

Approved 3-9-87
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin at
Chairperson

1:30 ~~am~~/p.m. on Thursday, March 5, 1987 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Gloria Timmer, Legislative Research
Diane Duffy, Legislative Research
Jim Wilson, Revisor's Office
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee: Guest List (Attachment 1)

Committee continued with consideration of subcommittee reports on HB 2439.

K-STATE VETERINARY MED CENTER

Representative Shriver presented the subcommittee report (Attachment 2). He commented that the subcommittee was very impressed with the operation of this agency and with the new director. Representative Shriver moved that the report be adopted, it was seconded by Representative Goossen and the motion carried.

EMPORIA STATE UNIVERSITY

Representative Vancrum presented the subcommittee report for FY 1987 and for FY 1988 (Attachment 3). He moved that the subcommittee report be adopted. Representative Teagarden seconded. Motion carried.

FT. HAYS STATE UNIVERSITY

Representative Hoy presented the subcommittee report (Attachment 4). There was discussion concerning Item #2 relating to vacant dormitories being made available to students at no charge in exchange for work. Representative Duncan moved that language be added to the effect that, "wherever such a practice occurs, it will not jeopardize the financing base or financing the construction of a dormitory". Representative Helgerson seconded. Motion carried. It was also agreed to extend the language further, "would not jeopardize financing where there is existing vacancy rate".

Representative Hoy moved that the subcommittee report, as amended, be adopted. Representative Helgerson seconded. Motion carried.

WICHITA STATE UNIVERSITY

Representative Helgerson presented the subcommittee report (Attachment 5). There being no discussion, Representative Lowther moved that the report be adopted. Representative King seconded. Motion carried.

UNIVERSITY OF KANSAS

Representative Ott presented the subcommittee report. Representative Fuller presented the FY 1988 report (Attachment 6). Representative Miller moved that Items 1(e) and 3 be deleted from the report. Representative Shriver seconded. Motion carried.

Representative Ott moved that the subcommittee reports be adopted, as amended. Seconded by Representative Wisdom. Motion carried.

UNIVERSITY OF KANSAS MEDICAL CENTER

Representative Mainey presented the subcommittee report for FY 1987. Representative Chronister presented the report for FY 1988 (Attachment 7). There were no amendments. On a motion by Representative Chronister and a second by Representative Heinemann, the reports were adopted.

On the bill, Representative Fuller moved that HB 2439, as amended, be recommended favorable for passage. Seconded by Representative Hoy. 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 Appropriations,
room 514-S, Statehouse, at 1:30 ~~xx~~ p.m. on Thursday, March 5, 1987

Introduction of a house bill

Representative Miller moved that a bill be introduced to cover capital improvements as approved in subcommittee reports for the regents' institutions, and that it be referred to committee of the whole. This would leave HB 2421, which covers capital improvements for Department of Administration, Adjutant General, Kansas Correctional Institute at Lansing, Kansas State Penitentiary and Larned State Hospital, in this committee. Representative Chronister seconded the motion. Motion carried.

Committee adjourned at 2:45 p.m.

SUBCOMMITTEE REPORT

Agency: KSU-Vet. Med. Center

Bill No. 2439

Bill Sec. 4

Analyst: Hauke

Analysis Pg. No. 158

Budget Pg. No. 3-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,021,422	\$ 6,137,189	\$ 34,236
General Fees Fund	2,309,330	2,309,330	--
Hospital Revenues	1,110,000	1,148,000	--
General Use Funds	<u>\$10,440,752</u>	<u>\$ 9,594,519</u>	<u>\$ 34,236</u>
Restricted Use	355,441	355,441	--
Subtotal - State Operations	<u>\$10,796,193</u>	<u>\$ 9,949,960</u>	<u>\$ 34,236</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	--	--	--
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$10,796,193</u>	<u>\$ 9,949,960</u>	<u>\$ 34,236</u>
FTE Positions:			
Classified	135.4	131.4	--
Unclassified	<u>88.4</u>	<u>88.4</u>	<u>--</u>
TOTAL	<u>223.8</u>	<u>219.8</u>	<u>--</u>

House 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 \$33,958 from the salaries and wages account for a 1 percent increase in the employer contribution to the unclassified employee retirement program.
 - b. Deletion of \$31,806 for a special other operating expenditure allocation, which was not to become a part of the agency base.

2. The Subcommittee reviewed the agency request for program improvements at the Veterinary Medical Center. The Subcommittee believes that it is important to continue progress toward increasing the number of faculty positions who are at or above the level of Assistant Professors. Presently, the Center has only 71 of its positions at such rank. Therefore, the Subcommittee shifts \$100,000 from the KSU salaries and wages account to the Veterinary Medical Center to allow upgrade of an additional two positions. Position authority already exists for these faculty positions.



Representative J. Santford Duncan
Chairman



Representative Duane Goossen



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2439

Bill Sec. 5

Analyst: Hauke

Analysis Pg. No. 163

Budget Pg. No. 3-23

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 18,283,898	\$ 16,722,679	\$ (140,869)
General Fees Fund	3,993,507	4,179,289	--
Endowment Interest	35,000	35,000	--
General Use Funds	<u>\$ 22,312,405</u>	<u>\$ 20,936,968</u>	<u>\$ (140,869)</u>
Restricted Use	6,151,370	6,151,370	--
Subtotal - State Operations	<u>\$ 28,463,775</u>	<u>\$ 27,088,338</u>	<u>\$ (140,869)</u>
Aid to Local Units:			
Restricted Use	<u>\$ 83,000</u>	<u>\$ 83,000</u>	<u>\$ --</u>
Other Assistance:			
State General Fund	\$ 33,829	\$ 34,674	\$ --
Restricted Use	<u>1,780,000</u>	<u>1,780,000</u>	<u>--</u>
Subtotal - Other Assistance	<u>\$ 1,813,829</u>	<u>\$ 1,814,674</u>	<u>\$ --</u>
Total General Use Operating Funds	<u>\$ 22,346,234</u>	<u>\$ 20,971,642</u>	<u>\$ (140,869)</u>
Total Operating Expend.	<u>\$ 30,360,604</u>	<u>\$ 28,986,012</u>	<u>\$ (140,869)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	326,000	--	156,000
Other Funds	<u>41,500</u>	<u>41,500</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 367,500</u>	<u>\$ 41,500</u>	<u>\$ 156,000</u>
GRAND TOTAL	<u><u>\$ 30,728,104</u></u>	<u><u>\$ 29,027,512</u></u>	<u><u>\$ 15,131</u></u>
FTE Positions:			
Classified	278.1	277.6	--
Unclassified	<u>344.9</u>	<u>339.4</u>	<u>--</u>
TOTAL	<u><u>623.0</u></u>	<u><u>617.0</u></u>	<u><u>--</u></u>

House Subcommittee Recommendations

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

FY 1987

1. The Subcommittee received testimony from the University that it will experience an actual increase in its KANS-A-N expenditures of \$13,317 during FY 1987. The Subcommittee envisioned possible utility savings, a portion of which it would recommend be shifted to finance these telecommunications costs. The Subcommittee requested that the University furnish an estimate of FY 1987 utility expenditures. The Subcommittee did not receive a response to this request and therefore is not recommending a shift to accommodate the University's request. The Subcommittee highlights this as an issue which the Senate may wish to review, given additional information. An estimate furnished by Legislative staff indicated possible FY 1987 utility savings of approximately \$14,000, compared to the Governor's revised FY 1987 budget.
2. The Subcommittee learned that ESU prefers that FY 1987 lapses be in a slightly different manner than included in H.B. 2049. They had submitted a January 5, 1987 request for a rearrangement of those lapses, which was not incorporated into the lapse bill, as recommended by the Governor. The agency prefers that of amounts lapsed: (1) \$63,719 less be from other operating expenditures; (2) salaries and wages lapse be increased by \$35,447; and student salaries and wages lapse be increased by \$28,272. The Subcommittee observes that such a shift could be achieved through internal rearrangement of the University's General Fee Fund budget and recommends that the budget be reconfigured to accommodate this request. The Subcommittee notes that most lapses were in the configuration requested by each agency. This particular request was inadvertently omitted from the bill.


FY 1988

1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$85,817 from the salaries and wages account for a 1 percent increase in the employer contribution to the unclassified employee retirement program.
 - b. Deletion of \$43,991 for a special other operating expenditure allocation, which was not to become a part of the agency base.
 - c. Increase of \$2,256 in the Governor's recommendations for the other operating expenditures base budget. This adjustment is necessary to finance the Committee recommendation that each institution receive a 2 percent increase in their base budget for other operating expenditures.

- d. Deletion of \$13,317 in the Governor's recommendations for other operating expenditure, due to inclusion of supplemental funding for KANS-A-N telecommunications expenditures in this budget. The Committee is not recommending additional funding of KANS-A-N expenditures.
2. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction, concerning Emporia State University. The Joint Committee recommends that the Governor's recommendations be increased by \$156,000 to finance Roof Replacement on Butcher School. This appropriation would be from the Educational Building Fund.
3. The Subcommittee observes that Emporia State University has a \$25,790 enrollment adjustment increase through the corridors approved by this Committee. Inasmuch as ESU experienced enrollment adjustment decreases totaling \$1,438,594, between FY 1985 and FY 1987, it is with considerable pleasure that the Subcommittee concurs with this increase.
4. The Subcommittee reviewed Emporia State University's requests for Program improvements. The Subcommittee learned that the accrediting body for educational programs (NCATE) has cited ESU for having faculty teaching loads in excess of NCATE standards. The University has indicated that due to its mission, loss of NCATE accreditation would be extremely detrimental, a contention with which the Subcommittee is inclined to agree. Nevertheless, the University requested additional staffing for the School of Education as its third priority. The Subcommittee observes that if this staffing is critical, it should be given a higher priority by the University. The University has approximately three years in which to comply with the NCATE requirements.



Representative David Miller
Subcommittee Chairman



Representative George Teagarden



Representative Robert Vancrum

SUBCOMMITTEE REPORT

Agency: Ft. Hays State University

Bill No. 2439

Bill Sec. 2

Analyst: Hauke

Analysis Pg. No. 143

Budget Pg. No. 3-27

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$17,834,036	\$16,359,861	\$ (163,599)
General Fees Fund	3,952,316	4,018,566	--
General Use Funds	<u>\$21,786,352</u>	<u>\$20,378,427</u>	<u>\$ (163,599)</u>
Restricted Use	5,564,612	5,564,612	--
Subtotal - State Operations	<u>\$27,350,964</u>	<u>\$25,943,039</u>	<u>\$ (163,599)</u>
Other Assistance:			
State General Fund	\$ 35,385	\$ 34,543	\$ --
Restricted Use	<u>2,141,520</u>	<u>2,141,520</u>	<u>--</u>
Subtotal - Other Assistance	<u>\$ 2,176,905</u>	<u>\$ 2,176,063</u>	<u>\$ --</u>
Total General Use Funds	\$21,821,737	\$20,412,970	\$ (163,599)
Total Operating Expend.	<u>29,527,869</u>	<u>28,119,102</u>	<u>(163,599)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	150,000	150,000	--
Other Funds	<u>767,490</u>	<u>767,490</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 917,490</u>	<u>\$ 917,490</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$30,445,359</u>	<u>\$29,036,592</u>	<u>\$ (163,599)</u>
FTE Positions:			
Classified	295.9	294.9	--
Unclassified	<u>325.1</u>	<u>317.1</u>	<u>--</u>
TOTAL	<u><u>621.0</u></u>	<u><u>612.0</u></u>	<u><u>--</u></u>

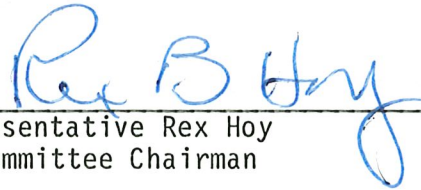
House Subcommittee Recommendations

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 \$97,338 from the salaries and wages account for a 1 percent increase in the employer contribution to the unclassified employee retirement program.
- b. Deletion of \$53,241 for a special other operating expenditure allocation, which was not to become a part of the agency base.
- c. Decrease of \$3,824 to the Governor's recommendations for the other operating expenditures base budget. This adjustment is necessary to finance the Committee recommendation that each institution receive an overall 2 percent increase in their base budget for other operating expenditures.
- d. Deletion of \$9,196 in the Governor's recommendations for other operating expenditure, due to inclusion of supplemental funding for KANS-A-N telecommunications expenditures in this budget. The Committee is not recommending additional funding of KANS-A-N expenditures.

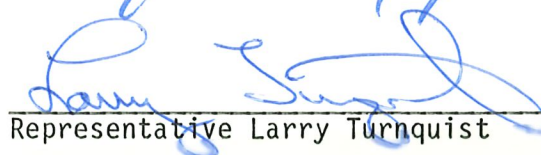
2. The Subcommittee observes that Ft. Hays has considerable vacancies in its dormitories, largely a by-product of local apartment complexes offering attractive rates to students. The Subcommittee also learned from Ft. Hays staff that insufficient student wage and student financial assistance funding is perpetually a problem. Therefore, the Subcommittee recommends that whenever possible, the University allow students to work in exchange for a dormitory room. The Subcommittee observes that such a practice has already been initiated by the University and encourages that it be expanded and utilized by the other universities.



Representative Rex Hoy
Subcommittee Chairman



Representative Henry Helgerson



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 2439

Bill Sec. 8

Analyst: Hauke

Analysis Pg. No. 187

Budget Pg. No. 3-95

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$42,697,203	\$39,118,705	\$ (353,864)
General Fees Fund	12,584,000	12,823,344	50,000
General Use Funds	<u>\$55,281,203</u>	<u>\$51,942,049</u>	<u>\$ (303,864)</u>
Restricted Use	28,404,794	27,563,394	--
Subtotal - State Operations	<u>\$83,685,997</u>	<u>\$79,505,443</u>	<u>\$ (303,864)</u>
Other Assistance:			
State General Fund	\$ 82,425	\$ 80,463	\$ 20,000
Other General Use	--	--	--
Restricted Use	<u>3,935,000</u>	<u>3,935,000</u>	<u>--</u>
Subtotal - Other Assistance	<u>\$ 4,017,425</u>	<u>\$ 4,015,463</u>	<u>\$ 20,000</u>
Total General Use Operating Funds	<u>\$55,363,628</u>	<u>\$52,022,512</u>	<u>\$ (283,864)</u>
Total Operating Expend.	<u>\$87,703,422</u>	<u>\$83,520,906</u>	<u>\$ (283,864)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	2,530,000	3,500,000	--
Other Funds	<u>--</u>	<u>841,400</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 2,530,000</u>	<u>\$ 4,341,400</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$90,233,422</u>	<u>\$87,862,306</u>	<u>\$ (283,864)</u>
FTE Positions:			
Classified	619.6	614.1	--
Unclassified	<u>982.3</u>	<u>920.5</u>	<u>31.0</u>
TOTAL	<u><u>1,601.9</u></u>	<u><u>1,534.6</u></u>	<u><u>31.0</u></u>

House Subcommittee Recommendations

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

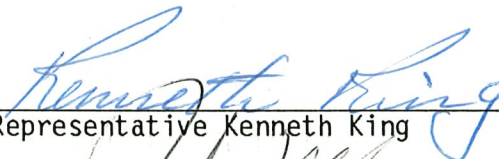
1. Based upon the systemwide recommendations of the full Committee:
 - a. Deletion of \$232,872 in salaries and wages expenditures for a 1 percent increase in the employer contribution to the unclassified employee retirement program.
 - b. Deletion of \$98,836 for a special other operating expenditure allocation, which was not to become a part of the agency base.
 - c. Increase of \$24,317 in the Governor's recommendations for the other operating expenditures base budget. This adjustment is necessary to finance the Committee recommendation that each institution receive a 2 percent increase in their base budget for other operating expenditures.
 - d. Deletion of \$10,950 to the Governor's recommendations for other operating expenditure, due to inclusion of supplemental funding for KANS-A-N telecommunications expenditures in this budget. The Committee is not recommending additional funding of KANS-A-N expenditures.
2. The Subcommittee recommends an increase of \$14,477 in the University's budget for other operating expenditures due to installation of a new telecommunications system. Review of that portion of WSU's telecommunication budget which can be allocated to restricted use funds indicates that the abovementioned increase is necessary. Computations surrounding this increase are consistent with methodology which allowed significant decreases in certain other agency budgets.
3. The Subcommittee reviewed the Governor's FY 1988 recommendation of \$80,463 for Off Campus Work Study. Although it is a 2.5 percent increase to the FY 1987 appropriation for WSU, it is a decrease to the approved budget, when the \$20,000 appropriation transferred from the Board of Regents to WSU is considered. This \$20,000 was not included in either the Board's request or the WSU request and was therefore omitted from the Governor's recommendations. The Subcommittee observes that WSU has had an active cooperative education program and Off Campus Work Study has been an important part of it. Therefore, the Subcommittee recommends that the Governor's recommendations for Off Campus Work Study at WSU be increased by \$20,000.
4. The Subcommittee discussed the WSU Institute for Aviation Research and the University's efforts to increase research grants. The Subcommittee observes that the Governor's FY 1987 and FY 1988 recommendations omit 31 FTE positions, which were approved by the Finance Council during September 1986. The Subcommittee believes that this was probably an oversight, as expenditures in the Governor's recommendations include the Institute. Therefore the Subcommittee recommends that the Governor's FY 1988 recommendations for unclassified positions be increased by 31 FTE. No adjustment is

necessary during FY 1987, as the Finance Council has already adjusted the position limitation.


5. The Subcommittee observes that the Governor's systemwide recommendations for General Fees Funds presumed 75 percent tuition waiver for graduate teaching assistants (GTA), rather than the 100 percent waiver requested by the Board of Regents. The Governor's General Fee Fund receipts estimates for Wichita State University were inadvertently calculated at 100 percent GTA fee waiver. The Subcommittee increases General Fees Fund expenditures by \$50,000 and decreases State General Fund expenditures by an equal amount to consistently reflect the Governor's intent on tuition waiver.
6. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction. The Joint Committee had approved the Governor's recommendations that \$1.6 million in FY 1987 Educational Building Fund (EBF) expenditures be shifted from FY 1987 to FY 1988 (\$1.0 million) and FY 1989 (\$600,000), due to delays in construction. The Joint Committee had adjusted the Governor's recommendations on one project as follows:
 - a. The Joint Committee concurred with the Governor's recommendation of \$150,000 in FY 1988 and \$250,000 in FY 1989 from the EBF for planning of a Science Classroom and Laboratory Building. The Joint Committee added \$100,000 to the Governor's FY 1989 recommendations to allow sitework to begin on this building.
7. The Subcommittee discussed at length the possible implications of WSU discontinuing their football program. The Subcommittee observes several potential ramifications of such discontinuance. However, in the final analysis, the Subcommittee concurs with the late William Allen White who once said, "Football is to education what bullfighting is to agriculture."



Representative James Lowther
Subcommittee Chairman



Representative Kenneth King



Representative John Solbach

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. N/A

Bill Sec. N/A

Analyst: Hauke

Analysis Pg. No. 143

Budget Pg. No. 3-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
State General Fund	\$ --	\$(1,795,459)	\$ (347,806)
General Fees Fund	1,271,224	2,748,877	--
Dormitory Funds	1,050,000	--	1,050,000
Parking Lot Funds	100,000	100,000	--

Summary of Agency Request/Governor's Recommendation

The University request included \$1,271,224 in release of General Fee Fund balances, the result of tuition income from increased student numbers. The Governor is recommending an increase of \$2,748,877 to the General Fees fund expenditure limitation, of which \$1,795,459 would replace State General Fund expenditures and \$953,418 would allow an expenditure increase, due to increased enrollment.

House Subcommittee Recommendation

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

1. Based upon the systemwide recommendations of the full Committee.

Lapse \$317,806 from the State General Fund due to release of 50 percent of unanticipated tuition collections rather than 75 percent as recommended by the Governor. The net effect of this transaction shifts an additional \$317,806 in expenditures from the State General Fund to the General Fees Fund. The Committee recommends that the General Fund savings resulting from these shifts be lapsed rather than reappropriated. The recommendation increases to \$2,113,265 the total lapsed and allows expenditure of \$635,612 due to increased enrollment. (Note: This recommendation was included in H.B. 2100.)

2. The Subcommittee reviewed expenditures to date for the off-campus work study program. The 1986 Legislature approved \$154,210 for the program during FY 1987, a total which was reduced to \$126,210 by H.B. 2049 lapses. Nevertheless, analysis of projected expenditures reveals that only \$95,700 is likely to be spent in FY 1987

and only \$90,647 was spent in FY 1986. Therefore, the Subcommittee recommends reduction of the Governor's revised FY 1987 recommendation by \$30,000. The Subcommittee recommends that this amount be reappropriated to FY 1988 and new appropriations be reduced by an equal amount. The Subcommittee recommends that the University review its administration of this program, which has been popular and well received on several other campuses.

3. The Subcommittee concurs with the FY 1987 recommendations of the Joint Committee on State Building Construction. This recommendation includes \$1,050,000 from the Housing System Repairs, Equipment, and Improvement Fund, which is appropriated without limit, that was not included in the Governor's recommendation. The FY 1987 recommendations of the Joint Committee also include concurrence with the Governor on a \$100,000 increase in the Parking Fees Fund expenditure limitation for parking lot improvements.



Representative Bob Ott
Subcommittee Chairman



Representative Wanda Fuller



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2439

Bill Sec. 7

Analyst: Hauke

Analysis Pg. No. 177

Budget Pg. No. 3-83

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 93,214,784	\$ 84,991,634	\$(1,888,450)
General Fees Fund	32,912,970	32,905,855	70,875
Endowment Interest	40,000	40,000	--
General Use Funds	<u>\$126,167,754</u>	<u>\$117,937,489</u>	<u>\$(1,817,575)</u>
Restricted Use	60,603,202	60,603,202	111,053
Subtotal - State Operations	<u>\$186,770,956</u>	<u>\$178,540,691</u>	<u>\$(1,706,522)</u>
Other Assistance:			
State General Fund	\$ 161,921	\$ 158,065	\$ --
Other General Use	243,523	243,523	--
Restricted Use	<u>8,353,749</u>	<u>8,353,749</u>	<u>--</u>
Subtotal - Other Assistance	<u>\$ 8,759,193</u>	<u>\$ 8,755,337</u>	<u>\$ --</u>
Total General Use Operating Funds	<u>\$126,573,198</u>	<u>\$118,339,077</u>	<u>\$(1,706,522)</u>
Total Operating Expend.	<u>\$195,530,149</u>	<u>\$187,296,028</u>	<u>\$(1,706,522)</u>
Capital Improvements:			
State General Fund	\$ 1,572,602	\$ 1,500,000	\$(1,492,398)
Educ. Building Fund	6,589,900	3,912,900	1,500,000
Other Funds	<u>8,838,100</u>	<u>7,288,100</u>	<u>1,550,000</u>
Subtotal - Capital Improvements	<u>\$ 17,000,602</u>	<u>\$ 12,701,000</u>	<u>\$ 1,557,602</u>
GRAND TOTAL	<u><u>\$212,530,751</u></u>	<u><u>\$199,997,028</u></u>	<u><u>\$(148,920)</u></u>
FTE Positions:			
Classified	1,964.4	1,951.9	--
Unclassified	<u>2,313.8</u>	<u>2,278.3</u>	<u>--</u>
TOTAL	<u><u>4,278.2</u></u>	<u><u>4,230.2</u></u>	<u><u>--</u></u>

House 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 \$533,214 in salaries and wages expenditures for a 1 percent increase in the employer contribution to the unclassified employee retirement program.
 - b. Deletion of \$360,858 for a special other operating expenditure allocation, which was not to become a part of the agency base.
 - c. Decrease of \$96,289 in the Governor's recommendations for the other operating expenditures base budget. This adjustment is necessary to finance the Committee recommendation that each institution receive a 2 percent increase in their base budget for other operating expenditures.
 - d. Deletion of \$39,399 to the Governor's recommendations for other operating expenditure, due to inclusion of supplemental funding for KANS-A-N telecommunications expenditures in this budget. The Committee is not recommending additional funding of KANS-A-N expenditures.
 - e. Deletion of \$635,612 in the Governor's State General Fund salary and wages appropriation and shift of expenditures in that amount to the General Fees Fund. This adjustment deletes the additional General Fee Fund expenditures, which the Governor recommended be released due to increased enrollments during FY 1987.
2. The Subcommittee recommends a decrease of \$111,053 in the University's budget for other operating expenditures due to installation of a new telecommunications system. The Governor's recommendations for this system financed all expenditures from general use funds. Inasmuch as 52.5 percent of the costs associated with the new system will be financed from restricted use funds, the Subcommittee recommends reduction in the General Fund appropriation.
3. The Subcommittee observes that the subject of a FY 1988 Fee Release may receive additional review throughout the Legislative process. The Subcommittee believes that the title "fee release" may be inappropriate for the Governor's recommended \$635,612 FY 1988 adjustment. The Governor's recommendation was a method of providing funds to the university during the interval between an enrollment influx and receipt of the official enrollment adjustment in FY 1989. A major enrollment adjustment will undoubtedly occur, given 1,048 additional students, when the fall of 1986 is compared to the fall of 1985. The Subcommittee recommends that if any of this "fee release" or "temporary enrollment adjustment" is financed throughout the Legislative process, it not become a part of the agency's base budget.

4. The Subcommittee concurs with the recommendations of the Joint Committee on State Building Construction. The Joint Committee's recommendations contain three differences compared to those of the Governor as follows:
 - a. The Joint Committee does not concur with the Governor that \$1,500,000 from the State General Fund be appropriated to replace Educational Building Fund expenditures for the New Science Library during FY 1988.
 - b. The Joint Committee recommends appropriation of \$7,602 as a State General Fund line item to finance a one-time special assessment for street improvements adjacent to the Geological Survey's Well Sample Library.
 - c. The Joint Committee recommends that the budget reflect \$1,550,000 in expenditures from the Housing System Repairs, Equipment, and Improvement Fund for renovation of various dormitories. These expenditures are from a fund appropriated without limitation.
5. The Subcommittee reviewed the appropriation of \$82,300, which was made by the 1986 Legislature for the Law School. The Subcommittee observes that this appropriation was to be an incentive for the law school to reduce its enrollment and the appropriation was to replace the tuition loss resulting from 50 fewer students. The Subcommittee concurs with the concept of reducing the size of the law school. However, the Subcommittee learned that the reduction in headcount was 23, rather than 50. Therefore, the Subcommittee recommends that the FY 1988 appropriation be \$41,150, rather than the \$82,300 approved for FY 1987.
6. The Subcommittee reviewed the FY 1987 appropriation of \$180,262 for Econometric Modeling. That appropriation was made to the Board of Regents and was granted by the Board to the University of Kansas. The University has included those funds in its budget base. The Subcommittee understands that the econometric modeling projects will not be totally completed during FY 1987 and will require ongoing maintenance when they are finished during FY 1988. Nevertheless, the Subcommittee believes that the ongoing appropriation for the models should be substantially less than required to develop them during FY 1987 and FY 1988. To facilitate monitoring of this the Subcommittee recommends: (1) a FY 1988 line item appropriation of \$183,888 for econometric modeling; (2) reduction of the salaries and wages line item by \$162,094; and (3) reduction of the other operating expenditures line item by \$21,794. Further, the Subcommittee recommends that the agency request this as a separate line item during FY 1989 and that their request detail amounts necessary for ongoing maintenance of the models. The Subcommittee believes that the request in FY 1989 should be significantly less than required during FY 1988.

7. The Subcommittee observes that the Governor's systemwide recommendations for General Fees Funds presumed 75 percent tuition waiver for graduate teaching assistants (GTAs), rather than the 100 percent requested by the Board of Regents. The Governor's General Fee Fund receipts estimates for the University of Kansas were inadvertently calculated at 100 percent GTA fee waiver. The Subcommittee increases General Fees Fund expenditures by \$70,875 and decreases State General Fund expenditures by an equal amount to consistently reflect the Governor's intent on tuition waiver.



Representative Bob Ott
Chairman



Representative Wanda Fuller



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: University of Kansas
Medical Center

Bill No. 2100

Bill Sec. 5

Analyst: Timmer

Analysis Pg. No. 196

Budget Pg. No. 3-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 54,051,824	\$ 42,340,458	\$ --
General Fees Fund	5,957,551	6,063,953	--
Hospital Revenue Fund	79,297,204	87,797,206	--
General Use Funds	<u>\$139,306,579</u>	<u>\$136,201,617</u>	<u>\$ --</u>
Hospital Fund	1,070,760	1,070,760	(123,000)
Other Funds	<u>37,791,775</u>	<u>39,056,425</u>	--
Restricted Use Funds	<u>38,862,535</u>	<u>40,127,185</u>	<u>(123,000)</u>
Subtotal	<u>\$178,169,114</u>	<u>\$176,328,802</u>	<u>\$ (123,000)</u>
Capital Improvements:			
State General Fund	\$ 574,746	\$ 588,274	\$ --
Educ. Building Fund	599,556	563,398	--
Hospital Fund	1,873,533	597,574	34,000
Other Funds (Including Debt Service)	<u>3,515,370</u>	<u>3,515,370</u>	<u>--</u>
Subtotal	<u>\$ 6,563,205</u>	<u>\$ 5,264,616</u>	<u>\$ 34,000</u>
TOTAL	<u>\$184,732,319</u>	<u>\$181,593,418</u>	<u>\$ (89,000)</u>
FTE Positions:			
Classified	3,026.1	3,026.1	--
Unclassified	<u>1,551.2</u>	<u>1,551.2</u>	<u>--</u>
TOTAL	<u>4,577.3</u>	<u>4,577.3</u>	<u>--</u>

Agency Request/Governor's Recommendation

The University of Kansas School of Medicine estimates that FY 1987 operating expenditures will be \$178,169,114, with \$139,306,579 from general use sources and \$38,862,535 from restricted use sources. The Medical Center requests supplemental funding of \$47,352 from the State General Fund for increased KANS-A-N expenditures as a part of a Regents' systemwide KANS-A-N supplemental request. The institution also requests a total of \$106,402 from the State General Fund to offset less than anticipated general fees receipts from the 1986 fall enrollment.

The Governor recommends a total operating budget of \$176,328,802 for the Medical Center in FY 1987. The recommendation includes a reduction of \$2,044,450 from the approved State General Fund financing, which was lapsed in 1987 H.B. 2049. Included in the reduction is \$251,490 from the medical scholarship program due to lower than projected participation and \$120,000 from medical malpractice insurance due to lower than anticipated rates.

The Governor's recommendation also shifts funding of \$8,500,002 from the State General Fund to the Hospital Revenue Fund and \$1,013,160 from the State General Fund to the Medical Scholarship Repayment Fund. In addition, a supplemental appropriation from the Hospital Fund of \$160,000 is recommended for the previously approved laundry project. Also, due to severe asbestos problems encountered with the approved renovation of Robinson for pediatrics, the project will be delayed a year and the funding for the project is moved from FY 1987 to FY 1988.

House Subcommittee Recommendations

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

1. Deletion of \$79,000 from the Hospital Fund appropriation for the Cardiac Catheterization Laboratory. The recommendation deletes \$123,000 of the \$151,800 provided for the purchase of the equipment. The Subcommittee learned that the annual cost of the equipment will be \$110,800 and that it will not be purchased in FY 1987 until the last quarter of the year. The Subcommittee therefore recommends a total of \$28,800 for the equipment in FY 1987. In addition, the bids for the space renovation for the cardiac catheterization laboratory were received and were substantially above the amount approved by the 1986 Legislature. The Subcommittee therefore recommends that \$44,000 of the identified savings be added to the \$50,000 approved for the renovation, allowing a total of \$94,000 for the project.
2. Deletion of \$10,000 from the supplemental appropriation recommended by the Governor for the hospital laundry project. The Subcommittee learned that the additional funding needed for the project is \$150,000, not the \$160,000 included in 1987 House Bill 2100.
3. The Subcommittee notes that the Medical Center requested a supplemental of \$106,402 from the State General Fund to offset an estimated General Fees Fund shortfall of that amount. The Subcommittee defers any action on the fee fund shortfall request until actual data for the 1987 spring semester is available and more accurate estimates may be made.
4. The Subcommittee reviewed the revenue to date for the Hospital Revenue Fund and the Medical Scholarship Repayment Fund. The Subcommittee concurs with the Governor's recommendation which increases expenditures from the Hospital Revenue Fund by \$8,500,002 in FY 1987 and increases the expenditure limitation on the Medical Scholarship Repayment Fund by \$1,013,160, as contained in H.B. 2100. The Subcommittee makes no further adjustments to either fund at this time but highlights each as a point for further review later in the Session when more actual data is available.


5. The Subcommittee makes no adjustments to the Medical Center's utility budget at this time, but highlights this as an area for review when more actual months' expenditures are available.



Representative Rochelle Chronister
Subcommittee Chairperson



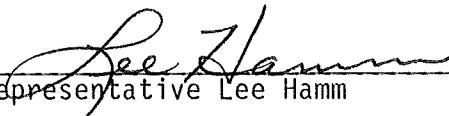
Representative Bill Bunten



Representative David Heinemann



Representative Don Mainey



Representative Lee Hamm

SUBCOMMITTEE REPORT

Agency: University of Kansas
Medical Center

Bill No. 2439

Bill Sec. 8

Analyst: Timmer

Analysis Pg. No. 196

Budget Pg. No. 3-87

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 63,347,029	\$ 59,514,142	\$(1,082,067)
General Fees Fund	5,848,745	5,990,000	--
Hospital Revenue Fund	78,954,384	74,979,639	1,472,588
General Use Funds	\$148,150,158	\$140,483,781	\$ 390,521
Hospital Fund	880,760	770,760	(41,000)
Other Funds	41,428,921	41,588,921	--
Restricted Use Funds	42,309,681	42,309,681	(41,000)
Subtotal	<u>\$182,793,462</u>	<u>\$182,793,462</u>	<u>\$ 349,521</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	--	--	--
Hospital Fund	2,275,000	2,475,959	--
Other Funds (Including Debt Service)	2,794,599	2,794,599	--
Subtotal	<u>\$ 5,069,599</u>	<u>\$ 5,270,558</u>	<u>\$ --</u>
TOTAL	<u>\$190,529,336</u>	<u>\$188,062,020</u>	<u>\$ 349,521</u>
FTE Positions:			
Classified	3,040.1	3,026.1	2.0
Unclassified	1,573.7	1,551.2	13.0
TOTAL	<u>4,613.8</u>	<u>4,577.3</u>	<u>15.0</u>

Agency Request/Governor's Recommendation

FY 1988. The Medical Center requests an operating budget of \$190,529,336 for FY 1988, an increase of \$12,290,623 over the revised FY 1987 request. The agency's request includes \$148,150,158 from general use funds with \$63,347,029 from the State General Fund, \$5,848,745 from the General Fees Fund, and \$78,954,384 from the Hospital Revenue Fund. In addition, the request includes expenditure of \$42,309,681 from restricted use funds. The agency's FY 1988 request for capital improvements is \$2,350,000 to be funded entirely from the Hospital Fund and Parking Fees. Debt service for FY 1988 is estimated to be \$2,719,599.

The FY 1988 budget request includes maintenance increases for salaries and wages and basic operating support, as approved by the Kansas Board of Regents. Salary and wage increases of 8 percent are requested for all unclassified staff, including residents and student employees. Classified salary increases are as authorized by the Civil Service pay plan with step increases for eligible employees and funding for a full fiscal year for the clerical study

conversion. In addition, an increase of 7 percent is requested for operating support and an increase of 5 percent is requested for utility expenditures.

Program Improvements. The Medical Center requests a total of \$3,415,385 to finance program improvements for implementation in FY 1988. Included in the request is \$1,616,051 for programs related primarily to the institution's educational and research activities. New program requests are expansion of outreach consultation clinics, enhancement of emergency medical services, implementation of a Master of Science in physical therapy program, funding for hazardous waste management, and continuation of development of the centers on aging and cancer. In addition, funding is requested for a sports medicine program, for enrichment of the graduate and research programs, and for the center on graduate medical education in Wichita.

A total of \$1,799,334 is requested for new programs and program improvements at the Medical Center's hospital. The total request includes \$1,689,334 from general use funds and \$110,000 from restricted use funds. Projects for which funding is requested include house staff stipend improvement, expansion of the hospital's telemetry units, additional staffing for labor and delivery, funding for overtime and holiday pay, cell markers and pancreatic islets transplantation, replacement of chemistry profiling instruments, replacement of the medical records central dictation system, and replacement of the intensive care unit monitoring equipment.

The total FY 1988 Governor's recommendation is \$188,062,020 of which \$59,514,142 is from the State General Fund. The Governor recommends a 2.5 percent salary and wage increase for all unclassified personnel, including house staff and student help, a 1 percent increase in the state-financed unclassified retirement benefit, a 2 percent OOE increase as well as an additional one-time 3 percent OOE increase for the educational programs only. Also, the Governor's FY 1988 recommendation restores to the agency's base budget the \$2,044,450 lapsed in FY 1987. No new programs or program improvement requests are recommended.

House Subcommittee Recommendations

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

1. Based on the systemwide recommendation made by the House Appropriations Committee:
 - a. Deletion of \$47,352 for the KANS-A-N supplemental requested for FY 1987 but not approved. The requested funding was included in the FY 1988 operating expenditure base.
 - b. Deletion of \$373,290 for the 1 percent increase in the employer contribution to the unclassified employee's retirement program.
 - c. Deletion of \$142,572 from the one-time 3 percent OOE increase to the educational programs base. The recommendation allows a 2 percent base budget OOE increase of \$667,656.

2. The Subcommittee recommends that the balance of \$49,588 currently in the Hospital Fund and uncommitted to any capital improvement project or equipment purchase be used to offset transfers to the fund in FY 1988. Projects recommended by the Governor to be funded through transfers to the Hospital Fund include: (1) neonatal unit modifications, \$500,000; (2) correction of the hospital's heating, ventilation, and air conditioning system, \$540,000 -- FY 1988, \$400,000 -- FY 1989; (3) NMR lease payment, \$468,960; (4) CT Scanner replacement, \$150,000; (5) Cardiac Catheterization Lab, \$151,800; and (6) pediatrics unit renovation, \$2,090,959.
3. Delete \$41,000 from Hospital Fund for the cardiac catheterization Laboratory Equipment. The Subcommittee learned that the annual cost to the Medical Center for this equipment will be approximately \$110,800, not \$151,800 as included in the Governor's recommendations.
4. Reduce the FY 1988 transfer to the Hospital Fund for the Pediatric unit renovation by \$655,000. Due to the discovery of significant amounts of asbestos in the proposed area of renovation in Robinson Hall, the pediatrics units will be located in other space and the project will be delayed by one year. The Subcommittee's recommendation will allow the amount of \$1,435,959, approved for expenditure in FY 1987, to be used in FY 1988 and the FY 1988 transfer of \$655,000 to be made in FY 1989. The Governor's recommendation would have provided for expenditure of both amounts in FY 1988.
5. The Subcommittee reduces projected General Fees Fund income by \$21,450 in FY 1988. The Governor's recommendation includes anticipated revenue from the requested Master's Degree in Physical Therapy, a program neither the Governor nor the Subcommittee recommend for FY 1988. The Subcommittee's recommendation will reduce the carryforward balance to \$9,950.
6. The Subcommittee recommends additional expenditure authority of \$528,000 in general use funds, of which \$215,000 would be from the State General Fund and \$313,000 from increased hospital revenues to provide funding for the following academic programs:
 - a. Center on Aging -- The Subcommittee recommends \$51,000 and 1.0 FTE associate director position and \$89,000 for one-time equipment purchases. The salary and wage funding will allow the position to be filled for the last six months of FY 1988. The total recommendation of \$140,000 would be from the State General Fund.

- b. Mid-America Cancer Center -- The Subcommittee recommends \$115,000 for funding for the last half of FY 1988 for six FTE positions, a director, an administrative assistant, three support personnel, and a secretary. Also recommended is \$25,000 for operating expenditures and \$50,000 for one-time equipment purchases. Funding would include \$75,000 from the State General Fund and \$115,000 from anticipated increased earnings in hospital revenues.
- c. Emergency Medical Services -- A total of \$103,000 for salary and wage expenditures for 3.0 FTE positions for the last half of FY 1988 is recommended. The Subcommittee understands that these positions will include a director and two physicians to provide full-time staff for the Hospital's emergency facility and that this staff will be responsible for the development of the emergency room into a full-fledged trauma center. All funding for the program would be from increased revenues to the Hospital Revenue Fund.

The Subcommittee also notes that the 1986 interim Committee on Financing of Regents Institutions discussed the trauma center request and recommended that appropriate legislation be introduced if funding is provided for the program. The Subcommittee therefore recommends the introduction of legislation which would allow the designation of trauma centers in Kansas.

- d. Institute of Sports Medicine -- The Subcommittee recommends expenditure authority of \$95,000 for salary and wage and operating expenses for 3.0 FTE physicians, a physical therapist, and a secretary for the last quarter of FY 1988 for the implementation of a sports medicine program. The recommendation would provide \$75,000 for salaries and wages and \$20,000 for operating expenditures. The recommended program be multi-disciplinary and aimed at the prevention, treatment, and rehabilitation of injuries sustained during recreational and athletic activities. It would be affiliated with the Division of Orthopedic Surgery. Funding would be from increased revenues to the Hospital Revenue Fund.
7. The Subcommittee recommends the addition of \$543,967 for increased funding for housestaff stipends for the residents at the Kansas City and Wichita campuses. The Subcommittee recommendation would be financed with \$68,000 from the State General Fund and \$325,000 from increased hospital revenues. In addition, the Subcommittee recommends that the total increase in funding be offset by a 2 percent shrinkage rate be applied to all housestaff stipends to provide a total savings of approximately \$151,000. The Subcommittee recommends a total of \$8,396,424 for housestaff stipends in FY 1988, including \$7,677,262 for the Kansas City campus and \$870,162 for the Wichita residents.

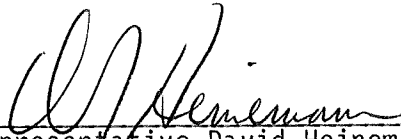
8. The Subcommittee recommends the addition of \$32,735 from the State General Fund to restore a shortfall in the FY 1986 reappropriation to the medical scholarship line item. The Subcommittee notes that the amount reappropriated by the 1986 Legislature was based on estimated expenditures and was not effort to reduce the scholarship program's funding. The restoration of the funding to the base provides the level of funding originally recommended for the program.
9. The Subcommittee recommends a reduction of \$834,588 from the State General Fund and an increase of the same amount from the Hospital Revenue Fund. The additional Hospital Revenue Funds are available due to Subcommittee adjustments to Hospital Fund projects made in FY 1987 and FY 1988 and reflect no adjustments in the revenue estimates included in the Governor's recommendations.



Representative Rochelle Chronister
Subcommittee Chairperson




Representative Bill Buntin



Representative David Heinemann



Representative Don Mainey



Representative Lee Hamm

Hospital Revenue Fund	FY 1987 Gov. Rec.	FY 1987 House Subcommittee Rec.	FY 1988 Gov. Rec.	FY 1988 House Subcommittee Rec.	Difference
Carryforward from Prior Year	\$ 14,695,526	\$ 14,695,526	\$ 2,466,796	\$ 2,555,796	\$ 89,000
Plus: Receipts					
Care and Hospitalization	90,984,186	90,984,186	90,580,853	90,580,853	0
Sale of Meals	1,100,000	1,100,000	1,150,000	1,150,000	0
Other Charges and Recoveries	415,000	415,000	415,000	415,000	0
Revenue from New Programs	0	0	0	638,000	638,000
Subtotal	<u>\$ 98,499,186</u>	<u>\$ 92,499,186</u>	<u>\$ 92,145,853</u>	<u>\$ 92,783,853</u>	<u>\$ 638,000</u>
TOTAL AVAILABLE	<u>\$107,194,712</u>	<u>\$107,194,712</u>	<u>\$ 94,612,639</u>	<u>\$ 95,339,639</u>	<u>\$ 727,000</u>
Less: Transfers					
Hospital Fund	\$ 1,909,720	\$ 1,820,720	\$ 2,465,000	\$ 1,719,412	\$ (745,588)*
Clinical Facility Debt Serv.	2,021,000	2,021,000	1,968,000	1,968,000	0
Restricted Fee and Serv. Clearing Funds	13,000,000	13,000,000	13,700,000	13,700,000	0
Subtotal	<u>\$ 16,930,720</u>	<u>\$ 16,841,720</u>	<u>\$ 18,133,000</u>	<u>\$ 17,387,412</u>	<u>\$ (745,588)</u>
Less: Expend.	<u>\$ 87,797,206</u>	<u>\$ 87,797,206</u>	<u>\$ 74,979,639</u>	<u>\$ 76,452,227</u>	<u>\$1,472,588</u>
Balance Forward	<u>\$ 2,466,786</u>	<u>\$ 2,555,786</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ --</u>

* Adjustment includes reduction of \$655,000 for pediatric renovation, \$41,000 reduction in cardiac catheterization equipment, and use of \$49,588 from balance of fund.