

SENATE SUBCOMMITTEE REPORT


H.B. 2395

Sec. 15 -- University of Kansas Medical Center

H.B. 2439

Sec. 8 -- University of Kansas Medical Center

Sec. 10 -- State Board of Regents



Senator Gus Bogina, Chairman



Senator Frank Gaines



Senator Robert Talkington

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 2439

Bill Sec. 10

Analyst: Hauke

Analysis Pg. No. 216

Budget Pg. No. 3-71

<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	\$ 1,545,924	\$ 1,414,375	\$ 30,699
Other Funds	--	--	--
Subtotal	<u>\$ 1,545,924</u>	<u>\$ 1,414,375</u>	<u>\$ 30,699</u>
Aid to Local Units:			
Federal Aid	\$ --	\$ --	\$ --
Other Assistance:			
State General Fund	\$ 5,845,000	\$ 4,995,000	\$ (80,087)
Other Funds	805,438	910,438	80,087
Subtotal	<u>\$ 6,650,438</u>	<u>\$ 5,905,438</u>	<u>\$ --</u>
Total - Operating Expenditures	<u>\$ 8,196,362</u>	<u>\$ 7,319,813</u>	<u>\$ 30,699</u>
Capital Improvements:			
State General Fund	\$ 4,000,000	\$ --	\$1,500,000
Educ. Building Fund	--	1,500,000	(1,500,000)
Subtotal	<u>\$ 4,000,000</u>	<u>\$ 1,500,000</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$12,196,362</u></u>	<u><u>\$ 8,819,813</u></u>	<u><u>\$ 30,699</u></u>
FTE Positions	17.0	17.0	--

House Subcommittee Recommendations

FY 1987. The Subcommittee concurs with the Governor's recommendations with one exception:

1. The Subcommittee recommends that the FY 1987 travel and subsistence budget be reduced to the amount of FY 1986 expenditures, a reduction of \$3,485. The Subcommittee makes this recommendation upon review of expenditures to date in FY 1987. The Subcommittee recommends that the savings be reappropriated to FY 1988 and new appropriations be reduced by an equal amount.

FY 1988. The Subcommittee concurs with the Governor's recommendations with the following exceptions:

1. Based upon the systemwide recommendations of the full Committee:
 - a. Delete \$4,301 in salaries and wages expenditures for a 1 percent increase in the employer contribution to the unclassified employee retirement program.
 - b. Recommend that the Board substantially increase the tuition charged of nonresident students.
2. The Subcommittee reviewed the Osteopathic Scholarship Repayment Fund and found its balance to be \$45,087. Inasmuch as all scholarships have been made from this fund for the current fiscal year, the Subcommittee recommends that this balance be utilized to offset State General Fund expenditures during FY 1988. Consequently, the Subcommittee recommends that the Osteopathic Scholarship Repayment Fund be appropriated with an FY 1988 expenditure limitation of \$45,087 and that the State General Fund appropriation for Osteopathic Scholarships be reduced by an equal amount.
3. The Subcommittee observes that an FY 1987 ending balance of approximately \$125,000 will occur in the State Scholarship Discontinued Attendance Fund. This compares to a \$90,000 balance which is estimated in the Governor's recommendations and utilized as an offset to FY 1988 State General Fund expenditures. The Subcommittee recommends that the additional \$35,000 in estimated fund balance be utilized to offset FY 1988 State General Fund expenditures for the State Scholarship program. The Subcommittee recognizes that a fund balance of this magnitude is unusual and will not be available on a recurring basis to finance this program. Fund balances in this fund have typically been approximately \$10,000.
4. The Subcommittee reviewed the reciprocal agreement with the University of Missouri. The Subcommittee learned that due to the volume of Missouri students attending architecture programs in Kansas, the \$40,000 payment to Missouri may no longer be appropriate. The Subcommittee understands the mutual desirability of continuing this agreement. Therefore, the Subcommittee recommends the \$40,000 in FY 1988, due to the difficulty for Missouri to accommodate its discontinuance on short notice. However, it is the recommendation of this Subcommittee that FY 1988 be the last payment for this agreement and that the Board not request this item in its FY 1989 budget.
5. The Subcommittee observes that appropriations proviso limits total awards to \$1,950 for students receiving both a Tuition Grant and a State Scholarship, rather than the approximately \$2,450 which would result if the maximum allowable award for each program were summed. Inasmuch as the State Scholarship program was not fully subscribed, during FY 1987, the Subcommittee recommends removing this proviso during FY 1988. In making this recommendation, the Subcommittee notes that provisos also control the total

expenditure for Tuition Grants and that the Board does not exceed the total State General Fund appropriation.

6. During discussions with several students, the Subcommittee learned that off-campus work study programs vary among the universities. The Subcommittee recommends that the Board establish uniform eligibility guidelines for student participation in this program.
7. The Subcommittee is recommending that an interim legislative committee assess the unmet need for graduate level programs in the greater Kansas City area, which could potentially be met by Kansas Regents' institutions. The Subcommittee observes that the University of Kansas has requested funds for a program improvement related to such graduate programs. The Subcommittee believes that study is required of the overall unmet need for graduate instruction in the Kansas City area and the extent to which it could be met by Regents' institutions. The Subcommittee believes that this study should include review of possible locations for the programs and the extent to which private industry would be willing to finance development of graduate programs for their employees.
8. The Subcommittee reviewed the Board's request for a digest to be distributed to college bound students. The Subcommittee also received requests concerning this item from the Associated Students of Kansas. The Subcommittee is making the following recommendations concerning such a digest:
 - a. The Subcommittee believes that two publications are necessary. One should be a simple brochure directed toward eighth graders, advising them of the desired curriculum to be taken by college bound students. The second publication should be targeted toward high school juniors and seniors. It should include: the accreditation and specialties of the various Regents' institutions; tuition and fees; financial assistance; and contacts for further information.
 - b. The Subcommittee recommends that the Board prepare a plan for these publications to include content, targeted audience, and distribution method. The Subcommittee recommends that during FY 1988 university descriptions in the brochures be limited to Regents' institutions. However, the Subcommittee recommends that in future years the brochures be expanded to include descriptions of Washburn, community colleges, and private colleges. The Subcommittee believes that those institutions would contribute financially to the publication, if material concerning them was included.
 - c. The Subcommittee adds \$35,000 to the Board's FY 1988 budget to initiate the first year of these digests. The Subcommittee recognizes that this is substantially less than the \$56,363 requested by the Board for this project. However, the Subcommittee recommends that the

emphasis of these publications be content, rather than format. Therefore, the Subcommittee recommends that the publication be a tabloid format, rather than the more expensive multi-color, glossy-paper format, which the Board's request envisions.

9. The Subcommittee adopts the recommendations of the Joint Committee on State Building Construction. The Joint Committee's recommendations finance the major institutional maintenance account from the State General Fund, rather than the Educational Building Fund, as recommended by the Governor. Nevertheless, the Joint Committee reduced State General Fund expenditures at the University of Kansas by financing \$1.5 million in New Science Library construction from the Educational Building Fund, rather than the State General Fund.
10. The Subcommittee reviewed appropriations for the Vocational Scholarship program established by the 1986 Legislature. The Subcommittee learned that 1986 H.B. 2675 authorizes a fee to be charged for a scholarship applicant examination. The bill further specifies that collections shall be deposited to the Vocational Educational Scholarship Examination Fees Fund. To administer this provision it is necessary to appropriate the fund. The Subcommittee is recommending that it be appropriated as a no-limit fund during FY 1988.
11. During the 1985 Session of the Legislature, the Subcommittee on the Board of Regents reported that certain instructors are not well versed in the English language. The Board subsequently directed individual institutions to monitor this problem. The Subcommittee observes that instructors who do not communicate well in English continue to be a problem. The Subcommittee recommends that the Board monitor this situation more closely and develop uniform standards for screening the English speaking ability of instructors.
12. The Subcommittee believes that students frequently have difficulty substituting their community college credit hours for required courses at Regents institutions. The Subcommittee recognizes that under the present governance structure the Board of Regents has no authority to mandate that credits transfer. Nonetheless, individual institutions and community colleges have identified courses which they consider equivalent and credits which they will transfer. The Subcommittee observes that the students would be served if better information were available concerning those credits which will transfer. The Subcommittee recommends that the Board and its institutions prepare a plan, prior to the 1988 Legislature, detailing a formalized procedure by which students can obtain information on those transfer agreements which exist.

House Committee Recommendations

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

1. Addition of material to item 8b, concerning college bound digests, as follows: "The Committee recommends that the Board of Regents cooperate with the State Department of Education to avoid duplication."
2. Deletion of \$8,528 from unclassified salaries. This deletion finances a 1.5 percent salary increase for six months, rather than a 2.5 percent increase for 12 months (Systemwide Recommendation).
3. Reduction of \$15,000 in amounts for college bound digests, allowing a total budget of \$20,000 for this purpose.

House Committee of the Whole

The House Committee of the Whole concurs with the House Committee with the following adjustment:

1. Restoration of \$4,301 for a 1 percent employer contribution to the unclassified retirement plan.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Total Recommend.</u>	<u>Senate Subcommittee Recommend.</u>
State Operations:			
State General Fund	\$ 11,472	\$ 1,425,847	\$ 2,437
Other Funds	--	--	--
Subtotal	<u>\$ 11,472</u>	<u>\$ 1,425,847</u>	<u>\$ 2,437</u>
Aid to Local Units:			
Federal Aid	\$ --	\$ --	\$ --
Other Assistance:			
State General Fund	\$ (80,087)	\$ 4,914,913	\$ --
Other Funds	80,087	990,525	--
Subtotal	<u>\$ --</u>	<u>\$ 5,905,438</u>	<u>\$ --</u>
Total - Operating Expenditures	<u>\$ 11,472</u>	<u>\$ 7,331,285</u>	<u>\$ 2,437</u>
Capital Improvements:			
State General Fund	\$ 1,500,000	\$ 1,500,000	\$ --
Educ. Building Fund	(1,500,000)	--	--
Subtotal	<u>\$ --</u>	<u>\$ 1,500,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 11,472</u>	<u>\$ 8,831,285</u>	<u>\$ 2,437</u>
FTE Positions	--	17.0	

Senate Subcommittee Recommendations

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

FY 1987

1. The Senate Subcommittee restores \$1,750 of the \$3,485 deleted by the House for travel and subsistence. The Subcommittee recognizes that the Board has four new members, who must travel to the various campuses for the purpose of familiarizing themselves with the Regents' institutions. Therefore, the Subcommittee believes that the travel and subsistence budget should not be reduced to FY 1986 amounts.
2. The Senate Subcommittee recommends that a Vocational Education Scholarship Examination Fees Fund be appropriated in FY 1987. The House recommendation appropriates the fund in FY 1988. As a technical item it should also be appropriated in FY 1987, as examinations are being administered during the current fiscal year.

FY 1988

1. The Subcommittee recommends that a Vocational Education Scholarship Discontinued Attendance Fund be appropriated in FY 1988. This fund is authorized by 1986 H.B. 2675. It would be credited when scholarship awards are returned to the state, due to nonparticipation by a scholarship awardee. Appropriation of it is largely a technical matter.
2. The Subcommittee reviewed the present procedure for scholarship repayment among health sciences scholars who do not comply with the scholarship service requirements. The Subcommittee observes that under present statute when individuals leave the state and enter scholarship repayment status they remain in that status until the scholarship is completely repaid. In some instances the individuals may (and have) returned to the state while they are in repayment status. The Subcommittee believes that individuals in repayment status should have remaining portions of their repayment forgiven if they re-enter practice in Kansas. The Subcommittee recommends introduction of legislation that would amend such repayment forgiveness into existing health sciences scholarship statutes.

3. The Subcommittee restores \$2,437 to the House recommendation for salaries and wages. This addition finances the Senate Committee recommendation of a 2.5 percent unclassified salary increase for six months. (Systemwide Recommendation).

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