjust. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (431,752)	\$ 16,543,721	\$ (170,251)
General Fees Fund	197,548	3,918,703	—
General Use Funds	\$ (234,204)	\$ 20,462,424	\$ (170,251)
Other Funds	—	4,083,109	—
Subtotal	<u>\$ (234,204)</u>	<u>\$ 24,545,533</u>	<u>\$ (170,251)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	531,500	544,474	—
Other Funds	—	—	—
Subtotal	<u>\$ 531,500</u>	<u>\$ 544,474</u>	<u>\$ —</u>
TOTAL	<u><u>\$ 297,296</u></u>	<u><u>\$ 25,090,007</u></u>	<u><u>\$ (170,251)</u></u>
F.T.E. Positions:			
Classified	.7	267.4	—
Unclassified	1.0	325.4	—

The Subcommittee concurs with the Senate recommendations with the following exceptions:


1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$57,906 from the amount recommended for the increase of unclassified salaries. The adjustment provides for a 5.0 percent average salary increase for unclassified staff and Graduate Teaching Assistants (GTA).
 - b. Addition of \$32,403 to provide an additional .5 percent employer contribution to TIAA. (The authorizing legislation, S.B. 350, was referred to the Pensions Committee on March 28.)
 - c. Deletion of \$2,758 from the amount recommended for the maintenance increase of the student wage base. The recommended amount would allow for a 5.0 percent increase of the student salary base. The Committee further recommends inclusion of a proviso on the student salaries line item in the appropriation bill that \$13,790 (one-half of the 5 percent increase) be used to pay student wages in excess of the federal minimum wage.
 - d. Addition of \$13,758 for the off-campus work-study program for FY 1986. In making this recommendation, the Subcommittee approves expenditure of the same amount for FY 1986 as the University has available for expenditure during the current fiscal year.
 - e. Decrease of the GTA fee waiver recommended for FY 1986 to 65 percent. This recommendation is not an expenditure item, but will result in an increase of revenue to the General Fees Fund of \$5,766.
 - f. Deletion of \$30,748 from the amount recommended for the maintenance increase for OOE. The recommendation would allow a 4.3 percent increase of the base for FY 1986.
 - g. Deletion of \$30,000 recommended for additional library acquisitions.
 - h. Deletion of \$25,000 recommended for the systemwide academic computing program improvement.
 - i. Deletion of \$50,000 recommended for the systemwide instructional equipment program improvement.
2. In accordance with the systemwide decision that each of the Subcommittees review the plans for expenditure of the additional student fees, the Subcommittee concurs with the University's plan to expend the funds for computer services and departmental materials and supplies. The Subcommittee notes that the new fee may result in slightly less revenue than the course and computer access fees currently assessed by the University.

3. Deletion of \$20,000 of the amount recommended for the academic service centers. The Subcommittee learned that the University had revised its estimate of the amount that would be necessary for establishment of the centers and makes this adjustment accordingly. The Subcommittee encourages the Board of Regents, the Universities and the Community Colleges to explore the concept of providing outreach service centers. In order to facilitate that exploration, the Subcommittee recommends that the Board and Pittsburg State identify for the 1986 Legislature other potential areas of cooperation between the state's institutions of higher education, and that the Board submit an evaluative report of this service center concept. The Subcommittee anticipates that any increased cooperation resulting from this program will help limit duplication that detracts from the quality of education and services provided. The Subcommittee is not interested in spending money to provide duplicate services on each campus in the state. If the approach that is being initiated by Pittsburg State is to be incorporated into the programs of the other Universities, the Board of Regents will be expected to develop specific guidelines to prevent duplication and facilitate efficient service delivery.

4. The Subcommittee concurs with the spirit of the recommendation of its Senate counterpart in regard to the classified positions requested by the University, but recommends a slight variation to the allocation of the personnel. The Subcommittee commends the University for its creative use of personnel to meet the needs of the students and faculty. In particular, the Subcommittee stands in awe of the University's uncanny ability to transform the mechanical technician created from a bus driver a year ago into two secretaries this year without sacrificing a single crucial function or service of the University. In light of this most unique skill, the Subcommittee recommends another bus driver position with the fervent belief that it will once again meet the need for clerical staff support. The Subcommittee cautions the University, however, that this is the last year that any request involving a bus driver position will be considered.



Representative David Louis
Subcommittee Chairperson



Representative Kenneth King



Representative Henry Helgerson

SUBCOMMITTEE REPORT

Agency: Board of Regents Bill No. 166 Bill Sec. 11
 Analyst: Galligan Analysis Pg. No. 619 Budget Pg. No. 3-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 85</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,275,101	\$ 1,275,101	\$ (58,000)
Other Assistance	5,281,966	5,281,966	—
Subtotal	<u>\$ 6,557,067</u>	<u>\$ 6,557,067</u>	<u>\$ (58,000)</u>
Capital Improvements	532,084	502,237	(502,237)
TOTAL	<u><u>\$ 7,089,151</u></u>	<u><u>\$ 7,059,304</u></u>	<u><u>\$ (560,237)</u></u>
State General Fund:			
State Operations	\$ 1,274,385	\$ 1,274,385	\$ (58,000)
Other Assistance	4,431,691	4,431,691	—
Subtotal	<u>\$ 5,706,076</u>	<u>\$ 5,706,076</u>	<u>\$ (58,000)</u>
Capital Improvements	502,237	502,237	(502,237)
TOTAL	<u><u>\$ 6,208,313</u></u>	<u><u>\$ 6,208,313</u></u>	<u><u>\$ (560,237)</u></u>
F.T.E. Positions	16.0	16.0	—

Agency Request/Governor's Recommendation

The Board's estimate of expenditures for FY 1985 is \$3,683 less than the amount authorized a year ago. The difference is accounted for by slight adjustments to the calculations of salaries and benefits. The current year estimate of expenditures includes \$3,957 for the \$204 per F.T.E. position additional compensation approved by the 1984 Legislature.

The Governor's recommendation for the current fiscal year is for the level of operating expenditures estimated by the Board. In the area of capital improvements, the Governor recommends lapsing \$7,168 of an Educational Building Fund (EBF) appropriation for energy conservation technical assistance that had been reappropriated from FY 1984. In addition, the Governor's recommendation would defer expenditure of \$22,679 of EBF funds reappropriated from FY 1984. The Governor has included expenditure of the latter amount in his recommendation for FY 1986.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Reduction of \$600,000 of major maintenance expenditures with that amount reappropriated to FY 1986 to offset the new appropriation. The Subcommittee concurs with this recommendation of the Joint Committee on State Building Construction. (\$97,763 of the reduction is shown in the Subcommittee reports of the institutions to which the Board has allocated the funds.)

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2. Reduction of \$50,000 from the Regents' Distinguished Professor program with reappropriation of that amount to offset the FY 1986 appropriation. The Subcommittee learned that two of the five professorships have not yet been filled.
3. Reduction of \$8,000 from the optometry seat purchase program and reappropriation of that amount to offset the FY 1986 appropriation. The Subcommittee learned that not all of the seats for which funds are available are filled during the current academic year.

Senate Committee Recommendation

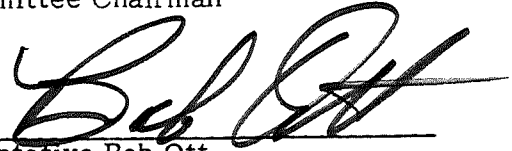
The Senate Committee concurs with the Subcommittee recommendation.

<u>Expenditure Summary</u>	<u>Senate Adjust. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (58,000)	\$ 1,217,101	\$ —
Other Assistance	—	5,281,966	—
Subtotal	<u>\$ (58,000)</u>	<u>\$ 6,499,067</u>	<u>\$ —</u>
Capital Improvements	(502,237)	—	—
TOTAL	<u><u>\$ (560,237)</u></u>	<u><u>\$ 6,499,067</u></u>	<u><u>\$ —</u></u>
State General Fund:			
State Operations	\$ (58,000)	\$ 1,216,385	\$ —
Other Assistance	—	4,431,691	—
Subtotal	<u>\$ (58,000)</u>	<u>\$ 5,648,076</u>	<u>\$ —</u>
Capital Improvements	(502,237)	—	—
TOTAL	<u><u>\$ (560,237)</u></u>	<u><u>\$ 5,648,076</u></u>	<u><u>\$ —</u></u>
F.T.E. Positions	—	16.0	—

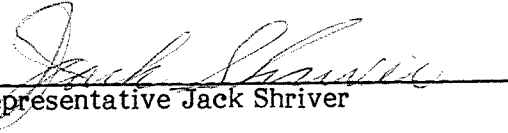
The Subcommittee recommends deletion of this section of the appropriation pending further review of the Board's operating budget.



Representative J. S. Duncan
Subcommittee Chairman



Representative Bob Ott



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Board of Regents Bill No. 166 Bill Sec. 11
 Analyst: Galligan Analysis Pg. No. 619 Budget Pg. No. 3-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 86</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,255,735	\$ 1,198,820	\$ 11,206
Other Assistance	<u>5,903,312</u>	<u>5,733,312</u>	<u>(250,000)</u>
Subtotal - Operating			
Expenditures	\$ 7,159,047	\$ 6,932,132	\$ (238,794)
Capital Improvements	4,000,000	4,022,679	(22,679)
TOTAL	<u>\$ 11,159,047</u>	<u>\$ 10,954,811</u>	<u>\$ (261,473)</u>
State General Fund:			
State Operations	\$ 1,255,735	\$ 1,198,820	\$ 11,206
Other Assistance	<u>5,061,691</u>	<u>4,891,691</u>	<u>(250,000)</u>
Subtotal - Operating			
Expenditures	\$ 6,317,426	\$ 6,090,511	\$ (238,794)
Capital Improvements	4,000,000	4,000,000	-
TOTAL	<u>\$ 10,317,426</u>	<u>\$ 10,090,511</u>	<u>\$ (238,794)</u>
F.T.E. Positions	17.0	17.0	-

Agency Request/Governor's Recommendation

The Board requests a total of \$11,159,047 for FY 1986. The request includes an operating budget for administration of \$878,235, a total of \$6,280,812 for the variety of assistance programs administered by the Board, and \$4,000,000 for major repairs and maintenance expenditures on the seven campuses. The request includes a 7 percent increase for staff salaries, an additional 1 percent contribution to the unclassified staff retirement plan, an additional staff position for the administrative office, and a new scholarship program. The total request for FY 1986 represents a 57.4 percent increase over the estimate of expenditures for the current fiscal year. The magnitude of the increase is primarily attributable to the presence in the request of \$4,000,000 for major maintenance expenditures. While the Board of Regents requests and is appropriated the funds to be utilized for major maintenance and repair of buildings on the campuses, the funds are allocated and transferred to the individual institutions for expenditure each spring. The amount requested for FY 1986 was appropriated by the 1984 Legislature as part of a multi-year appropriation that included \$2.8 million for the current fiscal year.

For FY 1986 the Governor recommends expenditure of a total of \$10,954,811. The recommendation includes \$821,320 for administration; \$6,110,812 for assistance programs, and \$4,022,679 for major maintenance and repairs. The recommendation does not include an amount for classified salary increases because the Governor's recommended increase has not been allocated to individual agencies. The recommendation includes the requested new staff position and the new scholarship program.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Lapse \$22,679 from the major maintenance and repairs account of the EBF that was appropriated for FY 1984 and recommended for reappropriation to FY 1986. The Subcommittee is of the opinion that the SGF amount recommended for major maintenance projects during FY 1986 will be sufficient for that purpose and that in light of that appropriation, EBF resources should be reserved for construction projects.
2. Reduction by \$600,000 of the amount appropriated for the SGF by the 1984 Legislature for major maintenance projects in FY 1986. The reduction is consistent with the recommendation of the Joint Building Construction Committee and when combined with the recommended reappropriation from the current fiscal year will provide \$4 million for major maintenance projects during FY 1986. The Subcommittee also concurs with the Building Committee's recommendation that \$4 million be appropriated for major maintenance projects for FY 1987. The Subcommittee specifically endorses the Building Committee's recommendation that the Board allocate the major maintenance funds well in advance so that the campuses can identify projects and plan for their timely completion.
3. Consistent with the Committee's systemwide decision, deletion of \$3,471 recommended for the additional 1 percent employer contribution to TIAA pending passage of the legislation (S.B. 350).
4. Deletion of \$12,500 recommended for presidential search expenses during FY 1986.
5. Addition of \$27,177 to provide a 5.5 percent average salary increase for the unclassified staff consistent with the Committee's decision for unclassified staff salary increases systemwide.
6. Consistent with Committee policy, deletion of \$250,000 recommended to establish the Regents Distinguished Scholar program pending passage of authorizing legislation (S.B. 301). Consistent with this recommendation, deletion of the Distinguished Scholar Discontinued Attendance fund from the appropriation.
7. Include a proviso on the SGF appropriation for the State Scholarship and tuition grant programs that would permit expenditure of \$100,000 of federal funds for the tuition grant program. This recommendation would not increase expenditures for the program but would clarify the financing included in the Governor's recommendation.
8. During its discussion of the budget request with the Board's staff, the Subcommittee learned that a program review of the institutions' physical plant operations is scheduled for the summer of 1985. In response to questions and concerns raised by the Committee during its deliberation on the systemwide requests, the Subcommittee recommends that the Regents include as part of that effort an examination of the formulas used to request servicing and maintenance funds for new buildings.


Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee recommendations.


House Subcommittee Recommendations

<u>Expenditure Summary</u>	<u>Senate Adjust. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 11,206	\$ 1,210,026	\$ —
Other Assistance	(250,000)	5,483,312	—
Subtotal - Operating Expenditures	\$ (238,794)	\$ 6,693,338	\$ —
Capital Improvements	(22,679)	4,000,000	—
TOTAL	<u>\$ (261,473)</u>	<u>\$ 10,693,338</u>	<u>—</u>
State General Fund:			
State Operations	\$ 11,206	\$ 1,210,026	\$ —
Other Assistance	(250,000)	4,641,691	—
Subtotal - Operating Expenditures	\$ (238,794)	\$ 5,851,717	\$ —
Capital Improvements	—	4,000,000	—
TOTAL	<u>\$ (238,794)</u>	<u>\$ 9,851,717</u>	<u>—</u>
F.T.E. Positions	—	17.0	—

The Subcommittee recommends that this section of the appropriation bill be deleted pending further review of the Board's operating budget.


Representative J. S. Duncan
Subcommittee Chairman


Representative Bob Ott


Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 161 Bill Sec. 9

Analyst: Goering Analysis Pg. No. 598 Budget Pg. No. 3-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 85^a</u>	<u>Governor's Rec. FY 85</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 62,811,337	\$ 59,811,337	\$ (358,451)
General Fees Fund	5,236,736	5,236,736	—
Hospital Revenue Fund	59,443,113	62,443,113	—
General Use Funds	<u>\$127,491,186</u>	<u>\$127,491,186</u>	<u>\$ (358,451)</u>
Other Funds	30,880,774	30,880,774	—
Subtotal - Op.	<u>\$158,371,960</u>	<u>\$158,371,960</u>	<u>\$ (358,451)</u>
Capital Improvements:			
State General Fund	\$ 258,000	\$ 258,000	\$ —
Educational Building Fund	1,952,086	1,929,691	(500,000)
Hospital Fund	2,400,368 ^a	2,140,368	650,000
Other Funds	2,722,751	2,722,751	—
Subtotal - Cap. Imp.	<u>\$ 7,333,205</u>	<u>\$ 7,050,810</u>	<u>\$ 150,000</u>
TOTAL	<u><u>\$165,705,165</u></u>	<u><u>\$165,422,770</u></u>	<u><u>\$ (208,451)</u></u>
F.T.E. Positions:			
Classified	3,089.6	3,089.6	—
Unclassified	1,350.8	1,350.8	—
TOTAL	<u><u>4,440.4</u></u>	<u><u>4,440.4</u></u>	<u><u>—</u></u>

a) Reflects revised request submitted November 30, 1984.

Agency Request/Governor's Recommendation

The agency's revised FY 1985 estimate of operating expenditures is \$4,133,413 less than the total approved by the 1984 Legislature and Finance Council. The entire reduction reflects savings from restricted use funds. The general use operating budget totaling \$127,491,186, is the same as currently approved.

On November 30, 1984, the agency submitted a revised budget estimate including a request for supplemental funding in the amount of \$260,000 from the Hospital Fund. The additional funding would be used to partially finance renovation of the boiler area of the old power plant for a new hospital laundry. The 1984 Legislature appropriated \$310,000 from the Hospital Fund for this project. The revised request would provide a total of \$570,000.

The Governor recommends no revisions to the institution's current approved general use budget. However, the Governor does recommend a funding shift of \$3,000,000 of the general use operating budget from the State General Fund to the Hospital Revenue Fund. This recommendation followed Board of Regents action on December 21, 1984, approving a \$3,000,000 increase in the FY 1985 revenue estimate for the Hospital Revenue Fund. The Governor recommends the requested additional \$260,000 for the laundry

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renovation project as an FY 1986 appropriation rather than for FY 1985 as requested by the University. Also, the Governor recommends deferral to FY 1986 of expenditures for several minor capital improvement projects financed from the Educational Building Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Lapse of \$46,908 in State General Fund expenditures for the Medical Scholarship Program, based on a revised estimate prepared by the institution in November, 1984.
2. Lapse of \$311,543 in State General Fund expenditures for utilities. This adjustment retains \$5,282,153 for FY 1985 utilities expenditures, or 7 percent above actual FY 1984 costs.
3. Shift of \$500,000 appropriated by the 1984 Legislature for partial financing of the Applegate Energy Center expansion from the Educational Building Fund to the Hospital Fund. This adjustment adopts the recommendation of the Joint Committee on State Building Construction.
4. Shift of \$150,000 recommended by the Governor for FY 1986 capital improvement expenditures to FY 1985. This Hospital Fund expenditure authority would allow the University to seek bids in the current fiscal year for a capital improvement project to renovate the inpatient pediatrics unit. The adjustment coincides with the recommendation of the Joint Committee on State Building Construction.
5. Addition of a subsection in S.B. 161 to lapse \$3,000,000, previously appropriated from the State General Fund for FY 1985 operating expenditures, which the Governor's recommendation finances instead from the Hospital Revenue Fund.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

The Senate concurs with the Committee's recommendations.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adj. to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (358,451)	\$ 59,452,886	\$ —
General Fees Fund	—	5,236,736	—
Hospital Revenue Fund	—	62,443,113	—
General Use Funds	\$ (358,451)	\$127,132,735	\$ —
Other Funds	—	30,880,774	—
Subtotal - Op.	\$ (358,451)	\$158,013,509	\$ —
Capital Improvements:			
State General Fund	\$ —	\$ 258,000	\$ —
Educational Building Fund	(500,000)	1,429,691	—
Hospital Fund	650,000	2,790,368	—
Other Funds	—	2,722,751	—
Subtotal - Cap. Imp.	\$ 150,000	\$ 7,200,810	\$ —
 TOTAL	 \$ (208,451)	 \$165,214,319	 \$ —
F.T.E. Positions:			
Classified	—	3,089.6	—
Unclassified	—	1,350.8	—
TOTAL	—	4,440.4	—

The Subcommittee concurs with the Senate's recommendations.

Representative Rochelle Chronister
Chairman



Representative Bill Bunten



Representative Lee Hamm



Representative David Heinemann



Representative Don Mainey

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 166 Bill Sec. 9
 Analyst: Goering Analysis Pg. No. 598 Budget Pg. No. 3-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 86^a</u>	<u>Governor's Rec. FY 86</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 68,378,685	\$ 59,636,272	\$ (830,586)
General Fees Fund	5,222,129	5,335,000	—
Hospital Revenue Fund	65,468,900	67,689,787	(490,000)
General Use Funds	<u>\$139,069,714</u>	<u>\$132,661,059</u>	<u>\$ (1,320,586)</u>
Hospital Fund	\$ 800,000 ^b	\$ 800,000 ^b	\$ 490,000
Other Funds	32,832,775	32,832,775	—
Restricted Use Funds	<u>\$ 33,632,775</u>	<u>\$ 33,632,775</u>	<u>\$ 490,000</u>
Subtotal - Operating	<u>\$172,702,489</u>	<u>\$166,293,834</u>	<u>\$ (830,586)</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building			
Fund	2,080,000 ^b	1,302,390	(100,000)
Hospital Fund	2,000,000	1,160,000	(150,000)
Other Funds	<u>2,561,057</u>	<u>2,561,057</u>	—
Subtotal - Capital			
Improvements	<u>\$ 6,641,057</u>	<u>\$ 5,023,447</u>	<u>(250,000)</u>
TOTAL	<u>\$179,343,546</u>	<u>\$171,317,281</u>	<u>\$ (1,080,586)</u>
F.T.E. Positions:			
Classified	3,113.6	3,105.6	1.0
Unclassified	<u>1,363.8</u>	<u>1,355.8</u>	<u>2.0</u>
TOTAL	<u>4,477.4</u>	<u>4,461.4</u>	<u>3.0</u>

a) Reflects revised request submitted November 30, 1984.

b) Previously appropriated.

Agency Request/Governor's Recommendation

The institution's revised operating budget request, submitted on November 30, 1984, totals \$172,702,489, of which \$139,069,714 would be financed from general use funds. The request includes a total of 37.0 F.T.E. new positions. Requested program maintenance increases include 7.0 percent for unclassified salaries, 7.0 percent for classified salaries, 7.0 percent for student salaries, a 1.0 percent increase in the employer contribution to TIAA, a 7.0 percent increase for other operating expenditures, and a 15 percent increase for utilities. Systemwide program improvements, which the Board of Regents authorized the University to request, include \$50,000 for library acquisitions, \$50,000 for academic computing enhancements, and \$12,000 for student salaries.

Requested funding for salaries and other operating expenditures associated with proposed new and improved programs include the following: \$371,023, excluding fringe benefits, for stipend increases for Bell Memorial Hospital residents; \$335,698 to reclassify

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and "unclassify" certain positions currently supported from the classified salary base; \$95,000, excluding fringe benefits, for salary enhancements for faculty of the School of Allied Health; \$103,000 to initiate a new medical school curriculum dealing with ethical, legal, humanistic, and socioeconomic aspects of medical practice; \$26,000 to initiate a program of tuition waivers for disadvantaged students; \$259,783 to initiate an interdisciplinary Center on Aging and \$374,913 for a Center on Environmental Health; \$126,156 for new programs at the School of Medicine — Wichita; \$74,029 to replace federal grant support for the graduate nursing outreach program; \$26,000 to initiate outreach education in medical records administration; \$177,452 for operating costs associated with kidney stone lithotripter equipment, for which funds were approved by the 1984 Legislature; \$659,920 for additional operating costs associated with adding a nuclear magnetic resonance (NMR) imaging system for the hospital; \$98,144 to increase staffing for the Poison Information Center; \$156,173 for the second phase expansion of the neonatal intensive care unit; \$49,736 to add a certified prosthetist for the hospital; \$204,054 to establish a Center for the Study of Sleep Disorders; and \$206,173 to expand the adult hematology laminar air flow area.

Also reflected in the budget is a decrease in expenditures associated with the Medical Scholarship Program in accordance with 1983 S.B. 282, which reduces the number of new scholarships effective FY 1986 to 50 per entering class. The FY 1986 total budget request for the program is \$2,956,100, a reduction of \$578,504 from the revised FY 1985 estimate. Of the total, \$525,000 would be financed from the Medical Scholarship Repayment Fund.

New capital improvements requested for FY 1986 include \$75,000 for parking lot improvements, to be financed from the Parking Fee Fund, and \$2,000,000 for renovation of the inpatient pediatrics unit in Robinson Hall, to be financed from the Hospital Fund.

The Governor recommends a total of \$166,293,834 to finance FY 1986 operating expenditures of the institution, of which \$132,661,059 would be financed from general use funds. The Governor recommends a total of 21.0 F.T.E. new positions. Program maintenance increases recommended by the Governor include 6.0 percent for unclassified salaries, 6.0 percent for student salaries, an increase of 1.0 percent in the employer contribution to TIAA, a 6.0 percent increase for other operating expenditures, and an 8.0 percent increase for utilities. The Governor recommends a 6.0 percent increase in salaried resident stipends and a 5.5 percent increase in contractual support for 74 Wichita residents. The Governor's recommendation deletes funding from the institution's budget for classified salary increases and does not include the requested systemwide program improvements for library acquisitions, academic computing, and student salaries.

The Governor recommends the following amounts for new and improved programs unique to the Medical Center: \$175,000 to increase stipends paid to Bell Memorial Hospital residents; \$47,500 for special salary increases for School of Allied Health faculty; \$259,783 as requested for initiation of a Center on Aging; \$374,913 as requested to initiate a Center on Environmental Health; \$28,343 for part-year operating support for the kidney stone lithotripter; \$659,920 as requested for the NMR imaging system equipment and operating support; \$98,144 as requested for the Poison Information Center; and \$156,173 as requested for expanding the neonatal intensive care unit.

The Governor also recommends \$2,000,000 from the Hospital Fund to renovate the inpatient pediatrics unit. However, the Governor recommends appropriation of \$1,100,000 of the total for FY 1987 rather than FY 1986 as requested. The Governor recommends an FY 1986 appropriation of \$260,000 from the Hospital Fund, requested by the institution as an FY 1985 supplemental appropriation, to adequately finance the laundry renovation project. The requested \$75,000 for parking lot improvements is recommended by

the Governor. Of the \$1,980,000 appropriated a year ago for partial funding of the Applegate Energy Center, the Governor recommends a lapse of \$800,000 as a result of bids which were lower than originally anticipated.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Based on the systemwide recommendations of the full Committee:
 - a. Deletion of \$365,548 from the amount recommended for unclassified salaries. This adjustment provides for a 5.5 percent average salary increase for unclassified staff and adjusts for revised fringe benefit rates to be effective FY 1986.
 - b. Deletion of the amount recommended for the additional 1 percent employer contribution to TIAA (included in the reduction in (a) above). The Committee recommends the increased contribution and has introduced a bill that would amend existing law to permit the increase. However, in accordance with Committee policy, the funding is removed pending passage of the necessary legislation.
 - c. Deletion of \$2,726 from the amount recommended for the maintenance increase in the student wage base. The recommended amount would allow for a 5.5 percent increase to the FY 1985 student salary base.
 - d. Deletion of \$153,634 for other operating expenditures. This adjustment provides a 5.5 percent increase to the FY 1985 base budget.
 - e. Addition of \$50,000 in a separate line item for additional library acquisitions, consistent with the amounts recommended by the Governor and approved by the Committee for the other Regents' institutions. The additional funding is to be excluded from the other operating expenditure base so that the 1986 Legislature will have the opportunity to review separately any future requests for increased library acquisition funding.
 - f. Addition of \$25,000 for academic computing expenditures, to be appropriated in a separate line item with a proviso which would prohibit use of the funds for payment of long-term lease-purchase agreements.
 - g. Deletion of \$447,496 recommended by the Governor as an increase to the utilities base budget. The Committee recommends appropriation of the same amount for FY 1986 utilities as the institution expends during FY 1985. Since the Board of Regents has not yet acted on FY 1985 revisions for utility expenditures, the Committee makes no specific recommendation for FY 1986 at this time. The Committee recommends continued appropriation of utilities funding in a separate line item

with a proviso which permits reappropriation of any savings to be used for energy conservation projects. The Committee further recommends that future appropriations for utilities should be adjusted to remove from the base any amounts reappropriated from previous fiscal years.

- h. Revision of the appropriation bill format to include certain separate line item appropriations from the State General Fund in addition to the separate line items recommended above.

The Committee also recommended an increase in tuition waivers for graduate teaching assistants at the Medical Center from 60 percent to 75 percent. This recommendation reduces projected revenues to the General Fees Fund by \$4,038 but does not require an adjustment in expenditures.

2. Addition of \$53,817 to the classified salary base. This adjustment reflects the past legislative policy of applying shrinkage rates of 3 percent for nursing services personnel salaries and 5 percent for all other classified salaries. The adjustment also provides for changes in fringe benefit rates to be effective in FY 1986.
3. Deletion of \$10,550 from the other operating expenditure base as adjusted by the full Committee, to delete one-time-only expenditures authorized by the 1984 Legislature for purchase of an electric ambulance vehicle.
4. Deletion of \$31,131 in general use expenditures for salaried residents. This adjustment provides a 5.5 percent increase in the base salary budget and readjusts fringe benefits for rate changes effective in FY 1986.
5. Deletion of \$311,543 to adjust the utilities base budget to \$5,282,153 in accordance with the Subcommittee's FY 1985 recommendation.
6. Deletion of \$58,540 from State General Fund expenditures recommended by the Governor for the medical scholarship program, based on the University's estimate as revised in November, 1984.
7. Addition of \$150,000 in general use expenditures for salaries, wages, and associated fringe benefits. This recommendation would provide funding to permit the University to shift certain classified employees to the unclassified service. The Subcommittee notes that the 1984 Legislature collapsed the institution's F.T.E. position limitations to provide additional flexibility or such shifts, but no additional funding was added to the budget at that time to provide for associated salary increases.
8. Addition of \$103,000 in general use expenditures and 2.0 F.T.E. faculty positions for establishment of a new medicine, ethics, and socioeconomics of health (MESH) curriculum for the medical school.
9. Addition of \$74,029 in general use funding to partially replace federal grant support for the graduates nursing outreach program. Federal grant support for the program terminated effective August 1, 1984. The

Subcommittee notes that additional position authority is not required to shift the funding for these positions from restricted use to general use funds.

10. Addition of \$26,000 and 1.0 F.T.E. faculty position to enable the Medical Records Department to provide outreach courses to medical records personnel across the state.
11. Shift of \$490,000 recommended by the Governor for lease-purchase costs for a nuclear magnetic resonance imaging system from the general use other operating expenditure base, to be financed instead as a Hospital Fund expenditure. The Subcommittee recommends that this sum be excluded from the general use OOE base budget.
12. Deletion of 1.0 F.T.E. unclassified position recommended by the Governor for the Poison Information Center. The Subcommittee concurs with the recommended general use funding to shift this position from private grant support to the general use budget. However, the additional position authority is not necessary to accommodate the University's request.
13. Addition of \$49,736 and 1.0 F.T.E. classified position to allow the University to provide specialized prosthetic services in-house.
14. Addition of \$19,000 as a one-time-only general use expenditure to permit the University to purchase three 50-foot tapered aluminum flagpoles and bases. This adjustment also allows funding for the University to purchase three 5-foot by 7-foot flags. The Subcommittee notes that the institution's present United States flag is extremely worn and ragged and is in desperate need of replacement.
15. The Subcommittee urges the Governor to consider a budget amendment to recommend funding of \$206,173 and 5.0 F.T.E. classified positions to expand the adult hematology laminar airflow area. The Subcommittee learned that the Governor did not recommend funding for this request although it was considered at the time the recommendation was adjusted to shift FY 1985 general use expenditures of \$3,000,000 from the State General Fund to the Hospital Revenue Fund. If a Governor's budget amendment is submitted to the Legislature, the Subcommittee urges the House to consider this item in its review of the University's budget.
16. Shift of \$150,000 of the amount recommended by the Governor from the Hospital Fund for renovation of the inpatient pediatrics unit, to be appropriated instead for FY1985. This shift will allow the University to initiate this project in the current fiscal year. The Subcommittee also recommends lapse of an additional \$100,000 from the FY 1986 Educational Building Fund appropriation for the Applegate Energy Center expansion. Both adjustments adopt the recommendations of the Joint Committee on State Building Construction.
17. Adjustments to the appropriation bill provisos attached to the Restricted Fees Fund and the Service Clearing Fund to properly reflect those accounts which operate as restricted fee accounts and those which operate as service clearing fund accounts. The Subcommittee notes that this recommendation may affect total reportable expenditures financed from

restricted use funds. The Subcommittee also recommends attachment of provisos to the Hospital Revenue Fund to ensure accurate accounting procedures for patient care revenues which are currently deposited directly to restricted fee accounts but which finance specific hospital-related expenditures.

18. Introduction of legislation to incorporate into statute the authority to acquire liability insurance for the University's aircraft, facilities, and book inventory. If this clean-up legislation passes, appropriate technical revisions to provisos currently included in the University's appropriation bill should be made in the omnibus appropriation bill.
19. Introduction of legislation to exclude the University's medical residents from the definition of "health care provider" currently in K.S.A. 40-3401 and to exempt those residents from liability for damages resulting from health care services they provide under the supervision of a clinical faculty member. The Subcommittee notes that passage of the bill could result in general use fund savings in the amount of \$722,356 currently included in the FY 1985 operating budget to finance medical malpractice insurance for salaried residents. In accordance with Committee policy, budgetary adjustments are deferred until the proposed legislation is enacted.
20. Revisions to the appropriation language recommended by the Governor to treat the University of Kansas Hospital Fund as a special revenue fund. Specific projects recommended for Hospital Fund financing are to be financed from accounts to be established by provisos attached to the special revenue fund. In addition to a overall expenditure limitation to be imposed on the fund, the Subcommittee intends to continue its past policy of limiting expenditures for each distinct project to be financed from the Hospital Fund.
21. The Subcommittee learned that the University plans to approach the Board of Regents on March 14 and 15, 1985, with a revised projection of FY 1985 receipts to the Hospital Revenue Fund. The Subcommittee makes no recommendation regarding additional Hospital Revenue Fund expenditure authority pending Board action on this matter. However, the Subcommittee urges the House to review the revised revenue projection and to make appropriate budgetary adjustments to utilize additional Hospital Revenue Fund expenditure authority for FY 1986 in lieu of State General Fund appropriations. The Subcommittee's proposed additions to the Governor's recommended budget assume that additional patient care receipts will be available to finance the added expenditures.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee with the understanding that the \$103,000 recommended for the MESH medical school curriculum improvement is to be appropriated as a separate line item.

Senate Committee of the Whole Recommendation

The Senate concurs with the Committee's recommendation.

House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Adjustments to Gov. Rec.</u>	<u>Total Senate Rec.</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ (830,586)	\$ 58,805,686	\$ (4,749,774)
General Fees Fund	—	5,335,000	146,241
Hospital Revenue Fund	(490,000)	67,199,787	3,481,169
General Use Funds	<u>\$ (1,320,586)</u>	<u>\$131,340,473</u>	<u>\$ (1,122,364)</u>
Hospital Fund	490,000	1,290,000	214,000
Other Funds	—	32,832,775	1,052,590
Restricted Use Funds	<u>\$ 490,000</u>	<u>\$ 34,122,775</u>	<u>\$ 1,266,590</u>
Subtotal	<u>\$ (830,586)</u>	<u>\$165,463,248</u>	<u>\$ 144,226</u>
Capital Improvements:			
State General Fund	\$ —	\$ —	\$ —
Educational Building Fund	(100,000)	1,202,390	—
Hospital Fund	(150,000)	1,010,000	—
Other Funds	—	2,561,057	—
Subtotal	<u>\$ (250,000)</u>	<u>\$ 4,773,447</u>	<u>\$ —</u>
TOTAL	<u>\$ (1,080,586)</u>	<u>\$170,236,695</u>	<u>\$ 144,226</u>
F.T.E. Positions:			
Classified	1.0	3,106.6	1.0
Unclassified	2.0	1,357.8	3.0
TOTAL	<u>3.0</u>	<u>4,464.4</u>	<u>4.0</u>

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

1. Based upon systemwide decisions of the full Committee:
 - a. Deletion of \$151,113 from the amount recommended for the increase for unclassified salaries. This adjustment provides for a 5.0 percent average salary increase for unclassified staff.
 - b. Addition of \$144,130 to provide for an additional 0.5 percent employer contribution to TIAA.
 - c. Deletion of \$2,746 from the amount recommended for the maintenance increase of the student wage base. The recommended adjustment would allow for a 5.0 percent increase. The Committee further recommends inclusion of a proviso to require that \$13,636 (half of the 5.0 percent increase) be used to pay student wages in excess of the federal minimum wage.

- d. Increase of the fee waiver for graduate teaching assistants from 60 percent to 65 percent, rather than to 75 percent as recommended by the Senate. This recommendation is not an expenditure item, but will result in an increase of General Fees Fund revenues of \$2,692 in comparison to the Senate's recommendation.
 - e. Deletion of \$368,603 from the amount recommended by the Senate for the other operating expenditure base increase. This adjustment allows a 4.3 percent increase for FY 1986.
 - f. Deletion of \$50,000 recommended for additional library acquisitions.
 - g. Deletion of \$25,000 recommended for academic computing enhancements.
2. Addition of \$150,000 from general use funds for financing reclassifications and unclassifications of positions currently financed from the classified salary base. Together with the Senate's recommendation to add \$150,000 for this purpose, this adjustment provides a total of \$300,000 to be added to the FY 1986 general use salaries and wages base budget.
 3. Reduction of \$38,408 and 1.0 F.T.E. position recommended by the Senate for the Medicine, Ethics, and Socioeconomics of Health (MESH) curriculum for the School of Medicine. The Subcommittee also recommends that the separate line item appropriation recommended by the Senate be merged into the operating expenditure line item appropriation.
 4. Deletion of \$19,000 in general use funds recommended by the Senate to purchase three flagpoles and three flags.
 5. Shift of \$42,000 in operating expenditures from the State General Fund to the Hospital Revenue Fund. The University estimates that the prosthetist position recommended by the Senate will generate an estimated \$42,000 in patient income above the revenue estimate as projected in the Governor's recommendation for FY 1986. The Subcommittee recommends additional expenditure authority in this amount for the Hospital Revenue Fund and an offsetting reduction in State General Fund appropriations.
 6. Addition of \$206,173 and 5.0 F.T.E. classified nursing positions to expand the adult hematology laminar airflow area. Of the total, \$106,173 would be for general use classified salary expenditures, \$30,000 for general use other operating expenditures, and \$70,000 as a one-time-only expenditure from the Hospital Fund for laminar airflow isolators and other special equipment. This adjustment will also require transfer of an additional \$70,000 from the Hospital Revenue Fund to the University of Kansas Hospital Fund. The University anticipates increased patient care revenues of \$100,000 as a result of this program improvement, and the Subcommittee therefore recommends an increase in Hospital Revenue Fund expenditure authority in this amount to partially finance this adjustment.

7. Addition of \$204,054, 1.0 F.T.E. unclassified position, and 1.0 F.T.E. classified position to finance a center for the study of sleep disorders. Of the total, \$50,054 would be added to the general use salaries and wages base budget, \$10,000 to the general use other operating expenditure base, and \$144,000 would be for one-time-only purchases of a variety of equipment items to be financed from the Hospital Fund. The University anticipates increased patient care revenues of \$60,000 for FY 1986 as a result of this new program. The Subcommittee therefore recommends an increase in Hospital Revenue Fund expenditure authority in the amount of \$60,000 to partially finance this adjustment, and a transfer of \$144,000 from the Hospital Revenue Fund to the Hospital Fund to finance the one-time-only acquisition of equipment.
8. Addition of \$28,593 in general use salaries and wages expenditures, 1.0 F.T.E. unclassified position, and \$5,000 in general use OOE expenditures to finance a biostatistician-epidemiologist position for the School of Medicine at Wichita.
9. Deletion of \$15,343 in general use salaries and wages, 3.0 F.T.E. classified positions, \$13,000 in general use other operating expenditures, and \$200,000 in restricted use operating expenditures for operating support for the kidney stone lithotripter equipment financed by the 1984 Legislature. The University does not anticipate a need for these expenditures until FY 1987, when the lithotripter is now expected to be operational.
10. Reduction of \$18,657 in general use salaries and wages expenditures for positions recommended by the Governor and the Senate for operation of the nuclear magnetic resonance imaging system. The University now anticipates that the equipment will not be ready for operation until October 1, 1985. This adjustment provides for 10 months of salary support for the new positions rather than 12 months as recommended by the Governor and the Senate.
11. Shift of \$100,000 in general use expenditures from the State General Fund to the General Fees Fund, based on a revised estimate of receipts to the latter fund on the basis of enrollment for the spring semester.
12. Shift of \$28,000 recommended by the Senate from the State General Fund for partial funding of the Medical Scholarship Program to the Medical Scholarship Repayment Fund, based on an updated University estimate of receipts to the special revenue fund.
13. A net shift of \$882,868 from the general use budget to the restricted use budget as a one-time-only adjustment to the base operating budget, prior to application of program maintenance increases for FY 1986 recommended by the full Committee. This adjustment reflects a decision to shift FY 1985 expenditures of \$2,605,000 for patient central services supplies and \$56,329 for orthotic and prosthetics supplies from restricted fee accounts, currently used to finance such items, to general use funds effective FY 1986. The Subcommittee also recommends a shift of \$3,544,197 in FY 1985 other operating expenditures for pharmaceutical supplies from general use funds to a restricted fee fund account beginning FY 1986. The net result of these shifts is an increase of \$882,868 in restricted use expenditures and an offsetting decrease in general use

expenditures from the Hospital Revenue Fund. Since this adjustment affects the adjusted FY 1985 general use OOE base, the program maintenance increase of 4.3 percent recommended by the full Committee would be applied to a reduced OOE base budget, allowing additional general use OOE savings of \$37,963 and a comparable increase in restricted use expenditures. The net result of these recommendations is a one-time shift of \$920,831 from the general use OOE budget to the restricted use OOE budget.

14. Establishment of a new restricted fee fund account for air ambulance contractual services, to finance air transport of patients from western Kansas to Bell Memorial Hospital. The Subcommittee recommends that the University accept bids for such services and enter into a contract which will permit this new service to be self-supporting. The Subcommittee also recommends that \$150,000 be transferred from the State General Fund to the new restricted fee fund account to be used as start-up moneys, with the intent that this sum will be repaid to the State General Fund at some point in the future. The Subcommittee estimates that expenditures from this new restricted fee fund account in FY 1986 will be approximately \$350,000 to finance contractual air transportation of patients to the University hospital.
15. Increase in the authorized transfer from the General Fees Fund to the National Direct Student Loan Fund from \$33,000, as recommended by the Governor, to \$45,000. This adjustment does not affect budgeted expenditures.
16. Reduction of \$35,216 in general use expenditures for salaried residents and \$6,638 for residents supported by contract arrangements with Wichita hospitals. These adjustments provide a 5.0 percent increase in stipend support for residents, consistent with the full Committee's recommendation for unclassified salary increases. The Subcommittee also recommends that stipend support, associated fringe benefits, contract support for 74 Wichita residents, and other operating expenditures for medical malpractice insurance associated with resident positions be appropriated in a separate State General Fund line item beginning in FY 1986.
17. Technical adjustments to language in the appropriation bill as follows:
 - a. Addition of authority to transfer amounts from the Hospital Revenue Fund to reimburse a restricted fee fund account for attorney collection fees.
 - b. Deletion of language limiting the aggregate amount which may be transferred from the Hospital Revenue Fund to the Restricted Fees Fund, to be consistent with current practice.
 - c. Deletion of the following special revenue funds authorized by a 1961 bond resolution for student center apartments which are no longer necessary because all outstanding bonds were called by the Board of Regents in February, 1985. The Subcommittee recommends that any liabilities against and balances remaining in these special revenue funds as of June 30, 1985, are to be transferred to the General Fees Fund effective FY 1986. This

adjustment also shifts \$46,241 in budgeted restricted use expenditures from the Student Center Apartments Revenue Fund to the general use budget (General Fees Fund) effective FY 1986.

Student Center Apartments - Revenue Fund
Student Center Apartments - Bond and Interest Sinking Fund
Student Center Apartments - Bond Reserve Fund
Student Center Apartments - Extraordinary Repairs and Replacements Fund

- d. Technical language necessary to transfer balances in, and liabilities against, the restrict fee accounts for orthotic and prosthetics supplies and patient central services supplies to the Hospital Revenue Fund, and to transfer the liabilities against the Hospital Revenue Fund for purchase of pharmaceutical supplies as of June 30, 1985 to the new restricted fee fund account established for this purpose.
18. The Subcommittee learned that the Board of Regents has not yet acted on a pending proposal to transfer the Department of Occupational Therapy from the Lawrence campus to the Kansas City campus beginning FY 1986. Should this transfer be approved by the Board, adjustments would be necessary to shift positions, budget authority, and anticipated tuition receipts for the program from the University of Kansas-Lawrence budget to the KUMC budget. The Subcommittee makes no recommendation on this matter at this time, but notes that information should be submitted by the University to the Ways and Means Committees regarding this matter for consideration in the Omnibus appropriations bill.
19. The Subcommittee notes that S.B. 362 has been introduced by the Senate Ways and Means Committee to exempt residents from tort claims liability. The effect of passing this bill would be a significant savings in State General Fund expenditures currently incurred for medical malpractice insurance and coverage under the Health Care Stabilization Fund for state-supported resident positions. If the legislation passes, the Omnibus appropriation bill would be the appropriate vehicle for lapsing such savings from FY 1986 appropriations.
20. The Subcommittee notes that the University has received Board of Regents approval to seek \$490,000 from the State General Fund to finance planning for renovation of existing animal care facilities or construction of new facilities. The Subcommittee makes no recommendation on this issue pending the recommendation of the Joint Committee on State Building Construction.
21. The Subcommittee recommends a shift in the financing of FY 1986 operating expenditures in the amount of \$4,200,000 from the State General Fund to the Hospital Revenue Fund, based on a revised estimate of FY 1985 patient care receipts submitted by the institution to the Board of Regents on March 15, 1985. Together with the revised revenue projections for FY 1985, and the revenues, transfers, and expenditures as recommended by this Subcommittee for FY 1986, the carryforward balance projected to be available for FY 1987 in the fund is \$2,420,772. The following table reflects the Subcommittee's recommendations relative to the Hospital Revenue Fund:

	<u>FY 1985</u>	<u>FY 1986</u>
Balance from Previous Fiscal Year	\$ 9,115,525	\$ 10,026,412
Receipts:		
Care and Hospitalization	\$ 74,660,000	\$ 74,343,147
Sale of Meals and Processed Foods	820,000	865,000
Other Miscellaneous Charges and Recoveries	650,000	650,000
New and Improved Program Revenues	—	1,102,000
Subtotal - New Receipts	<u>\$ 76,130,000</u>	<u>\$ 76,960,147</u>
Less:		
Transfer for Clinical Facility Debt Service	\$ (1,846,000)	\$ (1,850,000)
Transfer to Restricted Fee Accounts	(7,930,000)	(9,520,831)
Transfer to Hospital Fund Expenditures	(3,000,000)	(2,514,000)
Subtotal - Demands	<u>(62,443,113)</u>	<u>(70,680,956)</u>
Balance Forward to Next Fiscal Year	<u>\$ 10,026,412</u>	<u>\$ 2,420,772</u>


Representative Rochelle Chronister,
Chairman



Representative Bill Bunten



Representative Lee Hamm



Representative David Heinemann



Representative Don Mainey

HOUSE BILL No. 2577

By Committee on Ways and Means

3-21

0017 AN ACT concerning the department of social and rehabilitation
0018 services; relating to the form of budget estimates and requests
0019 and the provisions of the governor's budget reports and rec-
0020 ommendations relating to the department and institutions
0021 thereunder.

administration thereof; prescribing the

; amending K.S.A. 76-12a02 and 76-12a19 and
repealing the existing sections

0022 *Be it enacted by the Legislature of the State of Kansas:*

0023 Section 1. (a) For the purpose of preparation of the gover-
0024 nor's budget report and related legislative measures for submis-
0025 sion to the legislature, all administrative units and functions of
0026 the department of social and rehabilitation services, including
0027 but not limited to rehabilitation services, social services, income
0028 maintenance and medical services, mental health and retarda-
0029 tion services, youth services, adult services and alcohol and drug
0030 abuse services, but not including any institution, shall be con-
0031 sidered a single state agency. The budget estimates and requests
0032 of the department of social and rehabilitation services shall be
0033 presented as a single state agency separate from the institutions
0034 and such separation shall be maintained in the budget docu-
0035 ments and reports prepared by the director of the budget and the
0036 governor, or either of them, including all related legislative
0037 reports and measures submitted to the legislature.

0038 (b) For the purpose of preparation of the governor's budget
0039 report and related legislative measures for submission to the
0040 legislature, each institution shall be considered a separate state
0041 agency. The budget estimates and requests of each institution
0042 shall be presented as a state agency separate from the depart-
0043 ment of social and rehabilitation services and such separation
0044 shall be maintained in the budget documents and reports pre-
0045 pared by the director of the budget and the governor, or either of

4/3/85

(11)

0046 them, including all related legislative reports and measures
0047 submitted to the legislature.

0048 (c) As used in this section, "institution" means the youth
0049 center at Topeka, youth center at Beloit, youth center at Atchi-
0050 son, Larned state hospital, Osawatomie state hospital, Rainbow
0051 mental health facility, Topeka state hospital, Kansas neurological
0052 institute, Norton state hospital and training center or Winfield
0053 state hospital and training center.

Parsons state hospital and training center,

Sec.2., Sec. 3. and Sec. 4. (attached)

0054 Sec. ~~2.~~ This act shall take effect and be in force from and
0055 after its publication in the statute book.

5.

Sec. 2. K.S.A. 76-12a02 is hereby amended to read as follows: 76-12a02 Subject to approval by the secretary, the commissioner shall appoint the superintendent of each institution. Such superintendents shall be in the unclassified service ~~of~~ under the Kansas civil service act. Any such superintendent may be removed at any time by the commissioner, with the approval of the secretary. Each superintendent shall receive an annual salary fixed by the commissioner, with the approval of the secretary and the ~~state-finance-council~~ governor. Subject to approval by the secretary, the commissioner may appoint an acting superintendent for any institution to serve temporarily until a vacancy is filled. Acting superintendents shall have the same powers, duties and functions as superintendents.

Sec. 3. K.S.A. 76-12a19 is hereby amended to read as follows: 76-12a19. Subject to approval by the secretary, the commissioner shall appoint the superintendents of the youth center at Atchison, the youth center at Beloit and the youth center at Topeka and the directors of the youth center at Larned and the youth center at Osawatomie. Superintendents and directors shall be in the unclassified service under the Kansas civil service act. A superintendent or director may be removed at any time by the commissioner, with the approval of the secretary. Each superintendent and director shall receive an annual salary fixed by the commissioner, with the approval of the secretary and the governor. Subject to approval by the secretary, the commissioner may appoint an acting superintendent for any institution which has a superintendent or an acting director for each institution which has a director to serve temporarily until a vacancy is filled. Acting superintendents and directors shall have the same powers, duties and functions as superintendents and directors.

Sec. 4. K.S.A. 76-12a02 and 76-12a19 are hereby repealed.

HOUSE BILL NO. _____

By Committee on Ways and Means

AN ACT concerning grants-in-aid to libraries; relating to the eligibility therefor; amending K.S.A. 75-2556 and repealing the existing section.

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

Section 1. K.S.A. 75-2556 is hereby amended to read as follows: 75-2556. (a) Annually, on or before December 1, each local public library shall report to the state library the total population residing within its district as determined from the latest population census figures as certified by the division of the budget. Such report shall also state:

(1) The amount produced by the local ad valorem tax levies for the current year expenses for such library;

(2) the amount of moneys received from the local ad valorem tax reduction fund for current year expenses for such library;

(3) the amount of moneys received from taxes levied upon motor vehicles under the provisions of ~~article-51-of-chapter-79 of-the-Kansas-Statutes-Annotated~~ K.S.A. 79-5101 et seq., and amendments thereto, for current year expenses for such library;

(4) the amount of moneys received in the current year from collections of unpaid local ad valorem tax levies for prior year expenses for such library;

(5) the mill rate levied within the district during the previous year;

(6) the assessed taxable tangible property valuation within the district; and

(7) such other information as the state librarian shall require.

(b) Based upon such census figures the state librarian shall determine the amount each eligible local public library is to receive.

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(c) Except as provided by subsection (e), no local public library shall be eligible for any state grants-in-aid if the total amount of the following paragraphs is less than the total amount produced from such sources for the same library for the previous year:

(1) The amount produced by the local ad valorem tax levies for the current year expenses for such library;

(2) the amount of moneys received from the local ad valorem tax reduction fund for current year expenses for such library;

(3) the amount of moneys received from taxes levied upon motor vehicles under the provisions of ~~article 51 of chapter 79 of the Kansas Statutes Annotated~~ K.S.A. 79-5101 et seq., and amendments thereto, for current year expenses for such library; and

(4) the amount of moneys received in the current year from collections of unpaid local ad valorem tax levies for prior year expenses for such library ~~is less than the total amount produced from such sources for the same library for the previous year.~~

(d) Local public library districts in which the assessed valuation decreases shall remain eligible for state grants-in-aid so long as the ad valorem tax mill rate for the support of such library has not been reduced below the mill rate imposed for such purpose for the previous year.

(e) If a local public library fails to qualify for eligibility for any state grants-in-aid under subsection (c), the state librarian shall have the power to continue the eligibility of a local public library for any state grants-in-aid if the state librarian, after evaluation of all the circumstances, determines that the legislative intent for maintenance of local tax levy support for the on-going operations of the library is being met by the library district.

~~(e)~~ (f) The distribution so determined shall be apportioned and paid on April 1 and June 1 of each year.

Sec. 2. K.S.A. 75-2556 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.