

Approved 3-30-89  
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 14, 1989 in room 514-S of the Capitol.

All members were present except: All present.

Committee staff present: Ellen Piekalkiewicz, Debra Duncan, Alan Conroy,  
Legislative Research  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

The Chairman turned to final action on HB 2513. Representative Fuller moved that HB 2513 be recommended favorably for passage. Representative Kline seconded. Representative Brady offered a substitute motion to amend HB 2513 by deleting the wording allowing architectural firms not to carry professional liability insurance when the contract does not exceed \$250,000. Representative Turnquist seconded. Substitute motion carried. Representative Kline moved that HB 2513, as amended, be recommended favorably for passage. Representative Fuller seconded. Motion carried.

The Committee followed the Senate subcommittee report to guide its consideration of Board of Regents' Institutions Systemwide Issues (Attachment 1).

#### **General Fees Fund Adjustments**

Representative Lowther moved to concur with the Governor's recommendation to release 75 percent of the general fee revenue. Representative Solbach seconded. Motion carried.

#### **Enrollment Adjustments**

Representative Fuller moved to concur with the Governor's recommendation on enrollment adjustments for FY90. Representative Francisco seconded. Motion carried.

#### **Unclassified Salary Increases**

Representative Chronister made a motion to recommend a 4 percent faculty and staff salary increase for FY90. Representative Gatlin seconded. Representative Chronister favors the reduction in the 5 percent increase recommended by the Governor considering that all the institutions have for a number of years transferred funds from salaries and wages to other operating expenditures (OOE). Representative Teagarden noted the Governor has recommended a 5.8 percent increase for all other unclassified state employees. Representative Shriver stated he would support the motion if part of the one percent would be transferred to an equipment line item. On a vote on Representative Chronister's motion, the motion carried.

#### **Classified Salary Increases**

Representative Heinemann made a motion to concur with the Governor's and Senate recommendation on classified salaries at this time unless a different policy is adopted in regard to classified state employees outside the Regents' system. Representative Teagarden seconded. Motion carried.

#### **Student Salary Increases**

Representative Moomaw made a motion to concur with the Senate on a 4 percent increase in student salaries and to concur on the appropriation of \$44,871 for the Career Work Study Program and to delete \$50,000

CONTINUATION SHEET

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room 514-S, Statehouse, at 1:30 ~~xx~~/p.m. on March 14, 1989

for the Youth Education Service (YES) Program. Representative Chronister seconded. Representative Teagarden asked to divide the motion. On the question to concur with the Senate on a 4 percent salary increase, the motion carried. On the question of deleting \$50,000 for the Youth Education Service (YES) Program, the motion carried. On the question to concur with the Senate to appropriate \$44,871 for the Kansas Career Work Study Program, the motion carried.

**Other Operating Expenditures**

Representative Vancrum made a motion to approve a 3 percent increase for other operating expenditures. Representative Moomaw seconded. Motion carried.

**Utilities**

Representative Teagarden moved to concur with the Governor's recommendation of \$22,294,354 for utilities in FY90. Representative Chronister seconded. Following discussion, Representative Teagarden withdrew the motion with agreement of the second, Representative Chronister. Representative Teagarden made a motion to delete utilities from the committee report on Systemwide Issues. Representative Vancrum seconded. Motion carried.

**Servicing New Buildings**

Representative Goossen suggested that each subcommittee that has a university with a new building compare the current opening dates with those projected earlier in reviewing the proposed FY90 funding. Representative Goossen moved to concur with the Governor and Senate in recommending \$1,448,409 for servicing new buildings. Representative Teagarden seconded. Motion carried.

**Margin of Excellence**

Representative Hoy made a motion to fund unclassified salary parity at 100 percent of the request and to fund mission related enhancements for KUMC, KSU Veterinary Medical Center and Kansas College of Technology at 100 percent and enhancements for the six universities at 75 percent of the Board request. Representative Chronister seconded. Representative Hoy explained that his intent is to recommend \$7,299,137 for mission related enhancements versus the Senate recommendation of \$9.246 million. On a show of hands, the motion failed.

Representative Shriver made a motion to delete all the mission related enhancements and to consider them as the subcommittees review the individual budgets. Representative Teagarden seconded. Motion failed.

Representative Pottorff moved to fund the unclassified salary parity at 100 percent and the mission related enhancements at 100 percent. Representative Fuller seconded. Motion carried.

**Graduate Teaching Assistants Fee Waiver**

The Board request was for 100 percent fee waiver at \$354,000. The Governor recommended the current rate of 75 percent and the Senate concurred with the Governor. Representative Chronister moved to concur with the Governor and Senate on the graduate teaching assistants fee waiver rate of 75 percent. Representative Gatlin seconded. Representative Chronister withdrew the motion with the permission of the second, Representative Gatlin. Representative Solbach moved to adopt a 95 percent fee waiver rate for graduate teaching assistants. Representative Teagarden seconded. Motion failed. Representative Chronister moved to adopt the recommendation of the Governor and Senate of 75 percent on the fee waiver. Representative Heinemann seconded. Motion carried.

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**Major Maintenance, Repairs and Renovation**

Representative Teagarden moved to delete from the committee report the major maintenance recommendation of a moratorium on new building construction from the EBF. Representative Hamm seconded. Motion carried.

**Athletic Facilities**

Regarding the funding of athletic facilities, Representative Chronister moved to concur with the Governor and Senate to fund athletic facilities at two-thirds state funding and one-third athletic corporations funding. Representative Teagarden seconded. Motion carried.

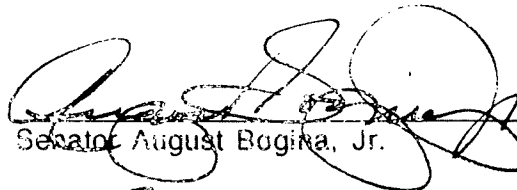
The Committee turned to final action on HB 2333 regarding the establishment of self-sufficiency trust funds by families or friends of disabled individuals without risking loss of other benefits such as supplemental security income or Medicaid eligibility. Jim Wilson, Revisor of Statutes, explained a proposed amendment to HB 2333 which would allow an alternative method of providing for the crediting of interest on trust funds. As written, the bill requires separate investment of the moneys and then direct crediting back of the investment earnings. The amendment would allow pooled investments with the interest earned credited on a monthly basis. This would be a simpler arrangement to administer. Representative Wisdom offered a conceptual motion to amend HB 2333 as proposed by staff. Representative Teagarden seconded. Representatives Gatlin and Vancrum expressed reservations about the bill and requested that final action be delayed. Representative Wisdom withdrew the motion with the permission of the second, Representative Teagarden. Chairman Bunten announced that HB 2333 and HB 2493 on the All-sports Hall of Fame will be considered for final action at tomorrow's meeting.

The meeting was adjourned at 3:10 p.m.

SUBCOMMITTEE REPORT

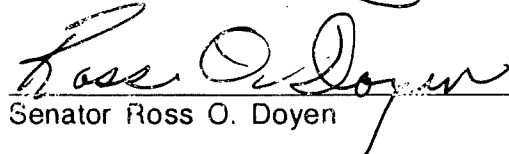
REGENT'S SYSTEMWIDE ISSUES

S.B. 67  
S.B. 80



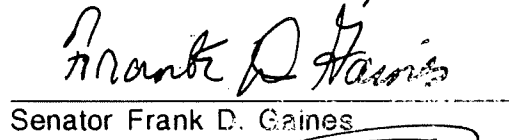
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Senator August Bogina, Jr.



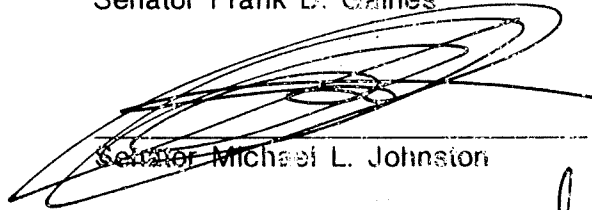
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Senator Ross O. Doyen



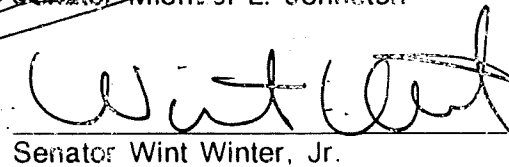
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Senator Frank D. Gaines



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Senator Michael L. Johnston



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Senator Wint Winter, Jr.

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3-14-89  
Attachment 1

**SUBCOMMITTEE RECOMMENDATIONS ON  
REGENTS' SYSTEMWIDE ISSUES**

The Senate Ways and Means Subcommittee on Regents' systemwide issues held hearings and received testimony concerning the issues affecting all the state higher educational institutions. Several of the university presidents, including the Chancellor, presented information concerning the budget requests for FY 1990. The presentation to the Subcommittee also contained a review of the first year of the Margin of Excellence and the requested components for the second year of the Margin of Excellence. Based on the available information, the Subcommittee makes the following recommendations concerning the Regents' systemwide issues.

**1. FY 1989 General Fees Fund Adjustments**  
(Systemwide Memo page 2-6)

The Subcommittee concurs with the Governor's recommendation in FY 1989 for net adjustments to the General Fees Fund at six institutions of \$1,138,205. The additional funds reflect the current policy of releasing 75 percent of the of the general fee revenue generated from higher than anticipated enrollment in the fall of 1988. The six institutions include Kansas State University (\$1,094,478), Wichita State University (\$119,970), Emporia State University (\$134,127), Pittsburg State University (\$106,518) and the Kansas College of Technology (\$82,060). The Subcommittee also concurs with the Governor's recommendation that the expenditure limitation on the General Fees Fund at the University of Kansas Medical Center be decreased by \$398,948 in FY 1989.

**2. FY 1990 Enrollment Adjustments**  
(Systemwide Memo page 2-8)

The Subcommittee concurs with the Governor's recommendation in FY 1990 for positive enrollment adjustments at five institutions totaling \$2,950,729. The recommendation reflects actual changes in student credit hour volume when FY 1988 is compared to FY 1987. The five institutions include the University of Kansas (\$1,772,467), Kansas State University (\$96,981), Wichita State University (\$480,423), Emporia State University (\$386,079), and Pittsburg State University (\$214,779). The Subcommittee also concurs with the Governor's recommendation for a negative enrollment adjustment for the Kansas College of Technology (\$69,010). The 1988 Legislature modified the manner in which enrollment adjustments are made at the College and delayed the reduction from FY 1989 to FY 1990.

**3. FY 1990 Unclassified Salary Increases**  
(Systemwide Memo page 2-9)

The Subcommittee concurs with the Governor's recommendation of \$14,286,967 in FY 1990 for a 5 percent unclassified faculty and staff salary increase. The \$14.3 million would be allocated in the following manner: University of Kansas

- \$3,968,664; Kansas State University - \$3,654,729; Wichita State University - \$1,676,977; Emporia State University - \$675,880; Fort Hays State University - \$657,447; Pittsburg State University - \$721,660; University of Kansas Medical Center - \$2,584,251; Kansas State University Veterinary Medical Center - \$239,055; and the Kansas College of Technology \$108,304.

**4. FY 1990 Classified Salary Increases**  
(Systemwide Memo page 2-13)

The Subcommittee concurs the Governor's recommendation of \$9,209,486 in FY 1990 for classified salary increases. The recommendation includes a total of \$2,235,459 for step movement on the classified pay plan, \$5,455,725 for a 4 percent salary increase, and \$1,518,302 for classified salary enhancements related to Phase III implementation. The \$5.5 million for the 4 percent salary increase would be allocated in the following manner: University of Kansas - \$1,308,294; Kansas State University - \$930,190; Wichita State University - \$379,082; Emporia State University - \$171,751; Fort Hays State University - \$132,183; Pittsburg State University - \$139,759; University of Kansas Medical Center - \$2,267,547; Kansas State University Veterinary Medical Center - \$100,040; and the Kansas College of Technology - \$26,879.

**5. FY 1990 Student Salary Increases**  
(Systemwide Memo page 2-14).

A. The Subcommittee recommends that student salaries be increased by 4 percent rather than 5 percent as recommended by the Governor for FY 1990. This recommendation would reduce the Governor's budget for student salaries by \$71,563.

B. The Subcommittee recommends that \$50,000 from the State General Fund be appropriated in FY 1990 for the Youth Education Service (YES) Program to the Board of Regents' office. The Governor did not recommend funding for this program in FY 1990. The Subcommittee reviewed the successful progress of the first year of the YES program which places college students in public schools for the purpose of providing tutoring, counseling and mentoring services to public school students. The Subcommittee recommends that the funds be distributed among the six universities at the discretion of the Board to continue the current programs and establish new pilot programs at the remaining three state universities.

C. The Subcommittee recommends that the Kansas Career Work Study Program in FY 1990 be increased by \$44,871 or 9.6 percent, all financed from the State General Fund. The Governor had recommend no increase in the funding for the Kansas Career Work Study Program in FY 1990 above the FY 1989 approved amount. The following table reflects the requested amount for FY 1990, the FY 1990 Governor's recommendation and the Subcommittee's recommendation for FY 1990.

Kansas Career Work Study Program

<u>Institution</u>	<u>FY 1990 Request</u>	<u>FY 1990 Gov. Rec.</u>	<u>FY 1990 Subcommittee Rec.</u>
University of Kansas	\$ 133,459	\$ 127,104	\$ 139,332
Kansas State University	138,636	132,034	144,739
Wichita State University	104,694	99,709	109,311
Emporia State University	36,135	34,414	37,728
Fort Hays State University	35,998	34,284	37,586
Pittsburg State University	21,257	20,245	22,195
Kansas College of Technology	3,675	3,500	3,837
Washburn University	15,629	14,885	16,318
<b>TOTAL</b>	<u>\$ 489,483</u>	<u>\$ 466,175</u>	<u>\$ 511,046</u>

**6. FY 1990 Other Operating Expenditure Increases**  
(Systemwide Memo page 2-16)

The Subcommittee concurs with the Governor's recommendation in FY 1990 for a 4 percent increase for other operating expenditures. The 4 percent increase totals \$3,763,639 and would be allocated in the following manner: University of Kansas - \$771,000; Kansas State University - \$704,365; Wichita State University - \$309,988; Emporia State University - \$125,847; Fort Hays State University - \$134,495; Pittsburg State University - \$133,207; University of Kansas Medical Center - \$1,467,097; Kansas State University Veterinary Medical Center - \$89,261; and the Kansas College of Technology - \$28,379.

**7. FY 1990 Utilities**  
(Systemwide Memo page 2-18)

The Subcommittee concurs with the Governor's recommendation of \$22,294,354 for utilities in FY 1990. The Governor's recommendation and the Subcommittee's recommendation in FY 1990 is the same as the institution's requested, with the exception of Wichita State University. At WSU the recommendation is \$42,568 below the original amount requested of \$3,082,212 which reflects a slight delay in the original estimate for the Institute for Aviation Research to become operational.

**8. FY 1990 Servicing New Buildings**  
(Systemwide Memo page 2-19)

The Subcommittee concurs with the Governor's recommendation in FY 1990 of \$1,448,409 to service new facilities at four institutions. The institutions and the amounts include: University of Kansas - \$607,441; Kansas State University - \$131,128; University of Kansas Medical Center - \$207,575; and Wichita State University - \$379,567.

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**9. FY 1990 Margin of Excellence**  
(Systemwide Memo page 2-20)

The Subcommittee recommends the addition of \$2,280,360 from the State General Fund in FY 1990 to fully fund the requested mission-related program enhancements of the six universities. The total recommendation for the Margin of Excellence in FY 1990 by the Subcommittee is \$15,851,035, which includes \$7,421,719 for unclassified faculty and staff salary parity and \$8,429,316 for mission-related program enhancements. The Governor had recommended a total of \$13,580,676 for the Margin of Excellence in FY 1990, which included \$7,421,719 for unclassified salary parity and \$6,158,957 for mission-related program enhancements. The following table reflects the Governor's recommendations and the Subcommittee recommendations for the Margin of Excellence.

FY 1990 Margin of Excellence

<u>Institution</u>	<u>Gov. Rec. Unclassified Salary Parity</u>	<u>Sub. Rec. Unclassified Salary Parity</u>	<u>Gov. Rec. Mission Related Enhancements</u>	<u>Sub. Rec. Mission Related Enhancements</u>
KU	\$ 2,027,000	\$ 2,027,000	\$ 768,500	\$ 1,537,000
KSU	2,000,000	2,000,000	938,500	1,867,000
WSU	1,284,000	1,284,000	221,000	442,000
ESU	350,000	350,000	49,360	98,719
FHSU	724,000	724,000	143,500	287,000
PSU	498,000	498,000	159,500	319,000
Subtotal	<u>\$ 6,883,000</u>	<u>\$ 6,883,000</u>	<u>\$ 2,280,360</u>	<u>\$ 4,550,719</u>
KUMC	\$ 328,719	\$ 328,719	\$ 3,277,607	\$ 3,277,607
KSUVMC	150,000	150,000	525,990	525,990
KCT	60,000	60,000	75,000	75,000
Subtotal	<u>\$ 538,719</u>	<u>\$ 538,719</u>	<u>\$ 3,878,597</u>	<u>\$ 3,878,597</u>
TOTAL	<u>\$ 7,421,719</u>	<u>\$ 7,421,719</u>	<u>\$ 6,158,957</u>	<u>\$ 8,429,316</u>

The Subcommittee is supportive of the requested funds for FY 1990 mission-related program enhancements. However, the Subcommittee recommends that the institutions use the funds for the designated program enhancements as contained in the FY 1990 budget documents. This will ensure that the targeted program enhancements are fulfilled by the respective institutions.

**10. Major Maintenance, Repairs and Renovation**

The Subcommittee recommends that no new major construction projects that are funded from the Educational Building Fund be authorized by the 1989 Legislature or subsequent legislatures. The Subcommittee strongly recommends that the proposed moratorium on new building construction would permit the resources of the Educational Building Fund to address the critical needs of the existing structures on our campuses. The Board of Regents has estimated that the system has deficiencies of over \$140 million to bring all of the existing facilities up to a satisfactory condition. The resources of the Educational Building Fund should be directed to major maintenance, repairs and renovation

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of existing structures in order to protect the investment the state currently has in the Regents' building inventory.

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