

Approved 3-14-88  
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 March 2, 1988 in room 514-S of the Capitol.

All members were present except: All present.

Committee staff present: Diane Duffy, Ellen Piekalkiewicz, Gloria Timmer,  
Ed Ahrens, Russ Mills, Legislative Research  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: see attached list.

HB 2808 - Appropriations for FY 1989, General Government Agencies  
of the Executive Branch.

#### **KANSAS COMMISSION ON CIVIL RIGHTS**

Representative King reviewed the FY 1989 subcommittee report (Attachment 1). Representative Solbach submitted a minority report commenting on the scope of the Post Audit study requested in the subcommittee's report. Chairman Buntin stated he would express Representative Solbach's concerns in his letter requesting the Post Audit study. Representative King moved adoption of the subcommittee report. Seconded by Representative Solbach. Motion carried.

Representative Chronister made a motion to amend the Attorney General's subcommittee report to include a reduction of \$8,303 to reflect the Governor's recommendations for health insurance on HB 2808. Seconded by Representative Brady. Motion carried.

Representative Chronister moved that HB 2808, as amended, be recommended favorably for passage. Seconded by Representative Mainey. Motion carried.

HB 2794 - Appropriations for FY 1989, State Board of Regents and Higher Education Institutions.

#### **UNIVERSITY OF KANSAS MEDICAL CENTER**

The Subcommittee concurs with the Governor's recommendations for FY 1988 with adjustments (Attachment 2). The Subcommittee made the decision in the Hospital Revenue Fund to leave more money in the balances that can be transferred into the general fund later, if necessary. Representative Chronister moved adoption of the FY 1988 subcommittee report. Seconded by Representative Heinemann. Motion carried. Rep. Heinemann reviewed the FY 1989 subcommittee report (Attachment 3). Representative Chronister reported that the Medical Center is in the process of searching for new parking facilities. They are proposing construction of a new garage on the south side of the Medical Center. Representative Wisdom noted lack of parking is a major problem and will be detrimental to future growth. Representative Chronister moved adoption of the FY 1989 subcommittee report. Seconded by Representative Heinemann. Motion carried.

#### **KSU--VETERINARY MEDICAL CENTER**

The Subcommittee concurs with the Governor's recommendations with the adjustments noted in the report (Attachment 4). The tuition for FY 1989 will be \$3,825 non-resident. Kansas has 100 Nebraska students in the Veterinary school. Representative Fuller moved adoption of the subcommittee report. Seconded by Representative Goossen. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 1:30 ~~xxx~~/p.m. on March 2, 1988

**BOARD OF REGENTS**

Representative Wisdom moved adoption of the FY 1988 subcommittee report (Attachment 5). Seconded by Representative Ott. Motion carried.  
Representative Ott reviewed the FY 1989 subcommittee report (Attachment 6).  
Representative Dyck made a motion to include \$250,000 in the Board of Regents budget for the Tuition Grant program. Seconded by Representative Goossen. There are 20 independent colleges in Kansas. The goal of the Tuition Grant program is to fund one-half the difference between the tuition at private colleges and public institutions for needy students. On the vote, motion carried.

Representative Ott moved the adoption of the subcommittee report for FY 1989 as amended. Seconded by Representative Wisdom. Motion carried.

**KANSAS TECHNICAL INSTITUTE**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 with adjustments (Attachment 7). Chairman Bunten observed that the Wichita Engineering Technology Program with adequate funding and aggressive selling should be a highly successful program. Representative Lowther moved adoption of the subcommittee report. Seconded by Representative King. Motion carried.

**KANSAS STATE UNIVERSITY (Attachment 8)**

A member questioned the subcommittee's recommendation that the Extension Service reevaluate its formula for distribution of county agents. The decisions are made on county agents in Manhattan, and the subcommittee feels the counties should have some input as to the agents they have and the funding of them. Representative Fuller moved adoption of the subcommittee report. Seconded by Representative Goossen. Motion carried.

**UNIVERSITY OF KANSAS**

The Subcommittee concurs with the Governor's recommendations with the adjustments noted (Attachment 9). Representative Williams moved the adoption of the subcommittee report. Seconded by Representative Ott. Motion carried.

**WICHITA STATE UNIVERSITY**

Representative Lowther reviewed the FY 1989 report (Attachment 10). Representative Solbach presented a minority report opposing deletion of \$237,533 from salary and wage funding and distributed a letter from the Board of Regents to staff regarding this subject (Attachment 11). Representative Lowther distributed an analysis of the Wichita State budget requests prepared by staff (Attachment 12). Representative King stated he now supports the minority report in lieu of the majority subcommittee report. Representative Solbach moved adoption of the minority report. Seconded by Representative King. Motion carried.

**EMPORIA STATE UNIVERSITY**

The Subcommittee concurs with the Governor's recommendations with the adjustments noted (Attachment 13). Representative Brady moved adoption of the subcommittee report. Seconded by Representative Guldner. Motion carried.

**PITTSBURG STATE UNIVERSITY**

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 with the adjustments noted in the report (Attachment 14). Representative Miller moved adoption of the subcommittee reports. Seconded by Representative Teagarden. Motion carried.

**FORT HAYS STATE UNIVERSITY**

Representative Hoy reviewed the FY 1989 subcommittee report (Attachment 15). Representative Lowther expressed concern that the subcommittee recommendations

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S Statehouse, at 1:30 ~~xx~~ p.m. on March 2, 1988.

treat one university differentially. Chairman Buntten made a motion that Recommendation #2 adding \$350,000 for movement toward parity with peers be stricken from the report. Seconded by Representative Chronister. During discussion it was noted the \$350,000 is for other operating expenditures in the budget. Motion failed. Representative Hoy moved adoption of the subcommittee report. Seconded by Representative Turnquist. Motion carried.

Representative Chronister moved that HB 2794, as amended, be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

Representative Miller moved that HB 2796, as amended, be recommended favorably for passage. Seconded by Representative Teagarden. Motion carried.

Representative Chronister moved that HB 2719 be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

The schedule of deadlines for the senate bills to be out of committee was distributed by staff. Representative Mainey made a motion to approve the minutes of February 18, 22, 23, and 24 as presented. Seconded by Representative Wisdom. Motion carried.

The meeting was adjourned at 3:50 p.m.



GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 3-2-88

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Ray Hawke	Topeka	Regents Staff
Jan Johnson	Topeka	Budget Division
Kathy Dick KATHY DICK	Topeka	ASK
Mark Tallman	Topeka	ASK
Henry Stephens	Emporia	ESU
James Stephens	Moline	
Jon Tossnerand	Lawrence	KU
Martin Aaron	Lawrence	ASK
Ed Walkman	Topeka	Walkman
Gary Kohn	Topeka	Regents
Fredrick Seidermann	Wichita	Wichita State Community
Mike Johnson	Manhattan	KSU
Paul Craft	Salina	Kansas Tech
Anthony L. Tilman	Salina	Kansas Tech
Charles Fries	Salina	Kansas Tech
Bill Hollenbeck	Pittsburg	PSU
Sabrina Wells	Topeka	Budget Division
Torrie Kirsche	Topeka	Water Office
JU M. JESS	Lawrence	University Daily Kansan
Carolyn Kehr	Topeka	KFT
A. KIERAN	TOPEKA	KAOM
Bob Kier	Topeka	KICK
Ken Pflughoff	Hays	FHSU
Opheal Christ	Lawrence	KOPR
Robert G. Lang	Rd #1 Hoyt, K.	KOPR





**SUBCOMMITTEE REPORT**

Agency: Kansas Commission on  
Civil Rights

Bill No. 2808

Bill Sec. 2

Analyst: Efirid

Analysis Pg. No. 459

Budget Pg. No. 1-91

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 976,471	\$ 919,973	\$ 2,700
All Other Funds	409,548	441,910	1,004
TOTAL	<u>\$ 1,386,019</u>	<u>\$ 1,361,883</u>	<u>\$ 3,704</u>
FTE Positions	42.0	39.5	0.5

Agency Request/Governor's Recommendations

The Commission's request for FY 1989 includes increases totaling \$95,269 in expenditures, in part for adding 1.0 new staff and funding 1.5 authorized, but currently unfunded positions. The Commission requests State General Fund financing of \$976,471 and federal funding of \$409,548. The FY 1989 agency budget request proposes increasing the proportion of State General Fund financing to 70.5 percent and decreasing federal financing to 29.5 percent.

The Governor's recommendations would reduce the authorized FY 1989 FTE count by 1.5 positions which were not funded in FY 1988. An increase of \$72,330 in operating expenditures is recommended. Commission expenses would be financed by 67.6 percent from the State General Fund and 32.4 percent from federal funds in the Governor's FY 1989 recommendations.

House Subcommittee Recommendations

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

1. Add 0.5 FTE position to upgrade a current half-time intake worker to full-time in FY 1989 because of the workload. Financing of \$6,258 for salary may be shifted from other items. In addition, the Subcommittee recommends authorizing expenditure of \$1,004 from the agency's Conversion of Materials and Equipment Fund to help finance this position in FY 1989. Add \$2,700 from the State General Fund for commodities in addition to the Governor's recommended \$8,308.


**Federal Fund Analysis.** The Subcommittee makes no adjustments in the Governor's estimates for federal funds. The Subcommittee is concerned about the ending balance in FY 1989 since the burden on the State General Fund has been lessened in recent years by spending down the balance of federal funds. No such balance will be available in FY 1990 if the revenue and expenditure estimates are realized. The Subcommittee notes that the Governor's recommended pattern of FY 1989 financing is

*HA  
3-2-88  
Attachment 1*

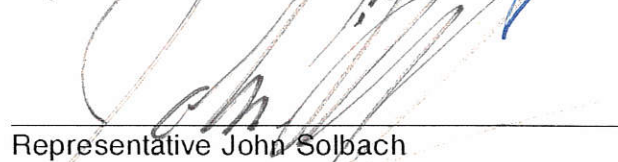
two-thirds from the State General Fund and one-third from federal funds.

<u>Resource Estimate</u>	<u>Actual FY 87</u>	<u>Estimated FY 88</u>	<u>Estimated FY 89</u>
Beginning Balance	\$ 434,765	\$ 140,022	\$ 101,014
Net Receipts	<u>299,172</u>	<u>384,800</u>	<u>348,750</u>
Total Available	\$ 733,937	\$ 524,822	\$ 449,764
Less: Expenditures	<u>593,915</u>	<u>423,808</u>	<u>441,910</u>
Ending Balance	<u>\$ 140,022</u>	<u>\$ 101,014</u>	<u>\$ 7,854</u>

2. The Subcommittee believes that this proportion of financing should be maintained and is concerned that the proportion of State General Fund financing may be requested at higher levels in the future. The Subcommittee recommends that an examination of the agency's operations be undertaken as an interim study by a special committee, with a particular focus on the costs of enforcing both state and federal laws.
3. In addition, the Subcommittee recommends that the Chairman of the Appropriations Committee request a Post Audit study on the Civil Rights Commission and its operation with regard to state and federally required activities. The Post Audit study should examine the effectiveness and efficiency with which the agency conducts its activities, with a detailed analysis of how costs are apportioned between financing sources for federal and state-related activities.

  
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Representative James Lowther  
Chairman

  
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Representative Kenneth King

  
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Representative John Solbach

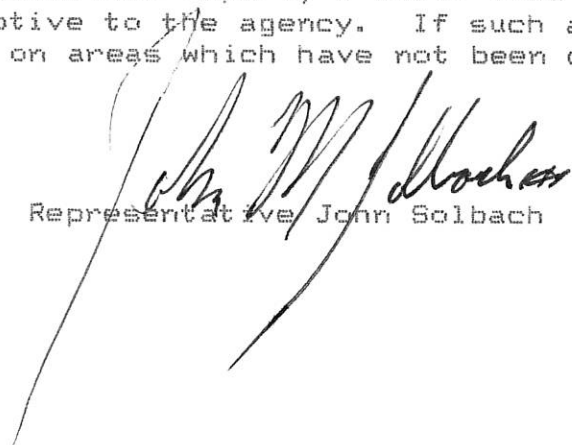


MINORITY REPORT

I concur with the Subcommittee's recommendations for FY 1989, with the exception of the scope of the request for a Post Audit study.

The Commission has been subject to several audits since 1980, with the most recent being conducted in 1986. That Post Audit study examined the processing of civil rights cases. Such repeated studies take considerable time on the part of the agency staff. We should minimize the disruption of the agency's business by another Post Audit study unless it is limited to new subject matter relative to past studies.

Although I have signed the Subcommittee report, I still feel that any Post Audit study will be disruptive to the agency. If such a study is approved, it should focus only on areas which have not been considered by previous Post Audit studies.

  
Representative John Solbach

**SUBCOMMITTEE REPORT**

Agency: University of Kansas  
Medical Center

Bill No. 2796

Bill Sec. 27

Analyst: Timmer

Analysis Pg. No. 429

Budget Pg. No. 3-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 56,593,042	\$ 56,593,042	\$ 0
General Fees Fund	5,872,662	5,872,662	0
Hospital Revenue Fund	<u>77,491,794</u>	<u>77,269,707</u>	<u>(168,850)</u>
General Use Funds	<u>\$139,957,498</u>	<u>\$139,735,411</u>	<u>\$ (168,850)</u>
Restricted Use Funds	<u>\$ 38,402,396</u>	<u>\$ 40,990,692</u>	<u>\$ (120,000)</u>
Subtotal--State Operations	<u>\$180,577,904</u>	<u>\$180,726,103</u>	<u>\$ (288,850)</u>
<b>Other Assistance:</b>			
State General Fund	\$ 2,262,438	\$ 2,037,630	\$ 0
Restricted Use	<u>1,409,256</u>	<u>1,526,594</u>	<u>0</u>
Subtotal--Other Assistance	<u>\$ 3,671,694</u>	<u>\$ 3,564,224</u>	<u>\$ 0</u>
Total General Use Funds	\$142,219,936	\$141,773,041	\$ (168,850)
Total Operating Expenditures	\$184,249,598	\$184,290,327	\$ (288,850)
<b>Capital Improvements:</b>			
State General Fund	\$ 532,286	\$ 532,286	\$ 0
Educational Building Fund	339,309	339,309	0
Hospital Fund	2,474,033	2,474,033	0
Other Funds	<u>6,156,612</u>	<u>6,156,612</u>	<u>0</u>
Subtotal--Capital Improvements	<u>\$ 9,502,240</u>	<u>\$ 9,502,240</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u><b>\$193,751,838</b></u>	<u><b>\$193,792,567</b></u>	<u><b>\$ (288,850)</b></u>
<b>FTE Positions:</b>			
Classified	3,060.2	3,060.2	0.0
Unclassified	<u>1,540.1</u>	<u>1,540.1</u>	<u>0.0</u>
TOTAL	<u><u>4,600.3</u></u>	<u><u>4,600.3</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The University of Kansas Medical Center requests a total operating budget of \$184,548,725 for FY 1988, an increase of \$1,140,328 over the budget approved by the 1987 Legislature. The requested budget includes expenditure limitation increase of \$1,535,000 for the Hospital Revenue Fund and requests for additional funding for the hospital of \$1,085,000 in general use funds to be used for commodity purchases, overtime/holiday pay for hospital staff, an increase in the lithotripter maintenance contract and funding for several one-time expenditures. The Medical Center' request is projected to be offset by an increase of \$2,900,000 in the Hospital Revenue Fund receipts. In addition, the Medical Center requests a State General Fund supplemental appropriation of \$117,338 to offset less than projected General Fees Fund income.

HA  
3-2-88  
Attachment 2

The Governor recommends a total operating budget of \$184,290,327 for FY 1988, a reduction of \$224,808 from the Center's revised request. The recommendation includes supplemental funding of \$70,435 for nurses salaries and wages, \$125,000 for overtime/holiday pay, \$424,000 for commodity purchases, and \$81,000 for the increased costs of the lithotriper maintenance contract. The Governor concurs with the Center's request for \$117,338 from the State General Fund to offset General Fees Fund shortfalls. In addition, the Governor recommends a reduction in the State General Funding for the Medical Scholarship program based on actual FY 1988 expenditures.

House Subcommittee Recommendations

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

1. Deletion of \$120,000 from the restricted fees accounts. The Governor's recommendation for restricted fees accounts is \$120,000 high than the agency's revised request and the Subcommittee's recommendation reduces the restricted fees to the level submitted by the Medical Center.
2. Deletion of the following amounts from new programs approved by the 1987 Legislature for FY 1988:

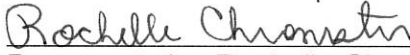
Cancer Center	\$ 95,833
Trauma Center	85,833
Sports Medicine	<u>50,000</u>
TOTAL	<u>\$231,666</u>

The Subcommittee has learned that the staff approved for these programs will not be hired before June, 1988. The Subcommittee's recommendation, therefore, allows one month's funding for salary and wage expenditures for each program.

3. Addition of \$62,816 from the Hospital Revenue Fund to allow automatic promotion of Medical Center Nurse Is to Medical Center Nurse IIs after two years of service. The recommendation will allow the promotion to become effective March 1, 1988. The Subcommittee learned that the annualized cost for the recommendation is \$187,734.


The Subcommittee expresses concern that for the second year in row the Medical Center has submitted a significant request for additional funding for nurses' salary enhancement late in the budget process, thereby allowing limited, if any, review by Budget Division staff or Legislative staff. The Subcommittee notes that the issue of nurses' salaries was also raised during the 1987 Omnibus Session and believes that careful monitoring of the situation would have resulted in the issue being addressed in the normal budget submission or at least in a supplemental request in the fall.



  
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Representative Rochelle Chronister  
Subcommittee Chairperson

  
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Representative Bill Buntin

  
\_\_\_\_\_  
Representative Lee Hamm

  
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Representative David Heinemann

  
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Representative Don Mainey

**SUBCOMMITTEE REPORT**

Agency: University of Kansas  
Medical Center

Bill No. 2794

Bill Sec. 8

Analyst: Timmer

Analysis Pg. No. 429

Budget Pg. No. 3-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 55,373,015	\$ 46,818,906	\$ 0
General Fees Fund	5,704,705	5,765,203	0
Hospital Revenue Fund	<u>88,838,124</u>	<u>98,364,535</u>	<u>(105,174)</u>
General Use Funds	<u>\$149,915,844</u>	<u>\$150,948,644</u>	<u>\$ (105,174)</u>
Restricted Use Funds	<u>\$ 44,639,130</u>	<u>\$ 43,638,844</u>	<u>\$ (50,000)</u>
Subtotal--State Operations	<u>\$194,554,974</u>	<u>\$194,587,488</u>	<u>\$ (155,174)</u>
<b>Other Assistance:</b>			
State General Fund	\$ 1,894,864	\$ 1,545,212	\$ 0
Restricted Use	<u>1,842,488</u>	<u>2,103,940</u>	<u>0</u>
Subtotal--Other Assistance	<u>\$ 3,737,352</u>	<u>\$ 3,649,152</u>	<u>\$ 0</u>
Total General Use Funds	\$151,810,708	\$152,493,856	\$ (105,174)
Total Operating Expenditures	\$198,292,326	\$198,236,640	\$ (155,174)
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	200,000	0	0
Hospital Fund	1,355,000	1,130,000	0
Other Funds	<u>5,915,429</u>	<u>5,840,429</u>	<u>0</u>
Subtotal--Capital Improve- ments	<u>\$ 7,470,429</u>	<u>\$ 6,970,429</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u><b>\$205,762,755</b></u>	<u><b>\$205,207,069</b></u>	<u><b>\$ (155,174)</b></u>
<b>FTE Positions:</b>			
Classified	3,096.3	3,084.2	0.0
Unclassified	<u>1,559.1</u>	<u>1,550.6</u>	<u>0.0</u>
	<u>4,655.4</u>	<u>4,634.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The University of Kansas Medical Center requests a total operating budget of \$198,292,326 for FY 1989 of which \$151,180,708 is from general use funds. The request includes \$1,698,710 for academic program improvements and \$1,841,307 for hospital program improvements. The request includes program maintenance increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures, and 4 percent for student salaries. In addition, the Medical Center requests restricted fee increases of \$1,351,000 due to new program requests.

*HA  
3-2-88  
Attachment 3*

The Governor recommends a total operating budget of \$198,236,640 for FY 1989 of which \$152,493,856 is from general use sources. The Governor recommendations include the requested program maintenance increases and a 4 percent salary increase of classified employees. In addition, the Governor recommends \$231,061 for instructional faculty salary increases in the Schools of Allied Health and Nursing and for the Basic Science faculty of the School of Medicine. A total of \$1.7 million is approved for program improvements including \$1,059,802 for an organ transplant program, \$287,634 for a lithotripter for gallstones, \$160,197 for nursing staff enhancement and \$125,000 for overtime/holiday pay.

#### House Subcommittee Recommendations

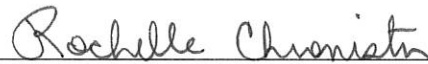
The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Addition of \$187,734 for annualization of the supplemental fund for the automatic promotion of Medical Center Nurse Is to IIs which was approved by the Subcommittee for FY 1988.
2. Deletion of \$123,423 from the Hospital Revenue Fund for the staffing and operating costs of the new gallstone lithotripter recommended by the Governor. The Subcommittee's recommendation will allow six months funding for salary and wage costs for 3.0 FTE (\$38,422), \$60,000 for space modification costs, and \$145,000 for other operating costs. In addition, the Subcommittee recommends that \$165,000 be deleted from the Hospital Fund recommendation, thereby allowing six months' funding for the cost of the acquisition of the equipment. The Medical Center's request and the Governor's recommendation would have allowed \$330,000 from the Hospital Fund for a full year's funding of the equipment purchase costs. The Subcommittee is of the opinion that the equipment will not be available at the beginning of the fiscal year.
3. Deletion of \$169,485 from the Hospital Revenue Fund and \$50,000 from restricted fee accounts for the organ transplantation program. The Subcommittee's recommendation will allow funding for the program for 10 months in FY 1989 rather than the 12 months funded by the Governor. The Subcommittee notes that the program will require the hiring of 22.5 FTE positions and believes that some time will be required to accomplish recruitment and hiring of those positions. The Subcommittee's recommendation funds an anesthesiologist position for the full fiscal year to allow the program to be started at earliest possible date.
4. The Subcommittee received information regarding the maintenance contracts in place for the Medical Center's equipment. The Subcommittee recommends that the Medical Center review each contract as it expires to evaluate the necessity of the contract and its cost effectiveness. The Subcommittee notes that the Post



Audit Report on maintenance contracts found that many contracts in place in the state system were not cost effective.

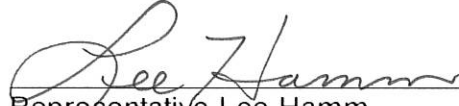
5. The Subcommittee heard testimony regarding the implementation of the hospital's computer and collection problems which might be connected with the new computer system. The Subcommittee learned that computer's installation is 3 to 4 months behind the original schedule. In addition, the Subcommittee learned that the Medical Center has been running behind in billings, particularly billings to the Department of Social and Rehabilitative Services for Medicaid patients. The Subcommittee expresses concern about these problems, especially those affecting SRS, and highlights these are as topics for discussion for the Senate Subcommittee.



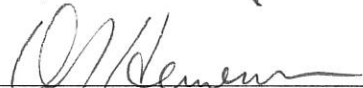
\_\_\_\_\_  
Representative Rochelle Chronister  
Subcommittee Chairperson



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Representative Bill Bunten



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Representative Lee Hamm



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Representative David Heinemann



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Representative Don Mainey

**SUBCOMMITTEE REPORT**

Agency: Kansas State University --  
 Veterinary Medical Center

Bill No. 2794

Bill Sec. 4

Analyst: Timmer

Analysis Pg. No. 390

Budget Pg. No. 3-43

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 6,789,583	\$ 6,293,590	\$ 140,000
General Fees Fund	2,671,991	2,671,991	0
Hospital Revenue Fund	<u>1,148,000</u>	<u>1,236,875</u>	<u>0</u>
General Use Funds	\$ 10,609,574	\$ 10,202,456	\$ 140,000
Restricted Use Funds	<u>343,925</u>	<u>343,925</u>	<u>0</u>
Subtotal - State Oper.	<u>\$ 10,953,499</u>	<u>\$ 10,546,381</u>	<u>\$ 140,000</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Build. Fund	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u><b>\$ 10,953,499</b></u>	<u><b>\$ 10,546,381</b></u>	<u><b>\$ 140,000</b></u>
<b>FTE Positions:</b>			
Classified	132.4	130.4	0.0
Unclassified	<u>90.4</u>	<u>89.4</u>	<u>0.0</u>
Total	<u>222.8</u>	<u>219.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The Veterinary Medical Center requests a total general use operating budget of \$10,609,574 for FY 1989, an 11.4 percent increase over the revised FY 1988 budget. The request includes annualization of the salary increases for classified and unclassified positions granted for the last half of FY 1988, program maintenance increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures, and 4 percent for student salaries. In addition, the Center requests \$457,900 for the third year of the program fulfillment begun in FY 1986, \$125,000 for faculty/unclassified salary increases and \$77,100 for a cooperative research program with the University of Kansas.

The Governor recommends a total general use operating budget of \$10,202,456 for FY 1989, a 7.0 percent increase over the revised FY 1988 budget. The recommendation includes the requested program maintenance increases and \$125,000 for the faculty salary increases. The Governor's recommendations do not include funding for the program fulfillment or the cooperative research program.

HA  
 3-2-88  
 Attachment 4

House Subcommittee Recommendation

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

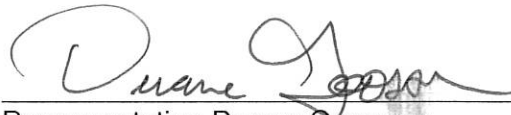
1. Addition of \$140,000 from the State General Fund to allow the Veterinary Medical Center to fill 5 FTE faculty positions. The funding is intended to provide funding for the 5 positions for 6 months in FY 1989 and is in response to the program fulfillment request made by the institution.

The Subcommittee understands that the Medical Center made a total request of \$457,900 for FY 1989 to increase funding for faculty positions, to increase funding for technical support staff, and to increase other operating expenditures. The Subcommittee learned that the Medical Center was accredited for three years rather than the seven due to significant problems with faculty staffing and OOE. In addition, the Subcommittee learned that an agreement was reached during the 1985 Session whereby the tuition for the Veterinary School was to be doubled in four years with the additional revenue to be used to fund the salary and OOE shortfalls. The tuition increases have been implemented and are again included in the FY 1989 recommendations but the additional revenue has not been earmarked for the program fulfillment needs in FY 1989. Funding for 6 faculty positions and 4.0 technician positions was approved for FY 1986 and 3.0 faculty and 4 classified positions have been approved since then. For FY 1988, \$100,000 for other operating expenditures was approved.

The Subcommittee believes that the Legislature's commitment to the resolution of the accreditation must be continued. The Subcommittee's recommendation is for 6 months funding due only to the time necessary for recruitment of the faculty and it is anticipated that full year funding will be included in the FY 1990 budget. Also, it should be noted that the tuition increases included in the FY 1989 budget will add approximately \$230,000 to the General Fees Fund.



Representative Wanda Fuller  
Subcommittee Chairman



Representative Duane Goossen



Representative Jack Shriver

**SUBCOMMITTEE REPORT**

Agency: Board of Regents

Bill No. --

Bill Sec. --

Analyst: Timmer

Analysis Pg. No. 451

Budget Pg. No. 3-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,448,105	\$ 1,418,136	\$ (6,800)
Other Funds	<u>23,473</u>	<u>23,473</u>	<u>0</u>
Subtotal	<u>\$ 1,471,578</u>	<u>\$ 1,441,609</u>	<u>\$ (6,800)</u>
<b>Aid to Local Units:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
<b>Other Assistance:</b>			
State General Fund	\$ 4,914,913	\$ 4,873,807	\$ 0
Other Funds	<u>1,075,048</u>	<u>1,021,631</u>	<u>0</u>
Subtotal	<u>\$ 5,989,961</u>	<u>\$ 5,895,438</u>	<u>\$ 0</u>
<b>TOTAL - Operating Expend.</b>	<u>\$ 7,461,539</u>	<u>\$ 7,337,047</u>	<u>\$ (6,800)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educ. Building Fund	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Cap. Impr.	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u>\$ 7,461,539</u>	<u>\$ 7,337,047</u>	<u>\$ (6,800)</u>
FTE Positions	17.0	17.0	0.0

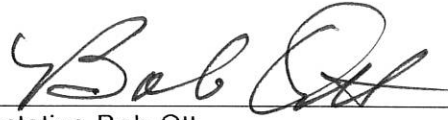
House Subcommittee Recommendation

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

1. Addition of \$5,700 from the State General Fund for other operating expenditures. The Subcommittee notes that in several object codes the FY 1988 recommendation is less than actual FY 1987 expenditures. Also, the Subcommittee is of the opinion that the agency has used its resources wisely in the past and that can be expected to continue.
  
2. The Subcommittee learned that one Distinguished Professorship position at the University of Kansas has not been filled this fiscal year and that it is unlikely that anyone will be hired for the position before the end of the fiscal year. The Governor's recommendation deleted \$12,500 from the FY 1988 budget and the Subcommittee recommends that the remaining \$12,500 be deleted from the FY 1988 budget. The Subcommittee's recommendation

*HA  
3-2-88  
Attachment 5*

would reappropriate the \$12,500 to FY 1989 and reduce the FY 1989 appropriation by that amount.



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Representative Bob Ott  
Subcommittee Chairman



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Representative Vern Williams



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Representative Bill Wisdom

regents/GT



**SUBCOMMITTEE REPORT**

Agency: Board of Regents

Bill No. 2794

Bill Sec. 10

Analyst: Timmer

Analysis Pg. No. 451

Budget Pg. No. 3-73

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 1,979,110	\$ 1,945,084	\$ 31,500
Other Funds	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Subtotal	\$ 1,982,110	\$ 1,948,084	\$ 31,500
<b>Aid to Local Units:</b>			
State General Fund	\$ 0	\$ 4,581,028	\$ (4,581,028)
<b>Other Assistance:</b>			
State General Fund	\$ 5,718,000	\$ 4,861,307	\$ (19,142)
Other Funds	<u>949,631</u>	<u>1,076,631</u>	<u>0</u>
Subtotal	<u>\$ 6,667,631</u>	<u>\$ 5,937,938</u>	<u>\$ (19,142)</u>
<b>TOTAL - Operating Expenditures</b>	<u><b>\$ 8,649,741</b></u>	<u><b>\$ 12,467,050</b></u>	<u><b>\$ (4,581,170)</b></u>
<b>Capital Improvements:</b>			
State General Fund	\$ 4,000,000	\$ 2,500,000	\$ 0
Educational Building Fund	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal -- Capital Improvements	<u>\$ 4,000,000</u>	<u>\$ 2,500,000</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<b>\$ 12,649,741</b>	<b>\$ 14,967,050</b>	<b>\$ (4,568,670)</b>
FTE Positions	17.0	17.0	0.0

Agency Request/Governor's Recommendation

The Board of Regents requests a budget of \$12,649,741 for FY 1989 of which \$1,982,110 is for state operations, \$6,667,631 is for other assistance and \$4,000,000 is for major maintenance and repair projects on the campuses. Increased funding is requested for scholarships and tuition grants.

The Governor recommends a total operating budget of \$12,467,050, of which \$1,948,084 is for state operations, \$5,937,938 for other assistance programs, and \$4,581,028 is for an operating grant for Washburn. In addition, the Governor recommends \$2,500,000 for major maintenance projects at the Regents' institutions campuses.

House Subcommittee Recommendations

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

*HA  
3-2-88  
Attachment 6*

1. Delete \$4,581,028 from the State General Fund for the Washburn operating grant. The Subcommittee recommends that the funding for Washburn University remain in the Department of Education until the passage of H.B. 2795 which transfers the oversight of Washburn from the Department of Education to the Board of Regents.
2. Delete \$6,500 from the State General Fund for the Optometry Scholarship program. The Subcommittee's recommendation will provide five new scholarships for optometry students at the University of Houston at \$6,500 per student and 19 scholarships at Houston for returning students. In addition, a total of 12 scholarships, four new and eight returning, will be available for the University of Missouri--St. Louis at a cost of \$4,600 per scholarship.
3. Delete \$8,000 from the State General Fund for the College Bound Digest program. While the Subcommittee believes that the digests are worthwhile, it also believes that they can be redesigned and produced at a lower cost.
4. Delete \$19,142 from the State General Fund for the State Scholarship program. The Subcommittee learned that the State Scholarship Discontinued Attendance Fund will have a balance of approximately \$90,000 at the beginning of FY 1989. Also, the Subcommittee learned that the federal funding for this program will decrease from the projected \$841,631 to \$805,773 in FY 1989. The Subcommittee therefore recommends that the program be funded at the Governor's recommended level of \$1,080,438 with \$805,773 from the federal State Student Incentive Fund, \$90,000 from the State Scholarship Discontinued Attendance Fund, and \$184,665 from the State General Fund.
5. Addition of \$50,000 from the State General Fund to fund an agreement with the University of Missouri for Kansas dental students. The Subcommittee learned that an agreement has been reached with Missouri which will allow Kansas students to attend dental school at the University of Missouri and pay in-state tuition rates. Kansas will be required to make an annual payment of \$50,000 and, beginning Fall 1988, up to 25 Kansas students per year will be allowed to enter the Missouri dental school. The Subcommittee also learned that the schools of Architecture at the University of Kansas and Kansas State University will no longer allow Missouri students to pay in-state tuition. This could result in a potential gain in tuition revenues of up to \$1,390,000 in five years after the agreement is fully operational.
6. Delete \$4,000 from the State General Fund for part-time and temporary staff funding in the Board Office. The Subcommittee notes that such expenditures have not been significant in the past and that all approved positions are currently filled.

7. The Subcommittee reduces the appropriation for the Distinguished Professorship program due to the reappropriation of \$12,500 from FY 1988 due to the vacant professorship position at the University of Kansas. The Subcommittee's recommendation will allow a total of \$125,000 for Distinguished Professorships in FY 1989.
  
8. The Subcommittee notes the funding for the Margin of Excellence has been addressed for the Regents' institutions and that Washburn University has received attention in both additional funding in the Governor's recommendation and through the recommendation that oversight be assumed by the Board of Regents. The Subcommittee is concerned, however, that the Tuition Grant program has not received any increased funding in the FY 1989 recommendations and remains at \$4,350,000 for FY 1989, the level appropriated for FY 1988. The Subcommittee believes that such funding levels further disadvantage needy Kansas residents who attend Kansas independent colleges. The Subcommittee further believes that any funding increase for the Tuition Grant program should be a systemwide decision, both because it would be in addition to the Governor's recommendations and because independent colleges are located throughout the state. The Subcommittee notes that an additional \$250,000 would enable the maximum tuition grant to increase from \$1,270 to \$1,350, thereby maintaining the present difference of \$320 between the maximum grant and the statutory allowable maximum of one-half the difference between public university and independent college tuitions.



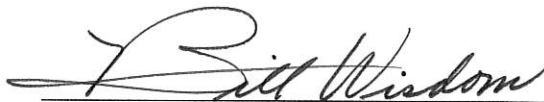
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Representative Bob Ott  
Subcommittee Chairman



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Representative Vern Williams



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Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Kansas Technical Institute

Bill No. 2796

Bill Sec. 23

Analyst: Timmer

Analysis Pg. No. 445

Budget Pg. No. 3-45

<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	\$3,262,669	\$3,141,671	\$ 76,000
General Fees Fund	<u>226,167</u>	<u>226,167</u>	<u>0</u>
General Use Funds	\$3,488,836	\$3,367,838	\$ 76,000
Restricted Use Funds	<u>341,210</u>	<u>341,210</u>	<u>0</u>
Subtotal--State Operations	<u>\$3,830,046</u>	<u>\$3,709,048</u>	<u>\$ 76,000</u>
Other Assistance:			
Restricted Use	\$ 165,000	\$ 165,000	\$ 0
Subtotal--Other Assistance	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ 0</u>
Total General Use Funds	\$3,488,836	\$3,367,838	\$ 76,000
Total Operating Expenditures	\$3,995,046	\$3,874,048	\$ 76,000
Capital Improvements:			
State General Fund	\$ 22,233	\$ 22,233	\$ 0
Educational Building Fund	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal--Capital Improvements	<u>\$ 22,233</u>	<u>\$ 22,233</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$4,017,279</u>	<u>\$3,896,281</u>	<u>\$ 76,000</u>
FTE Positions:			
Classified	36.5	36.5	0.0
Unclassified	<u>56.0</u>	<u>56.0</u>	<u>0.0</u>
TOTAL	<u>92.5</u>	<u>92.5</u>	<u>0.0</u>

House Subcommittee Recommendations

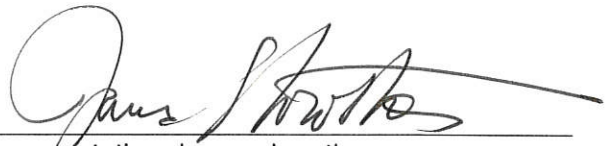
The House Subcommittee concurs with the Governor's FY 1988 recommendations with the following adjustments:

1. Addition of \$76,000 from the State General Fund for the Wichita Programs.

The 1987 Legislature approved a total of \$126,000 from the State General Fund in a separate line item for expansion of the Engineering Technology program in Wichita. The funding was approved based on projections that approximately 164 students could be enrolled in the Wichita program during Fall 1987 in 14 courses. The Legislature's recommendation would have provided \$72,000 for space rental, \$15,000 for adjunct teaching staff, and \$39,000 for equipment and operating expenditures.

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*3-2-88*  
*Attachment 7*

The Subcommittee learned that the program has not achieved the projected student enrollment and that only 55 students were enrolled in the Fall courses. The Board of Regents did not approve the rental of classroom space as had been anticipated during the last Session due to insufficient enrollments. The Governor's recommendations lapse the entire \$126,000 from the Institute's FY 1988 budget and do not include any part of the funding in the FY 1989 budget. The Subcommittee learned that the Institute has spent approximately \$55,000 on the program so far in FY 1988 and that a Director is now located in Wichita in an office in the Wichita State Office Building. The Subcommittee believes that a commitment has been made to the students currently enrolled in the Institute's Wichita program and therefore reduces the amount of the lapse by the amount already spent and an additional amount of \$21,000 for expenses for the remainder of FY 1988.



Representative James Lowther  
Subcommittee Chairman



Representative Kenneth King



Representative John Solbach



**SUBCOMMITTEE REPORT**

Agency: Kansas Technical Institute

Bill No. 2794

Bill Sec. 11

Analyst: Timmer

Analysis Pg. No. 445

Budget Pg. No. 3-45

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,574,073	\$ 3,353,469	\$ 144,290
General Fees Fund	<u>268,105</u>	<u>253,744</u>	<u>0</u>
General Use Funds	\$ 3,842,178	\$ 3,607,213	\$ 144,290
Restricted Use Funds	<u>340,489</u>	<u>340,489</u>	<u>0</u>
Subtotal - State Oper.	<u>\$ 4,182,667</u>	<u>\$ 3,947,702</u>	<u>\$ 144,290</u>
<b>Other Assistance:</b>			
Restricted Use	\$ 165,000	\$ 165,000	\$ 0
Subtotal - Other Assist.	<u>\$ 165,000</u>	<u>\$ 165,000</u>	<u>\$ 0</u>
<b>Total General Use Funds</b>	<u>\$ 3,842,178</u>	<u>\$ 3,607,213</u>	<u>\$ 144,290</u>
<b>Total Operating Expend.</b>	<u>\$ 4,347,667</u>	<u>\$ 4,112,702</u>	<u>\$ 144,290</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Build. Fund	300,000	0	0
Other Funds	<u>174,000</u>	<u>0</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 474,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u>\$ 4,821,667</u>	<u>\$ 4,112,702</u>	<u>\$ 144,290</u>
<b>FTE Positions:</b>			
Classified	38.5	38.5	0.0
Unclassified	<u>57.0</u>	<u>54.0</u>	<u>0.0</u>
TOTAL	<u>95.5</u>	<u>92.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

Kansas Technical Institute's FY 1989 general use operating budget request totals \$3,842,178, a 10.1 percent increase over the approved FY 1988 budget. The request includes funding to provide a 4 percent increase for other operating expenditures, a 5 percent increase for unclassified salaries, and a 4 percent increase for student salaries. In addition, annualization for the salary increases granted for the last half of FY 1988 is also included. The request includes \$60,000 for unclassified/faculty salary increases and \$57,000 for mission-related program enhancements. Both requests are the Institute's portion of the Board of Regents' Margin of Excellence program.

The Governor recommends a total general use operating budget of \$3,607,213, a 7.1 percent increase over FY 1988. The Governor's recommendations include funding for a 5 percent increase for unclassified salaries, a 4

percent increase for other operating expenditures, a 4 percent increase for student salaries, and a 4 percent increase for classified employees. In addition, the Governor recommends \$48,720 for faculty/unclassified salary increases for instructional faculty. The Governor also recommends an enrollment adjustment reduction of \$69,010 due to a decrease in enrollments.

#### House Subcommittee Recommendations

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

1. Addition of \$11,280 from the State General Fund for faculty/unclassified salaries. The Subcommittee's recommendation will fully fund the Institute's request for faculty parity funding as was approved by the Committee for the six universities in the system-wide recommendations.
2. Addition of \$69,010 from the State General Fund. The Subcommittee reviewed the enrollment adjustment cycle used at KTI and the Board of Regents' proposal that the Institute's enrollment adjustment be on the same cycle as that used at the six universities. Currently, the enrollment adjustment for KTI is based on a comparison of Fall, 1987 to Fall, 1986, while the adjustment at the universities is based on a comparison of Fall, 1985 to Fall, 1986. The Board's proposal and the Committee's recommendation would delay the enrollment adjustment reduction included in the Governor's FY 1989 budget to FY 1990.
3. Addition of \$64,000 from the State General Fund in a separate line item for the Wichita Engineering Technology Program. The Subcommittee received information from the Board of Regents which stated that the Board's policy on the continuation of the Wichita program is that KTI should continue their programs with borrowed space on the Wichita State University campus and that other space not be rented. The Subcommittee endorses that plan and notes that the Governor's recommendations do not include any funding for the program. Therefore, the Subcommittee recommends funding for the KTI Wichita program to be used as follows:
  - a. A total of \$40,000 for salary and wage expenditures with no funding to be used for a Director's position. The Subcommittee intends that the funding be used for adjunct faculty. The Subcommittee is of the opinion that with the limited enrollment currently in the Wichita program, a full-time Director's position is premature.
  - b. A total of \$24,000 for other operating expenditures. This recommendation provides funding for phone service, transportation, and some equipment. The funding is not intended to provide any funding for classroom space rental.

The Subcommittee also cautions KTI against entering into any contract which might extend beyond FY 1989. The Subcommittee is of the opinion that a complete review of the program should be conducted by the Board of Regents and the Legislature during or before the 1989 Session. If there is not significant growth in the enrollments, the Subcommittee questions whether the program should be continued.

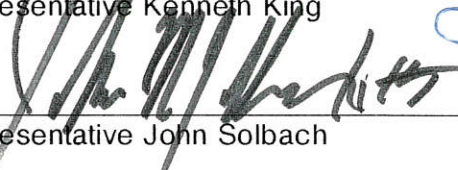
4. The Subcommittee notes that the Governor recommends funding and staff to allow the Institute to use the gymnasium for intramurals and physical education classes for students. The Subcommittee strongly encourages KTI to rent the gymnasium space to the Salina Recreation Commission and other interested parties whenever possible and thereby recoup the expenses of the facility's operation.
5. The Subcommittee supports House Bill 2814 which allows the Institute to sell several parcels of land. Although the Subcommittee supports the Institute's goal of consolidating the campus into a single area, they believe the Subcommittee and Legislature should be completely informed before any plans or commitments are made for the construction of new facilities.



Representative James Lowther  
Subcommittee Chairman



Representative Kenneth King



Representative John Solbach

2794-653/gt

**SUBCOMMITTEE REPORT**

Agency: Kansas State University

Bill No. 2794

Bill Sec. 3

Analyst: Timmer

Analysis Pg. No. 377

Budget Pg. No. 3-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 92,745,714	\$ 89,097,997	\$ 898,733
General Fees Fund	19,908,091	21,348,687	0
Land Grant Funds	6,463,915	6,463,915	0
Endowment Interest	<u>115,000</u>	<u>175,000</u>	<u>0</u>
General Use Funds	\$ 119,232,720	\$ 117,085,599	\$ 898,733
Restricted Use Funds	<u>56,474,075</u>	<u>56,474,075</u>	<u>0</u>
Subtotal - State Oper.	<u>\$ 175,706,795</u>	<u>\$ 173,559,674</u>	<u>\$ 898,733</u>
<b>Aid to Local Units:</b>			
Restricted Use	\$ 84,166	\$ 84,166	\$ 0
<b>Other Assistance:</b>			
Restricted Use	\$ 6,254,078	\$ 6,254,078	\$ 0
Subtotal - Other Assist.	<u>\$ 6,254,078</u>	<u>\$ 6,254,078</u>	<u>\$ 0</u>
<b>Total General Use Funds</b>	<u>\$ 119,232,720</u>	<u>\$ 117,085,599</u>	<u>\$ 898,733</u>
<b>Total Operating Expenditures</b>	<u>\$ 182,045,039</u>	<u>\$ 179,897,918</u>	<u>\$ 898,733</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Build. Fund	2,360,000	955,000	0
Other Funds	<u>7,170,000</u>	<u>1,170,000</u>	<u>0</u>
Subtotal - Capital Improvements	<u>\$ 9,530,000</u>	<u>\$ 2,125,000</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u>\$ 191,575,039</u>	<u>\$ 182,022,918</u>	<u>\$ 898,733</u>
<b>FTE Positions:</b>			
Classified	1,906.2	1,891.9	0.0
Unclassified	<u>2,246.3</u>	<u>2,220.4</u>	<u>0.0</u>
Total	<u>4,152.5</u>	<u>4,112.3</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

Kansas State University requests a total general use operating budget of \$119,232,720 for FY 1989, in increase of 10.7 percent over the revised FY 1988 budget. The request includes annualization of classified and unclassified salary increases granted for the last half of FY 1988 and program maintenance increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures, and 4 percent for student salaries. In addition, the University requests \$2,000,000 for faculty/unclassified salary increases and \$1,739,000 for mission-related program enhancements as a part of the Board of Regents' Margin

HA  
3-2-88  
Attachment 8.

of Excellence program. Also, a positive enrollment adjustment of \$692,252 is requested and \$859,798 is requested for the servicing of new buildings.

The Governor recommends a total general use operating budget of \$117,085,599 for FY 1989, a 8.3 percent increase over the revised FY 1988 budget. The recommendation includes the requested program maintenance increases, the enrollment adjustment and \$650,467 for the servicing of new buildings. In addition, the Governor recommends \$1,101,267 for salary increases for instruction faculty.

#### House Subcommittee Recommendations

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

1. Systemwide Recommendation. Addition of \$898,733 from the State General Fund to fully fund the University's request for faculty salary parity funding.
2. The Subcommittee held hearings on the Cooperative Extension Program and reviewed the staff reductions proposed for the Extension Service. The Subcommittee understands that funding problems have made reductions in the staffing necessary and believes that the proposed management decisions must be made. However, the Subcommittee expresses great concern about the methodology used in deciding where the staff reductions should be made. As an example, the Subcommittee learned that the urban counties of Sedgwick, Douglas, Wyandotte, Shawnee, and Johnson have larger numbers of extension agents than do the more rural counties, but that those counties were held harmless and will realize no staff reductions. Although the Subcommittee is aware that the Cooperative Extension Service receives calls in the urban areas, the Subcommittee is of the opinion that the Cooperative Extension Service should weight its services toward agriculture and those areas where agriculture production is high and that the urban areas, where services of all types are available to residents, should not be the priority areas. The Subcommittee seriously questions the necessity of large urban county programs when so many services are available through the private sector and other public service programs.

The Subcommittee strongly recommends that the administration of the Extension Program reevaluate its formula for distribution of county agents and weight the formula much more heavily toward agriculture and areas with heavy agriculture production. In addition, the Subcommittee recommends that the proportion of extension specialists to county agents be examined as to the validity of having a ratio of 195 specialists to 246 county agents. Finally, the Subcommittee is of the opinion that the youth programs and home economics programs should not be a high priority for the state and that if the counties view those programs as a necessity, the counties can allocate a larger portion of county funds toward those areas. The Subcommittee



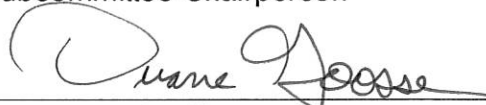
strongly believes that the rural agriculture areas should be the highest priority for the state and federal funds available.

The Subcommittee also requests that a Post Audit study of the Cooperative Extension program, its programs, fund allocations, staffing patterns and decisions, and other such areas be conducted.

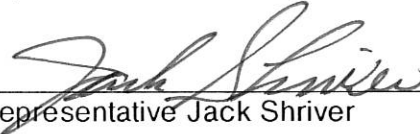
3. The Subcommittee reviewed the University's proposal to connect Bramlage Coliseum to the University's electrical system rather than to a KPL-owned system. The Subcommittee is of the opinion that the proposed connection would be cost effective but is not convinced that all avenues of funding have been explored. The Subcommittee therefore directs the University to discuss the issue of rates and connection costs with the Kansas Corporation Commission staff, with Kansas Power and Light, and any other parties which should be involved to arrive at the most cost effective method of achieving the connection. In addition, the Subcommittee learned that the Athletic Corporation will be responsible for one-third of the operating costs of the facility and therefore will realize one-third of the cost avoidance this project will allow. The Subcommittee believes that athletic corporation should assume one-third of the costs of the installation of the proposed connection.
4. The Subcommittee recommends that a restricted fee account for the Marlatt Memorial Park be included in the University's appropriation bill as a technical adjustment.



Representative Wanda Fuller  
Subcommittee Chairperson



Representative Duane Goossen



Representative Jack Shriver

## SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2794

Bill Sec. 7

Analyst: Timmer

Analysis Pg. No. 410

Budget Pg. No. 3-85

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 91,002,866	\$ 87,972,479	\$ 512,000
General Fees Fund	37,338,005	39,206,865	0
Endowment Interest	40,000	65,000	0
General Use Funds	<u>\$128,380,871</u>	<u>\$127,244,344</u>	\$ 512,000
Restricted Use Funds	69,853,993	69,955,496	0
Subtotal -- State Operations	<u>\$198,234,864</u>	<u>\$197,199,840</u>	<u>\$ 512,000</u>
<b>Other Assistance:</b>			
General Use	\$ 248,241	\$ 248,241	\$ 0
Restricted Use	<u>9,164,300</u>	<u>9,232,797</u>	0
Subtotal -- Other Assistance	<u>\$ 9,412,541</u>	<u>\$ 9,481,038</u>	<u>\$ 0</u>
<b>Total General Use Funds</b>	<u>\$128,629,112</u>	<u>\$127,492,585</u>	<u>\$ 512,000</u>
<b>Total Operating Expenditures</b>	<u>\$207,647,405</u>	<u>\$206,680,878</u>	<u>\$ 512,000</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	9,910,400	8,633,400	0
Other Funds	<u>8,641,100</u>	<u>8,641,100</u>	0
Subtotal -- Capital Improvements	<u>\$ 18,551,500</u>	<u>\$ 17,274,500</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u>\$226,198,905</u>	<u>\$223,955,378</u>	<u>\$ 512,000</u>
<b>FTE Positions:</b>			
Classified	1,981.7	1,962.3	0.0
Unclassified	<u>2,339.9</u>	<u>2,306.3</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>4,321.6</u></u>	<u><u>4,268.6</u></u>	<u><u>0.0</u></u>

### Agency Estimate/Governor's Recommendation

The University of Kansas requests a total general use operating budget of \$128,629,112 for FY 1989, a 9.4 percent increase over the FY 1988 budget. The request includes annualization of the classified and unclassified salary increases granted for the last half of FY 1988 and program maintenance increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures, and 4 percent for student salaries. In addition, the University requests an enrollment adjustment of \$1,716,362 and \$367,806 for the servicing of new buildings. The University also requests \$2,027,000 for faculty/unclassified salary increases and \$1,930,000 for mission-related program enhancements as a part of the Board of Regents Margin of Excellence program.

*HA*  
*3-2-88*  
*Attachment 9*

The Governor recommends a total general use operating budget of \$127,492,585 for FY 1989, an increase of 8.3 percent over the revised FY 1988 budget. The recommendation includes funding for the requested program maintenance increases, the positive enrollment adjustment, and funding for a 4 percent salary increase for all classified personnel. The Governor also recommends \$1,490,000 for faculty/unclassified salary parity increases and \$335,432 for the servicing of new buildings.

#### House Subcommittee Recommendations

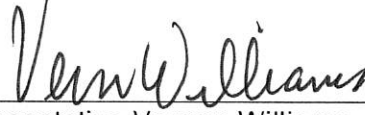
The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Systemwide Recommendation. Addition of \$537,000 from the State General Fund to fully fund the University's request for funding for faculty/unclassified salary increases.
2. Deletion of \$25,000 from the State General Fund line item for the Econometric Modeling program. The Subcommittee is of the opinion that the program should be funded from a combination of state and private funding and believes that the funding reduction can be made up from private sources. The Subcommittee's recommendation will allow a total of \$169,825 for the Econometric Modeling program. In addition, the Subcommittee recommends that Econometric Modeling remain a separate line item in the appropriations bill and not be combined with the salary and wages and other operating expenditures State General Fund line items as is proposed by the Governor.
3. The Subcommittee expresses dissatisfaction and frustration with the budgeting and budget review procedures used for the University of Kansas and all other Regents universities. The Subcommittee is of the opinion that the current practice of adjusting to the base with limited thought as to the appropriateness of that base is not good legislative oversight. The Subcommittee realizes that the size and complexity of the Universities' budgets makes detailed analysis difficult but the Subcommittee believes that such analysis should be undertaken if good budgeting procedures are to be followed by the university system. Examples of issues to be reviewed in more detail might be the shrinkage rates set at the various universities and the appropriateness of those rates and the formulas used to build the requests for staff, utilities, and other operating expenditures for the servicing of new buildings.



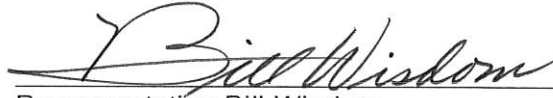
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Representative Bob Ott,  
Subcommittee Chairman



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Representative Vernon Williams



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Representative Bill Wisdom

2794-682

**SUBCOMMITTEE REPORT**

Agency: Wichita State University

Bill No. 2794

Bill Sec. 9

Analyst: Timmer

Analysis Pg. No. 420

Budget Pg. No. 3-98

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$42,364,297	\$42,380,171	\$ (235,692)
General Fees Fund	<u>13,553,421</u>	<u>13,770,345</u>	<u>0</u>
General Use Funds	\$55,917,718	\$56,150,516	\$ (235,692)
Restricted Use Funds	<u>\$20,434,162</u>	<u>\$20,434,162</u>	<u>\$ 0</u>
Subtotal--State Operations	<u>\$76,351,880</u>	<u>\$76,584,678</u>	<u>\$ (235,692)</u>
Other Assistance:			
State General Fund	\$ 54,000	\$ 0	\$ 0
Restricted Use	<u>5,006,000</u>	<u>5,006,000</u>	<u>0</u>
Subtotal--Other Assistance	<u>\$ 5,060,000</u>	<u>\$ 5,006,000</u>	<u>\$ 0</u>
Total General Use Funds	\$55,971,718	\$56,150,516	\$ (235,692)
Total Operating Expenditures	\$81,411,880	\$81,590,678	\$ (235,692)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	1,400,000	1,400,000	0
Other Funds	<u>700,000</u>	<u>700,000</u>	<u>0</u>
Subtotal--Capital Improvements	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$83,511,880</u>	<u>\$83,690,678</u>	<u>\$ 235,692)</u>
FTE Positions:			
Classified	632.6	624.1	0.0
Unclassified	<u>951.5</u>	<u>947.0</u>	<u>0.0</u>
TOTAL	<u>1,584.1</u>	<u>1,571.1</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

Wichita State University requests a total general use operating budget of \$55,971,718 for FY 1989, an increase of 8.2 percent over the FY 1988 budget. The request includes annualization of the classified and unclassified salary increases granted for the last half of FY 1988 and program maintenance increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures and 4 percent for student salaries. In addition, the University requests \$1,284,000 for faculty/unclassified salary increases and \$238,000 for mission-related program enhancements as part of the Board of Regents Margin of Excellence program.

The Governor recommends a total general use operating budget of \$56,150,516 for FY 1989, an increase of 8.2 percent over the revised FY 1988

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Attachment 10

budget. The recommendation includes funding for the requested program maintenance increases and \$1,282,159 for instructional faculty increases. In addition, the Governor's recommendation includes \$337,513 for the servicing of new buildings and a reduction of \$367,949 to the base budget due to an enrollment adjustment. Also, a 4 percent salary increase is included for all classified personnel.

#### House Subcommittee Recommendations

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

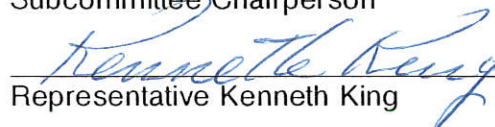
1. Addition of \$1,841 from the State General Fund to fully fund the University's request for faculty salary parity increases.
2. Deletion of \$237,533 from the State General Fund for salaries and wages. The Subcommittee learned that the Board of Regents directed the University to request \$1,044,626 in new funds as its part of the Margin of Excellence request with the remainder of the request to be funded through reallocation. The Governor's budget funds the entire Margin of Excellence faculty parity recommendation from new funds, a total of \$1,282,159 from the State General Fund.

The Subcommittee is of the opinion that the University should not receive more new funding than the Board of Regents directed the University to request and therefore reduces the Governor's recommendation by \$237,533, allowing \$1,044,626 in new funds for the University's faculty/unclassified salary increases. In addition, the Subcommittee intends that the full amount of the faculty/unclassified salary increases be funded and that the necessary funding be reallocated internally to provide that level of funding required for the approved salary increases.

3. The Subcommittee notes that the University was directed to reallocate \$477,374, the portion of its enrollment adjustment attributable to the 1 percent peer corridor, and use those funds to offset its Margin of Excellence request by the Board of Regents. The Subcommittee also notes this was not done in the University's budget although the narrative indicated it would be done. The Subcommittee does not wish to adjust the 1 percent peer related corridor and recommends that it remain in place as approved by the 1987 Legislature.



Representative Jim Lowther  
Subcommittee Chairperson



Representative Kenneth King



### MINORITY REPORT

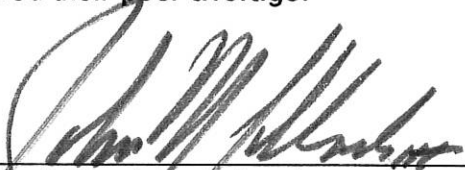
I concur with the recommendations of the Subcommittee with the following exception:

1. Deletion of the \$237,533 from salary and wage funding for the faculty/unclassified parity funding. My recommendation would provide a total of \$1,284,000 in additional funding for the parity funding as was recommended by the full Committee.

To delete the funding recommended by the Subcommittee report would cause a major decrease in the 1 percent corridor for peers as was approved by the 1987 Legislature. It ignores the policy set by the Legislature to allow a university to keep 1 percent after the 1.5 percent decrease corridor to help the university move toward peers until it reaches its designated peer average.

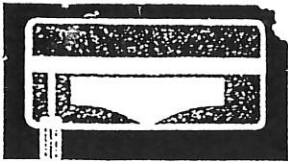
The Board of Regents decided to ignore the policy set by the Legislature and to use the 1 percent to fund the Margin of Excellence. The majority of this Subcommittee says it will use approximately one-half of the 1 percent corridor to fund the Margin and keep one-half to allow the University to move toward peer parity.

Due to its negative enrollment adjustment, Wichita State University is the only university which receives less new money than what they need to fund the faculty/unclassified position of the Margin. The Subcommittee would take the 1 percent cushion away from them before they have reached their peer average.



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Representative John Solbach



# KANSAS BOARD OF REGENTS

SUITE 609 • CAPITOL TOWER • 400 SW EIGHTH • TOPEKA, KANSAS 66603-3911 • (913) 296-3421

March 2, 1988

Ms. Gloria Timmer  
Fiscal Analyst  
Kansas Legislative Research Dept.  
Room 545-N., Statehouse  
Topeka, Kansas 66612

Dear Gloria:

You requested clarification of the Board's position concerning reallocation of enrollment adjustment reductions to offset new funding requests in the Margin of Excellence. At its June 26, 1987 meeting the Board approved budgets requiring reallocation of the additional 1 percent enrollment adjustment corridor, approved by the 1987 Legislature. During FY 1989, only one institution, Wichita State University, was impacted by this recommendation and WSU was directed to reduce its request for new funds by \$477,374, reflecting internal reallocation.

The Legislature approved the additional 1 percent corridor recognizing that institutional relative funding was less than peers. The Legislature specified the additional one percent corridor was to exist until such time as an institution was financed at 100 percent of peers. The Board's three year Margin of Excellence request would result in all institutions being financed at 100 percent peer parity on salaries and not less than 95 percent overall. If reallocations did not occur, among institutions experiencing an enrollment decline, such institutions could be over 100 percent parity. The Board therefore believed that it might be jeopardizing legislative intent, in not requiring such reallocations. That continues to be our position, provided the Margin of Excellence is fully funded for a three year period.

The Governor's FY 1989 recommendations and the House systemwide recommendations do not finance the Board's request in its entirety. Furthermore, due to the uncertainty of state revenues, neither the Governor nor the Legislature have committed to three year financing of the program. Consequently, at the financing levels presently being discussed, no institution would approach 100 percent overall parity and the subject of jeopardizing previous Legislative intent would no longer be germane. Therefore, the Board's position, as recently expressed by Chairman Donald C. Slawson, is that WSU be allowed to retain the financing which was initially proposed as a reallocation.

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Attachment 11

Future Margin of Excellence requests will include evaluation of each institution's standing in relationship to achieving parity. If it appears that WSU (or any other institution) will exceed 100 percent parity, then the request will be adjusted to reflect reallocation of the additional enrollment adjustment corridor, allowed by the 1987 Legislature.

I trust you find this explanation helpful. If I can be of any additional assistance, please do not hesitate to let me know.

Sincerely,



Stanley Z. Koplik  
Executive Director

SZK:jp

cc: Donald C. Slawson

bcc: President Warren Armstrong

WICHITA STATE UNIVERSITY

	REGENTS DIRECTIONS	UNIVERSITY NARRATIVE (A)	UNIVERSITY REQUEST	GOVERNOR'S REC.
MARGIN OF EXCELLENCE REQUEST				
FACULTY SALARY PARITY	\$1,284,000	\$1,284,000	\$1,284,000	\$1,282,159
MISSION-RELATED ENHANCEMENTS	238,000	238,000	238,000	0
TOTAL	\$1,522,000	\$1,522,000	\$1,522,000	\$1,282,159
FUNDING				
GENERAL USE FUNDS	\$1,044,626	\$1,044,626	\$1,522,000	\$1,282,159
REALLOCATION--1 PERCENT PEER CORRIDOR RELATED	477,374	477,374	0	0
TOTAL	\$1,522,000	\$1,522,000	\$1,522,000	\$1,282,159

(A) THE UNIVERSITY PROPOSES TO REALLOCATE \$447,827 IN THE SALARY AREA AND \$29,547 IN THE ENHANCEMENT AREA.

FUNDING OPTIONS	OPTION A	PEER MOVEMENT	OPTION B	PEER MOVEMENT	OPTION C	PEER MOVEMENT	OPTION D	PEER MOVEMENT	OPTION E	PEER MOVEMENT
GENERAL USE FUNDS	\$806,626	1.41%	\$836,173	1.47%	\$906,583	1.59%	\$1,044,626	1.83%	\$1,284,000	2.25%
REALLOCATION--1 PERCENT PEER CORRIDOR RELATED	477,374		447,827		377,417		239,374		0	
TOTAL	\$1,284,000	88.41%	\$1,284,000	88.47%	\$1,284,000	88.59%	\$1,284,000	88.83%	\$1,284,000	89.25%

\* PEER MOVEMENT IS THE PERCENT INCREASE ON THE TOTAL ADJUSTED GENERAL USE BASE AND THE OVERALL PERCENT OF RELATIVE FUNDING.

\*\*OPTIONS ARE IN NO PARTICULAR ORDER AND ASSUME FUNDING FOR THE HOUSE COMMITTEE'S RECOMMENDATION FOR FACULTY SALARY FUNDING OF \$1,284,000.

OPTION A: USES ALL THE ONE PERCENT PEER RELATED CORRIDOR AS REALLOCATION WITH THE REMAINDER FROM THE STATE GENERAL FUND.

OPTION B: USES THE AMOUNT REALLOCATED TO THE FACULTY SALARY REQUEST AS INCLUDED IN THE UNIVERSITY'S BUDGET NARRATIVE WITH THE REMAINDER FROM THE STATE GENERAL FUND.

OPTION C: USES THE SAME PERCENT OF REALLOCATION TO STATE GENERAL FUND AS WAS DIRECTED BY THE BOARD OF REGENTS. (29.4 PERCENT REALLOCATION, 70.6 PERCENT NEW FUNDS)

OPTION D: USES THE AMOUNT OF NEW FUNDS AS DIRECTED BY THE BOARD OF REGENTS AND THE REMAINDER FROM REALLOCATION.

OPTION E: FUNDS THE ENTIRE SALARY RECOMMENDATION FROM THE STATE GENERAL FUND AND REQUIRES NO REALLOCATION OF FUNDS.

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3-2-88  
Attachment 12

**SUBCOMMITTEE REPORT**

Agency: Emporia State University

Bill No. 2794

Bill Sec. 5

Analyst: Timmer

Analysis Pg. No. 396

Budget Pg. No. 3-25

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$18,219,634	\$17,982,103	\$ 75,464
General Fees Fund	4,445,183	4,674,243	0
Interest Funds	<u>35,000</u>	<u>35,000</u>	<u>0</u>
General Use Funds	\$22,699,817	\$22,691,346	\$ 75,464
Restricted Use Funds	<u>5,885,918</u>	<u>5,885,918</u>	<u>0</u>
Subtotal--State Operations	<u>\$28,585,735</u>	<u>\$28,577,264</u>	<u>\$ 75,464</u>
<b>Other Assistance:</b>			
Restricted Use	<u>\$ 1,780,000</u>	<u>\$ 1,780,000</u>	<u>\$ 0</u>
Subtotal--Other Assistance	<u>\$ 1,780,000</u>	<u>\$ 1,780,000</u>	<u>\$ 0</u>
Total General Use Funds	\$22,699,817	\$22,691,346	\$ 75,464
Total Operating Expenditures	\$30,365,735	\$30,357,264	\$ 75,464
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	520,000	170,000	0
Other Funds	<u>41,500</u>	<u>41,500</u>	<u>0</u>
Subtotal--Capital Improvements	<u>\$ 561,500</u>	<u>\$ 211,500</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u><b>\$30,927,235</b></u>	<u><b>\$30,568,764</b></u>	<u><b>\$ 75,464</b></u>

Agency Estimate/Governor's Recommendation

Emporia State University requests a total general use operating budget of \$22,699,817 for FY 1989, a 9.2 percent increase over the revised FY 1988 budget. The request includes annualization of the classified and unclassified salary increases granted for the last half of FY 1988 and program maintenance increases of 5 percent for unclassified salaries, 4 percent other operating expenditures, and 4 percent for student salaries. In addition, the University requests \$350,000 for faculty/unclassified salary increases and \$117,000 for mission-related program enhancements as part the Board of Regents' Margin of Excellence program. Also, a positive enrollment adjustment of \$116,815 is requested.

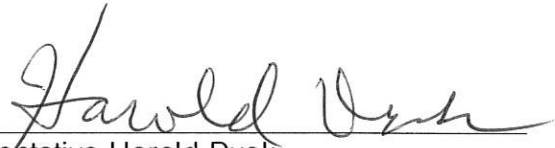
The Governor recommends an FY 1989 general use operating budget of \$22,691,346 for Emporia State, an increase of 8.3 percent over the revised FY 1988 budget. The Governor concurs with the University's program maintenance increase requests and recommends a 4 percent salary increase for classified employees. In addition, \$274,536 is recommended for salary increases for instructional faculty. The Governor also recommends the requested enrollment adjustment of \$116,815.

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3-2-88  
Attachment 13

House Subcommittee Recommendation

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

1. Systemwide Adjustment. Addition of \$75,464 from the State General Fund to allow full funding of the University's faculty/unclassified salary parity request.
2. The Subcommittee notes that the University submitted a mission-related program enhancement request of \$67,000 for the development of a model library and that \$58,000 of the enrollment adjustment was also to be used for that project. The Subcommittee learned that the highest priority for the University's use of the enrollment adjustment funds is hiring of 2.0 FTE faculty positions for the College of Education, an action which is required to meet citations in an accreditation survey. The Subcommittee also learned that the model library project is the second priority and that the University would like to use whatever funds necessary to proceed with the project. The Subcommittee therefore expects that the University will use whatever enrollment adjustment funds it feels appropriate for the model library project and that it will not be constrained by the proposed uses of the enrollment adjustment funds submitted in the budget.



Representative Harold Dyck  
Subcommittee Chairman



Representative Bill Brady



Representative Harold Dyck



**SUBCOMMITTEE REPORT**

Agency: Pittsburg State University

Bill No. 2796

Bill Sec. 24

Analyst: Timmer

Analysis Pg. No. 403

Budget Pg. No. 3-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 16,916,532	\$ 16,944,588	\$ 18,300
General Fees Fund	<u>4,716,212</u>	<u>4,716,212</u>	<u>0</u>
General Use Funds	\$ 21,632,744	\$ 21,660,800	\$ 18,300
Restricted Use Funds	<u>4,171,577</u>	<u>4,171,577</u>	<u>0</u>
Subtotal - State Oper.	<u>\$ 25,804,321</u>	<u>\$ 25,832,377</u>	<u>\$ 18,300</u>
<b>Other Assistance:</b>			
General Use	\$ 60,898	\$ 60,898	\$ 0
Restricted Use	<u>1,425,576</u>	<u>1,425,576</u>	<u>0</u>
Subtotal - Other Assist.	<u>\$ 1,486,474</u>	<u>\$ 1,486,474</u>	<u>\$ 0</u>
<b>Total General Use Funds</b>	<u>\$ 21,693,642</u>	<u>\$ 21,721,698</u>	<u>\$ 18,300</u>
<b>Total Operating Expend.</b>	<u>\$ 27,290,795</u>	<u>\$ 27,318,851</u>	<u>\$ 18,300</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 91,428	\$ 140,863	\$ 0
Educational Building Fund	<u>594,032</u>	<u>596,091</u>	<u>0</u>
Subtotal -- Capital Improvements	<u>\$ 685,460</u>	<u>\$ 736,954</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<u>\$ 27,976,255</u>	<u>\$ 28,055,805</u>	<u>\$ 18,300</u>
<b>FTE Positions:</b>			
Classified	273.7	268.4	0.0
Unclassified	332.9	329.1	0.0
Total	606.5	597.5	0.0

Agency Request/Governor's Recommendation

Pittsburg State University requests a total general use operating budget of \$21,693,642 for FY 1989. The University requests supplemental funding of \$36,600 from the State General Fund for rental of Shirk Hall, a former dormitory now used by the University and various state agencies. The supplemental funding would be used to amortize the outstanding bonds on the Hall.

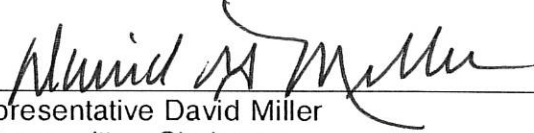
The Governor recommends a total general use operating budget of \$21,721,698, an increase of \$28,056 over the agency's request. The Governor's recommendations include supplemental funding of \$28,056 for increased health insurance costs and do not include any funding for the Shirk Hall supplemental request.

HA  
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Attachment 14

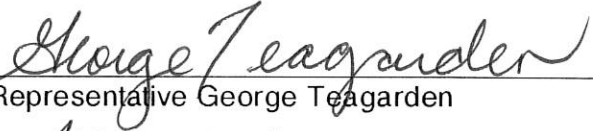
House Subcommittee Recommendation

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


1. Addition of \$18,300 from the State General Fund for rental of Shirk Hall. The Subcommittee recommends that the supplemental funding be appropriated in a separate line and that any funds not used in FY 1988 be reappropriated to the Shirk Hall line item in FY 1989.



Representative David Miller  
Subcommittee Chairman



Representative George Teagarden



Representative Robert Vancrum

2796-385/GT

**SUBCOMMITTEE REPORT**

Agency: Pittsburg State University

Bill No. 2794

Bill Sec. 6

Analyst: Timmer

Analysis Pg. No. 403

Budget Pg. No. 3-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 19,755,109	\$ 19,078,480	\$ 96,395
General Fees Fund	<u>4,710,406</u>	<u>5,365,621</u>	<u>0</u>
General Use Funds	\$ 24,465,515	\$ 24,444,101	\$ 96,395
Restricted Use Funds	<u>4,334,843</u>	<u>4,334,843</u>	<u>0</u>
Subtotal - State Oper.	<u>\$ 28,800,358</u>	<u>\$ 28,778,944</u>	<u>\$ 96,395</u>
Other Assistance:			
General Use	\$ 82,500	\$ 42,000	\$ 0
Restricted Use	<u>1,483,919</u>	<u>1,483,919</u>	<u>0</u>
Subtotal - Other Assist.	<u>\$ 1,566,419</u>	<u>\$ 1,525,919</u>	<u>\$ 0</u>
Total General Use Funds	<u>\$ 24,548,015</u>	<u>\$ 24,486,101</u>	<u>\$ 96,395</u>
Total Operating Expend.	<u>\$ 30,366,777</u>	<u>\$ 30,304,863</u>	<u>\$ 96,395</u>
Capital Improvements:			
State General Fund	\$ 841,500	\$ 0	\$ 0
Educational Building Fund	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal -- Capital Improvements	<u>\$ 841,500</u>	<u>\$ 0</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$ 31,208,277</u>	<u>\$ 30,304,863</u>	<u>\$ 96,395</u>
FTE Positions:			
Classified	283.2	274.9	0.0
Unclassified	<u>349.5</u>	<u>342.8</u>	<u>0.0</u>
Total	<u>632.7</u>	<u>617.7</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

Pittsburg State University requests a total of \$24,548,015 in general use funds for the FY 1989 budget, an increase of 13.2 percent over the FY 1988 revised budget. The request includes annualization of the classified and unclassified salary increases granted for the last half of FY 1988 and a program maintenance increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures, and 4 percent for student salaries. In addition, the University requests \$498,000 for faculty unclassified salary increases and \$167,000 for mission-related program enhancements as a part of the Board of Regents' Margin of Excellence program. The University's request also includes a positive enrollment adjustment of \$937,092.

The Governor recommends a general use operating budget of \$24,486,101 for FY 1989, a 12.7 percent increase over the revised FY 1988 recommendation. The Governor's recommendations include funding for the

requested program maintenance increases and a 4 percent salary increase for classified personnel. In addition, the Governor recommends \$392,455 for instructional faculty salary increases, \$40,407 for the servicing of new buildings, and a positive enrollment adjustment of \$937,092.

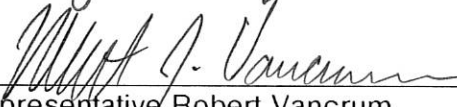
House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations for FY 1989 with the following adjustments:

1. Systemwide Recommendation. Addition of \$105,545 from the State General Fund for unclassified/faculty salary increases. The recommendation will fully fund the University's request for the faculty salary parity funding portion of the Margin of Excellence for FY 1989.
2. Deletion of \$9,150 from the State General Fund line item for Shirk Hall rental. The Subcommittee's recommendation will provide a total of \$27,450 in funding for the Shirk Hall dormitory bond retirement in FY 1989. The University requested and the Governor recommended a total of \$36,600 for that purpose. The Subcommittee recommends that the University collect rents from the organizations located in Shirk Hall to raise the difference in funding. The Subcommittee is of the opinion that Shirk Hall should be rent supported rather than supported through student dormitory fees or through the University's State General Fund operating budget.

  
\_\_\_\_\_  
Representative David Miller  
Subcommittee Chairman

  
\_\_\_\_\_  
Representative George Teagarden

  
\_\_\_\_\_  
Representative Robert Vancrum

2794-385/GT

**SUBCOMMITTEE REPORT**

Agency: Ft. Hays State University

Bill No. 2794

Bill Sec. 2

Analyst: Timmer

Analysis Pg. No. 369

Budget Pg. No. 3-29

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$18,001,429	\$17,900,994	\$ 478,948
General Fees Fund	<u>4,278,427</u>	<u>4,072,496</u>	<u>0</u>
General Use Funds	\$22,279,856	\$21,973,490	\$ 478,948
Restricted Use Funds	<u>6,034,136</u>	<u>6,034,136</u>	<u>0</u>
Subtotal--State Operations	<u>\$28,313,992</u>	<u>\$28,007,626</u>	<u>\$ 478,948</u>
Other Assistance:			
Restricted Use	\$ 2,227,181	\$ 2,227,181	\$ 0
Subtotal--Other Assistance	<u>\$ 2,227,181</u>	<u>\$ 2,227,181</u>	<u>\$ 0</u>
Total General Use Funds	\$22,279,856	\$21,973,490	\$ 478,948
Total Operating Expenditures	\$30,541,173	\$30,234,807	\$ 478,948
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	1,500,000	1,500,000	0
Other Funds	<u>712,000</u>	<u>712,000</u>	<u>0</u>
Subtotal--Capital Improvements	<u>\$ 2,212,000</u>	<u>\$ 2,212,000</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$32,753,173</u>	<u>\$32,446,807</u>	<u>\$ 478,948</u>
FTE Positions:			
Classified	297.9	294.9	0.0
Unclassified	<u>321.4</u>	<u>317.1</u>	<u>1.0</u>
TOTAL	<u>619.3</u>	<u>612.0</u>	<u>1.0</u>

Agency Estimate/Governor's Recommendation

Fort Hays State University requests a total general use operating budget of \$22,279,856 for FY 1989. The request includes total funding of \$874,923 for systemwide program maintenance increases of 4 percent for other operating expenditures, 5 percent for unclassified salaries, 4 percent for student salaries and annualization of salary increases granted to classified and unclassified employees for the last half of FY 1988. The request also includes a total of \$956,000 to finance faculty/unclassified salary increases and mission-related targeted investments related to the Board of Regent's Margin of Excellence program. The institution also requests a positive enrollment adjustment of \$83,100.

The Governor recommends a general use budget operating budget of \$21,973,490, an 8.5 percent increase over the revised FY 1988 budget. The recommendation includes funding for the requested program maintenance in-

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Attachment 15

creases, a 4 percent salary increase for classified personnel and \$473,054 for salary increases for instructional faculty. The Governor concurs with the University's enrollment adjustment request.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's recommendations FY 1989 with the following adjustments:

1. Systemwide Recommendation. Addition of \$128,948 from the State General Fund for unclassified/faculty salary increases. The recommendation provides all the funding requested for unclassified salaries under the Board of Regent's Margin of Excellence proposal.
2. Addition of \$350,000 from the State General Fund to allow additional movement for the University toward parity with its peers. The Subcommittee learned that Fort Hays continues to lag behind its peers in total operating funding and that the University's lag remains larger than that of the other two regional universities. Although the Subcommittee believes that the University continues to produce a quality product with fewer resources, the Subcommittee is also of the opinion that this issue must be addressed and that additional funding is required this year. The Subcommittee learned that the recommended level of funding (\$350,000), when combined with the faculty salary parity funding, will move Fort Hays' relative funding level from 82.9 percent to 86.9 percent of its designated peers, a level which still will not move the University from the lowest relative funding of its peers in the Regents system. (See the following table.)

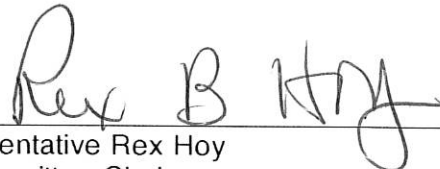
<u>Institution</u>	<u>Overall Relative Funding FY 1986</u>	<u>Adjusted House Committee Recommendation</u>
University of Kansas	85.9%	87.5%
Kansas State University	85.8	87.4
Wichita State University	87.0	89.3
Emporia State University	93.2	94.8
Pittsburg State University	89.1	91.2
Fort Hays State University	82.9	85.4

\* This is increased to 86.9 with the Subcommittee's recommended funding.

The Subcommittee also learned that a major concern of students is funding for the library and acquisitions. The Subcommittee is of the opinion that a portion of the recommended funding should be used to address the library's problems.



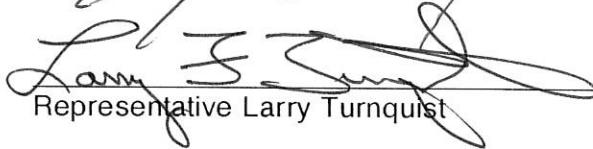
3. The Subcommittee recommends the addition of 1.0 FTE unclassified position due to the University's positive enrollment adjustment of \$83,100. The Subcommittee understands that the position was inadvertently left out of the agency's request.
4. It has come to the attention of the Subcommittee that a bid of \$8,442,000 has been received for the Sheridan Coliseum renovation project. The project was originally projected to cost \$6,012,000 and funding for that level of renovation has been appropriated from state funds (\$4,012,000) and raised from private funds (\$2,000,000). The Subcommittee expresses concern and dismay at the great discrepancy between the estimates and the actual bid and believes that the University, the State Architect's office and any other appropriate officials should investigate the situation immediately.



Representative Rex Hoy  
Subcommittee Chairman



Representative Henry Helgersen



Representative Larry Turnquist