

Approved 2-3-88  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin at  
Chairperson

1:30 ~~a.m.~~/p.m. on January 27, 1988 in room 514-S of the Capitol.

All members were present except: Representatives Chronister and Helgerson (both excused)

Committee staff present: Diane Duffy, Legislative Research  
Gloria Timmer, Legislative Research  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Stan Koplik, Executive Director, Kansas Board of Regents

Others attending: See attached list.

Staff distributed the schedule of deadlines for the House Appropriations bills to be out of committee. Also, a list of Appropriations Interns assigned to assist in working the fee agency budgets was distributed. Chairman Buntin urged the Committee members to fully involve the interns in the process of reviewing the fee agency budgets.

Stan Koplik, Executive Director, Kansas Board of Regents, addressed the Committee on the Board of Regents' Margin of Excellence Proposal. The principal priority of the Margin of Excellence, assuming adequate funding of the base, is to make our institutions competitive in the whole national marketplace, especially in competition for faculty. The faculty salary objective of the Margin of Excellence is to move salaries at the end of a three-year period to 100 percent of average of the peer institutions. The approximately \$6-7 million of Mission Related Enhancements (formerly program improvements) represent a second objective of the Margin of Excellence to carry out in a specific way the individual missions of the institutions.

The Margin of Excellence refers to the upper tier of the budget assuming adequate funding of the base. Out of the \$40 million request for new general use money for FY 1989, Margin of Excellence represents \$15 million--\$25 million is the base.

In each of the Mission Related Enhancements the Board has built in accountability. Also, the Board has requested differing percentages of salary increases for different institutions based on the institution's standing in relation to its peer institutions.

Dr. Koplik distributed a handout comparing the Governor's recommendations with the Board request (Attachment 1). He noted there is agreement between the Board request and the Governor's recommendation for base program maintenance. Regarding faculty salary parity, the Board did not include KU Medical Center, KSU-Vet Med Center, and Kansas Technical Institute in the Margin of Excellence component of the budget. The Governor's recommendation focuses on teaching faculty and does not include research staff, extension people, librarians, deans and administrators.

In response to questions, Dr. Koplik stated that faculty salaries at Fort Hays are at 83 percent of peers and this situation will be remedied through the Margin of Excellence plan at the end of three years. Regarding the KU Medical Center, he advised that in 1980 hospital revenues financed 30 percent of the Medical Center budget and currently they finance 60 percent of the Medical Center budget. Dr. Koplik

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S Statehouse, at 1:30 ~~am~~/p.m. on January 27, 1988

indicated that Oregon and Oklahoma have programs using peer comparisons similar to Kansas and Representative Shriver asked to be furnished the figures generated in the peer studies of those two states. Kansas ranks 14th or 15th nationally in per capita expenditure on higher education. Our fees represent, on average, 27 percent of the cost of education.

Representative Vancrum observed that Kansas is below its peers in out-of-state tuition levied. The Board of Regents is studying this question and has approved a 12 percent increase in non-resident fees for next year. Dr. Koplik stated it is likely there will be 12 percent increases each of the following two years as well.

The meeting was adjourned at 2:35 p.m.



GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 1-27-88

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
John A. Shosar, Jr.	621 LRE AVE. ST. LOUIS, MO 63119	National AAUP
Ruth Wilkin	Topeka	AAUP
Mark Tallman	Topeka	ASK
Angela L. Windham	232 Wire Haysville, KS 67060	ASK
Jim Rueschhoff	1436 WHEATRIDGE DR WICHITA KS 67235	ASK
Jan Bray	Topeka	Life at its Best
Bill Hollenbeck	Pittsburg	(PS)
Ed WARBURTON	Topeka	Washburn Univ
Judy Wauson	Manhattan	Chancellor of Commission
Merle Hise	Topeka	KACC
John Creditor		ASK
KEVIN ROBERTSON	TOPEKA	to Vocational Class.
Bill Curtis	Topeka	KASB
Lyle Jarole	Manhattan	KSU
Ray Hauke	Topeka	Ks Bd of Regent Staff
Stan J. Kunk	Topeka	Reg. B
Marty Kennedy	Topeka	Budget
Hennie Williams	Topeka	Budget
Michael O'Keefe	Topeka	Budget
Joel Zeff	Lawrence	KANSAN Newspaper
Janine Swiatkowski	Lawrence	Daily Kansan



REGENTS REPORT 88-1

SUMMARY: MARGIN OF EXCELLENCE REQUEST  
AND GOVERNOR'S RECOMMENDATIONS

FY 1989

Board Request and Governor's Recommendation by Item

A. Base Budget Improvements (Program Maintenance)

1. The Governor approved the Board's request for:

- 5% unclassified staff
- 4% student salaries
- 4% other operating expenditures
- \$3.2 million enrollment adjustments
- \$1.4 million new building support
- \$2.6 million classified staff step movement

B. Faculty Salary Parity

1. The Governor recommends \$5.0 million of \$6.3 million requested to achieve faculty parity at the 6 universities.

C. Mission Related Program Enhancements

1. The Governor recommends \$.4 million for salary improvements at the 3 institutions which are not part of the peer cost study.
2. The Governor recommends \$1.7 million for other program enhancements at KU Medical Center.
3. The Governor is not recommending other Mission Related Program Enhancements.

HA  
1-26-88  
Attachment 1

**Board Request and Governor's Recommendation by Amount  
of Additional Funding**

	Board's Request (\$ millions)	Governor's Recommendations (\$ millions)
Base Budget Improvements (Program Maintenance for Salaries, OOE Enrollment Adj., and Svcg. New Bldg.)	25.4	25.6*
Margin of Excellence		
Faculty Salary Parity	6.3	5.0
Mission-Related Enhancements		
Six Universities	4.5	0
Other Institutions	<u>4.4</u>	<u>2.1</u>
TOTAL	40.6	32.7

\*Additionally the Governor recommends \$4.5 million for a 4% classified cost-of-living increase, which was not included in the Board's original request.

**COMPARISON OF GOVERNOR'S RECOMMENDATIONS WITH BOARD'S REQUEST  
FACULTY SALARY PARITY - FY 1989**

	Board Request		Governor's Recommendation		
	Amount	% of Total Unclassified Base	Amount	% of Total Unclassified Base	% of Instrc. Unclassified Base
KU	\$2,027,000	2.8	\$1,490,000	2.1	2.8
KSU	2,000,000	2.9	1,101,267	1.6	2.9
WSU	1,284,000*	4.0	1,282,159	4.0	5.2
ESU	350,000	2.8	274,536	2.2	2.8
PSU	498,000	3.8	392,455	2.9	3.8
FHSU	<u>602,000</u>	<u>5.2</u>	<u>473,054</u>	<u>4.0</u>	<u>5.2</u>
	\$6,761,000*	3.2	\$5,013,471	2.4	3.5

\*Includes \$.4 million to be financed by internal reallocation

**COMPARISON OF GOVERNOR'S RECOMMENDATIONS WITH BOARD REQUEST  
MISSION RELATED ENHANCEMENTS**

**FY 1989**

	<u>Board Request</u>	<u>Governor's Recommendation</u>
KU	\$1,930,000	\$ -
KSU	1,739,000	-
WSU	208,453	-
ESU	117,000	-
PSU	167,000	-
FHSU	<u>354,000</u>	=
Subtotal Universities	\$4,515,453	\$ -
KUMC	\$3,669,053	\$1,963,408
KSU-Vet. Med.	660,000	125,000
KTI	<u>117,000</u>	<u>48,720</u>
TOTAL	\$8,961,506	\$2,137,128

COMPARISON OF GOVERNOR'S RECOMMENDATIONS WITH BOARD'S REQUEST

SOURCE OF GENERAL USE FINANCE - FY 1989

	Approved FY 1988 General Use Budget (in Millions)	FY 1988 Annualized General Use Base Budget (in Millions)	FY 1989 Gov. Rec. (in Millions)	FY 1989 Increase Requested by Board		FY 89 Incr. Rec. by Gov.	
				Amount	%	Amount	%
State General Fund	\$322.8	\$328.4*	\$332.4	\$18.0	5.5	\$4.0	1.2
General Fees	86.4	86.4	97.4	10.2	11.8	11.0	12.8
Land Grant and Other	6.7	6.7	6.7				
Hospital Revenue	<u>77.5</u>	<u>77.5</u>	<u>99.6</u>	<u>12.4</u>	<u>16.0</u>	<u>22.1</u>	<u>28.4</u>
Total General Use Funds	\$493.4	\$499.0	\$536.1	\$40.6	8.1	\$37.1	7.4

\*Includes \$5.6 million to annualize FY 1988 salary increase and previously authorized program improvements.