

Approved 4-20-89  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at  
Chairperson

1:40 ~~xx~~/p.m. on March 28, 1989 in room 514-S of the Capitol.

All members were present except: All present.

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

Conferees appearing before the committee:

Others attending: See attached list.

SB 210 - Postsecondary education, financial assistance for community colleges.

Staff briefed the Committee on the provisions of SB 210 regarding community colleges as amended by the Senate. The bulk of the provisions deal with the phase out of out-district tuition. A major policy matter is in Section 11 which provides for the distribution of "ancillary credit hour state aid." Staff highlighted an amendment by the Senate Ways and Means Committee in Section 19(c) which provides that the state aid credited to the general fund of a community college could not be used for capital outlay. Section 24 provides for the phase-in of the state aid ratio which will go from 32.08 percent in FY90 upto 40 percent by FY94. Under the provisions of SB 210, community colleges will no longer have the authority to levy taxes for employee benefits, unemployment insurance, workmen's compensation and social security. They will no longer have authority to levy for vocational education. All the expenses for these purposes will be paid out of the State General Fund and will be operating expenses.

Representative Chronister distributed and reviewed a handout comparing community college funding proposals (Attachment 1). Representative Chronister pointed out there are no caps on the budgets of the community colleges as there are on school districts' budgets; so under this bill, the state would have to pay 40 percent of whatever the budgets are.

Chairman Bunten appointed a subcommittee of Representative Chronister, chairman, Representative Vancrum, Representative Hensley, Representative Shriver and Representative Crumbaker of the Education Committee to look at SB 210 and make recommendations to the full Committee.

SB 67 - Appropriations for FY90, state board of regents and higher education institutions.

**FORT HAYS STATE UNIVERSITY**

Representative Chronister reviewed the subcommittee report for FY89 and FY90 (Attachment 2). Representative Chronister moved adoption of the subcommittee report as amended by systemwide decision. Representative Teagarden seconded. Motion carried.

Chairman Bunten reported to the Committee that he has made a request of the Legislative Post Audit Committee to do a brief audit at Kansas State University on why their utilities are running \$700,000 over estimates. The audit should be received by March 30 or 31.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 1:40 ~~xx~~ m./p.m. on March 28, 1989.

**UNIVERSITY OF KANSAS**

Representative Goossen reviewed the subcommittee report for FY89 and FY90 (Attachment 3). Staff distributed a schedule of "Utility Expenditures for Regents' Institutions" (Attachment 4). Chairman Buntен suggested the differences between the approved and projected estimates on utilities should be addressed in the subcommittee reports for each university. Representative Shriver made a motion to lapse the amounts in the far righthand column (see Attachment 4) from the applicable university budgets. Representative Goossen seconded. Representative Shriver withdrew his motion with the agreement of the second, Representative Goossen. Representative Goossen moved that the savings in utilities identified at the University of Kansas (\$387,668), KUMC (\$147,782), KSU Veterinary Medical Center (\$69,467), Wichita State University (\$421,061), Emporia State University (\$47,680), Fort Hays State University (\$55,705), and Kansas College of Technology (\$7,355) be lapsed from the FY89 university budgets. Representative Helgerson seconded. Motion carried. It was decided no adjustments in the FY90 appropriations for utilities for the institutions would be made at this time, as the experience in FY89 has been unusual. Representative Goossen moved adoption of the subcommittee report as amended for FY89 and FY90 on the University of Kansas. Representative Shriver seconded. Motion carried.

**KANSAS COLLEGE OF TECHNOLOGY**

Representative Lowther reviewed the subcommittee report for FY89 and FY90 (Attachment 5). Representative Lowther moved adoption of the subcommittee report as amended by systemwide decision for FY89 and FY90. Representative Mead seconded. Motion carried.

**PITTSBURG STATE UNIVERSITY (Attachment 6)**

Representative Hoy moved adoption of the subcommittee report for FY89 and FY90. Representative Helgerson seconded. Motion carried.

**KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER (Attachment 7)**

Representative Kline moved adoption of the subcommittee report as amended by systemwide decision for FY89 and FY90. Representative Fuller seconded. Motion carried.

The meeting was recessed at 2:40 p.m. The Committee will reconvene at 5:00 p.m. to complete the budgets in SB 67.

Chairman Buntен reconvened the meeting at 5:05 p.m.

**WICHITA STATE UNIVERSITY**

Representative Moomaw reviewed the subcommittee report for FY89 and FY90 (Attachment 8). Representative Moomaw moved that item #1 in the FY89 report be amended to read that \$18,000 in utilities savings from the delayed opening of the new Center for Entrepreneurship be lapsed. Representative Brady seconded. Motion carried. This amount is in addition to the \$421,061 in utilities savings lapsed from the Wichita State budget in a previous motion.

In response to a question on item 6 in the FY90 report, Representative Moomaw explained that the House recommendation deletes half of the \$200,000 recommended by the Senate committee because the Rehabilitation Engineering Center stated \$100,000 would enable them to purchase equipment to continue at the present level of operation. The Rehabilitation Engineering Center has a \$750,000 federal grant for basic research. Representative Moomaw moved adoption of the subcommittee report on Wichita State University for FY89 and FY90 as amended. Representative Brady seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S Statehouse, at 1:40 ~~xx~~/p.m. on March 28, 1989.

**KANSAS STATE UNIVERSITY**

Representative Kline reviewed the subcommittee report for FY89 and FY90 (Attachment 9). Chairman Bunten advised the Committee to look closely at the enrollment levels projected by the universities to insure that they are realistic, as a lower projected enrollment results in the state putting more General Fund money in. Then when enrollment goes up, fee receipts are up and the Legislature has authorized the universities to keep 75 percent of the fees.

Regarding the FY89 utilities shortfall at Kansas State University, Representative Helgerson stated that Kansas State University advised him that they were aware of the problem last July and advised the Governor and Budget Director at that time.

Representative Solbach asked if the Committee would act today on the FY90 expected shortfall of \$1,941,026 in item 6 of the report. Chairman Bunten stated some of the problem has worked itself out, but it is a complicated situation. There is a memorandum from the Board of Regents available through staff explaining the situation. Chairman Bunten stated he would try to schedule a time for the Regents' staff and the Governor's staff to come and explain the problem. Representative Gatlin suggested the possibility of an interim study on the oversight of university budgets and at what level.

Representative Fuller moved adoption of the subcommittee report on Kansas State University for FY89 and FY90. Representative Kline seconded. Motion carried.

Representative Fuller advised that the KSU Veterinary Medical Center has requested an increase in the expenditure limitation of the hospital Laboratory Revenue Fund for the purchase of supplies. Representative Fuller moved to reconsider committee action on the KSU Veterinary Medical Center report. Representative Francisco seconded. Motion carried. Representative Fuller moved to amend the report to increase the FY89 expenditure limit on the Hospital and Diagnostic Laboratory Revenue Fund from \$1,236,875 to \$1,461,875. Representative Kline seconded. Motion carried. Representative Fuller moved adoption of the committee report on the Veterinary Medical Center for FY89 and FY90 as amended. Representative Kline seconded. Motion carried.

**BOARD OF REGENTS**

Representative Brady reviewed the subcommittee report for FY89 and FY90 (Attachment 10). Representative Gatlin submitted a minority report on FY90. Representative Chronister moved that item 3 in the FY90 report adding \$435,000 for the nursing student scholarship program and that item 6 adding \$37,500 State General Fund for the new Kansas Minority Scholarship program be deleted and set for Omnibus consideration if the implementing legislation is approved. Representative Vancrum seconded. Representative Solbach made a substitute motion that item 3 be amended to state that the Subcommittee endorses the concept of nursing student scholarships in HB 2279 and should the bill pass, the Subcommittee recommends the addition of \$435,000 in the Omnibus bill and that item 6 be amended to state Subcommittee support of SB 12 and if the bill passes, the Subcommittee recommends the addition of \$37,500 in the Omnibus bill for the Kansas Minority Scholarship program. Representative Brady seconded. Chairman Bunten noted the Governor recommended \$50,000 for the Minority Scholarship program and the Senate increased that to a total of \$150,000. The House Subcommittee recaptured \$100,000 State General Fund savings from the State Scholarship Discontinued Attendance Fund to offset part of the \$150,000 provided by the

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 1:40 ~~AM~~/p.m. on March 28, 1989

Senate for the Minority Scholarship program. The House Subcommittee in this report is recommending an additional \$37,500 for this program. Substitute motion carried.

Representative Gatlin distributed documentation on the inequity of the proposed agreement with Missouri for the exchange of Missouri architectural students and Kansas dental students (Attachment 11). Representative Gatlin moved the FY90 minority report on the Board of Regents. Representative Chronister seconded. Motion failed. A letter from the Governor to the Chairman of the Board of Regents addressing the imbalance in the reciprocal academic agreement between Kansas and Missouri is attached (Attachment 12).

Representative Chronister moved to amend the report to add \$50,000 for KAPSET to the Board of Regents budget. Representative Brady seconded. Motion carried. Representative Brady moved adoption of the committee report on the Board of Regents as amended for FY89 and FY90. Representative Moomaw seconded. Motion carried.

**EMPORIA STATE UNIVERSITY (Attachment 13)**

Representative Vancrum moved adoption of the subcommittee report as amended by systemwide decision for FY89 and FY90. Representative Turnquist seconded. Motion carried.

**UNIVERSITY OF KANSAS MEDICAL CENTER**

The Committee reviewed the subcommittee report for FY89 and FY90 (Attachment 14). Representative Wisdom moved that funds be authorized from the Hospital Revenue Fee Fund in the amount necessary to add an additional tier on the parking garage now under construction at the Medical Center. Representative Lowther seconded. Motion failed.

Representative Chronister moved adoption of the subcommittee report on the KUMC as amended by systemwide decision for FY89 and FY90. Representative Kline seconded. Motion carried.

Representative Chronister moved that SB 67, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

Representative Teagarden moved that SB 80, as amended, be recommended favorably for passage. Representative Chronister seconded. Motion carried.

Representative Chronister announced that the subcommittee on SB 210 will meet at 12:00 noon tomorrow, March 29, in Room 514-S. Testimony on SB 210 will be taken from 12:00 noon until 1:00 p.m., followed by Committee discussion until 2:00 p.m.

The meeting was adjourned at 6:20 p.m.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 3-28-89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Kathleen Vonachen	Topeka	Dir of Budget
Barbara Joseph	AP	
Dawn Schneider	115-S	Rep. Miller
Kirsten Westberger	252-E	Gov.
Jennifer Church	252-E	Gov.
Marty Kennedy	Topeka	Budget
ROBERT L. BURNS	TOPEKA	WASHBURN
Marlin Rein	Lawn	KU
John Struve	Manhattan	KSU
DICK HAYTER	MANHATTAN	KSU
Jim Gill	"	"
Chris Graves	Topeka	ASK
Fred Seidermann	Wichita	WBU
Ruth Walbur	Topeka	AAUP
Jim M. B. ...	Topeka	she ...
Gil Kemnitz	Topeka	K-SDF
Merle Hree	"	KACC
Don Mainey	Topoka	Washburn
Janne Hefner	Topeka	Washburn
Don Jasserand	Lawrence	KU
Alan Morgan	Lawrence	University Daily Kansan
David Kan	Hays	
Linda Sue Malone	Hays	
Alvera Jacobson	Hays	
Del Jacobson	Hays	



COMPARISON OF COMMUNITY COLLEGE FUNDING PROPOSALS

1. State Department of Education estimate, based on no change in current law. *5% increase in enrollment*

	Estimate FY 1989	<i>SB 28</i> Estimate FY 1990 <sup>(a)</sup>	Estimate FY 1991 <sup>(a)</sup>	Estimate FY 1992 <sup>(a)</sup>	Estimate FY 1993 <sup>(a)</sup>	Estimate FY 1994 <sup>(a)</sup>
Credit Hour Aid	\$ 27,116,982	\$ 28,486,648	\$ 30,049,922	\$ 31,552,402	\$ 33,130,034	\$ 34,786,528
General State Aid	400,000	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>
Out-District State Aid	<u>8,102,088</u>	<u>8,548,512</u>	<u>8,975,928</u>	<u>9,424,728</u>	<u>9,895,992</u>	<u>10,390,776</u>
Total	\$ 35,619,070	\$ 37,435,160	\$ 39,425,850	\$ 41,377,130	\$ 43,426,026	\$ 45,577,304

2. State Department of Education estimate, based on proposed five-year plan.<sup>(c)</sup>

	Estimate FY 1989	Estimate FY 1990 <sup>(a)</sup>	Estimate FY 1991 <sup>(a)</sup>	Estimate FY 1992 <sup>(a)</sup>	Estimate FY 1993 <sup>(a)</sup>	Estimate FY 1994 <sup>(a)</sup>
Credit Hour Aid	\$ 27,116,982	\$ 28,486,648	\$ 30,049,922	\$ 31,552,402	\$ 33,130,034	\$ 34,786,528
General State Aid	400,000	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>
Out-District State Aid	8,102,088	8,548,512	8,975,928	9,424,728	9,895,992	10,390,776
Increase Due to 5-Year Plan	--	<u>3,342,861</u>	<u>7,127,578</u>	<u>11,559,279</u>	<u>16,557,861</u>	<u>22,179,984</u>
Total	\$ 35,619,070	\$ 40,778,021	\$ 46,553,428	\$ 52,936,409	\$ 59,983,887	\$ 67,757,288

3. Governor's proposal to implement five-year plan.<sup>(d)</sup> *assumes C.C. op. budgets don't increase*

	Estimate FY 1989	Estimate <sup>(e)</sup> FY 1990	Estimate <sup>(e)</sup> FY 1991	Estimate <sup>(e)</sup> FY 1992	Estimate <sup>(e)</sup> FY 1993	Estimate <sup>(e)</sup> FY 1994
Credit Hour Aid	\$ 26,267,433	\$ 27,648,446	\$ 27,648,446	\$ 27,648,446	\$ 27,648,446	\$ 27,648,446
General State Aid	400,000	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>	400,000 <sup>b</sup>
Out-District State Aid	7,804,848	8,195,088	8,195,088	8,195,088	8,195,088	8,195,088
Increase Due to 5-Year Plan	--	<u>3,604,884</u>	<u>6,403,677</u>	<u>9,285,944</u>	<u>12,198,589</u>	<u>15,111,233</u>
Total	\$ 34,472,281	\$ 39,848,418	\$ 42,647,211	\$ 45,529,478	\$ 48,442,123	\$ 51,354,767

- a) Assumes a 5 percent growth over prior year in eligible credit hours and out-district hours.
- b) General state aid is subject to appropriation. For the purposes of this table, it is held constant at the FY 1989 level.
- c) Assumes total community college general fund operating budgets will increase 7 percent each year.
- d) Assumes no growth over FY 1990 in total community college general fund operating budgets.
- e) Assumes no growth over FY 1990 in eligible credit hours and out-district hours.

Kansas Legislative Research Department  
February 14, 1989

NA  
 3-28-89  
 Attachment 1

**SUBCOMMITTEE REPORT**

Agency: Fort Hays State  
University

Bill No. 80

Bill Sec. 20

Analyst: Conroy

Analysis Pg. No. 653

Budget Pg. No. 232

<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	\$ 18,320,953	\$ 18,499,342	\$ --
General Fees Fund	<u>4,134,682</u>	<u>4,134,682</u>	<u>--</u>
Subtotal -- General			
Use Funds	\$ 22,455,635	\$ 22,634,024	\$ --
Other Funds	<u>5,832,077</u>	<u>5,832,077</u>	<u>--</u>
Subtotal	<u>\$ 28,287,712</u>	<u>\$ 28,466,101</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
Other Funds	<u>\$ 2,227,181</u>	<u>\$ 2,227,181</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 22,455,635</u>	<u>\$ 22,634,024</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 30,514,893</u>	<u>\$ 30,693,282</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 283,762	\$ 4,183,762	\$ --
Educational Bldg. Fund	1,520,060	472,000	--
Other Funds	<u>710,000</u>	<u>20,060</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 2,513,822</u>	<u>\$ 4,675,822</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 33,028,715</u></u>	<u><u>\$ 35,369,104</u></u>	<u><u>\$ --</u></u>
 FTE Positions	 620.4	 620.4	 --

Agency Request/Governor's Recommendation

**FY 1989. General Use Base Budget.** The University's general use base budget for FY 1989 totals \$22,455,635, which is 12.7 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$22,634,024, an increase of \$178,389 above the agency's request. The Governor's recommendations include a supplemental State General Fund.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations in the current year.

*HA  
3-28-89  
Attachment 2*



Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

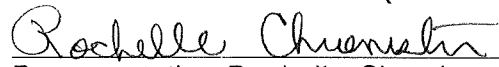
<u>Expenditure Summary</u>	<u>Agency Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 18,499,342	\$ (15,636)
General Fees Fund	--	4,134,682	--
General Use Funds	\$ --	\$ 22,634,024	\$ (15,636)
Restricted Use Funds	--	5,832,077	--
Subtotal -- State Operations	\$ --	\$ 28,466,101	\$ (15,636)
Other Assistance:			
Other Funds	\$ --	\$ 2,227,181	\$ --
Total General Use Funds	\$ --	\$ 22,634,024	\$ (15,636)
Total Operating Expenditures	\$ --	\$ 30,693,282	\$ (15,636)
Capital Improvements:			
State General Fund	\$ --	\$ 4,183,762	\$ --
Educational Building Fund	--	472,000	--
Other Funds	--	20,060	--
Subtotal -- Capital Improvements	\$ --	\$ 4,675,822	\$ --
GRAND TOTAL	\$ --	\$ 35,369,104	\$ (15,636)
FTE Positions	--	620.4	

House Subcommittee Recommendations

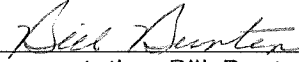
The House Subcommittee concurs with the Senate recommendations with the following adjustments:

1. Delete \$4,358 (State General Fund) for utilities based on the latest estimates. The Subcommittee notes the magnitude of the shortfall of utility funding for Kansas State University and therefore deletes the estimated savings within this agency's budget.

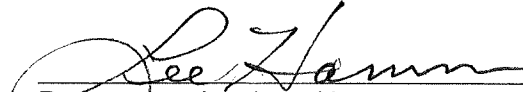
2. Delete \$11,278 (State General Fund) for technical adjustments to the general use operating budget.



Representative Rochelle Chronister  
Subcommittee Chairperson



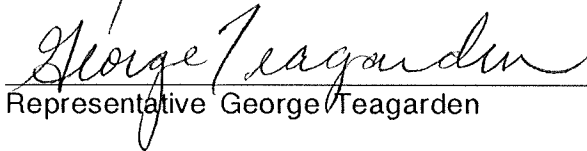
Representative Bill Buntin



Representative Lee Hamm



Representative David J. Heinemann



Representative George Teagarden

## SUBCOMMITTEE REPORT

Agency: Fort Hays State  
University

Bill No. 67

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 653

Budget Pg. No. 232

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 20,081,212	\$ 20,422,337	\$ 136,475
General Fees Fund	4,357,818	4,389,702	--
Subtotal -- General			
Use Funds	\$ 24,439,030	\$ 24,812,039	\$ 136,475
Other Funds	6,059,060	6,059,060	--
Subtotal	<u>\$ 30,498,090</u>	<u>\$ 30,871,099</u>	<u>\$ 136,475</u>
Other Assistance:			
Other Funds	\$ 2,316,268	\$ 2,316,268	\$ --
Total General Use Funds	<u>\$ 24,439,030</u>	<u>\$ 24,812,039</u>	<u>\$ 136,475</u>
Total Operating Expenditures	<u>\$ 32,814,358</u>	<u>\$ 33,187,367</u>	<u>\$ 136,475</u>
Capital Improvements:			
State General Fund	\$ --	\$ 2,162,000	\$ --
Educational Bldg. Fund	2,162,000	--	--
Other Funds	385,000	923,000	--
Subtotal - Capital			
Improvements	<u>\$ 2,547,000</u>	<u>\$ 3,085,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 35,361,358</u>	<u>\$ 36,272,367</u>	<u>\$ 136,475</u>
 FTE Positions	 623.4	 622.4	 7.0

### Agency Request/Governor's Recommendation

The University requests a total of \$24,439,030 in general use funds for the FY 1990 budget, an increase of 8.8 percent over the FY 1989 estimate. The request includes program maintenance increases of \$931,378 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$41,023 for adjustments to the FY 1989 base budget. For the Margin of Excellence program the agency requests a total of \$1,011,000, of which \$722,627 would be for faculty salary parity and \$288,373 and 4.0 FTE positions for mission-related enhancements.

The Governor recommends an FY 1990 general use base budget of \$24,812,039, a 9.6 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent

increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor recommends a total of \$866,127 for the Margin of Excellence of which \$722,627 is for faculty salary parity and \$143,500 and 2.0 FTE positions are for mission-related enhancements.

The Governor also recommends an additional \$2.4 million and a shift in funding for Sheridan Coliseum renovation. The Governor recommends that the existing Educational Building Fund appropriations of \$1,500,000 in FY 1989 and \$2,162,000 in FY 1990 be lapsed. State General Fund appropriations are then recommended in the amounts of \$3,900,000 in FY 1989 and \$2,162,000 in FY 1990. The total project cost, from all funding sources, increases from \$6,012,000 to \$8,412,000.

#### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$144,873 (State General Fund) and 2.0 FTE positions to fully fund the agency's FY 1990 Margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$8,398 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents office budget.
3. Concur with reduction of \$87,213 (State General Fund) as contained within Governor's Budget Amendment No. 1 for salaries and wages adjustments. The reduction is a technical adjustment to the agency's FY 1990 budget.
4. Add 5.0 FTE positions financed from restricted fees for economic development and research activities at the University.

#### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustment:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$866,127 (State General Fund) and 2.0 FTE positions for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

#### Senate Committee of the Whole Recommendations

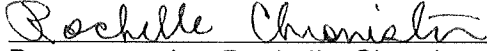
The Senate Committee of the Whole concurs with the Committee's recommendations.


<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (874,525)	\$ 19,547,812	\$ (200,650)
General Fees Fund	--	4,389,702	--
General Use Funds	\$ (874,525)	\$ 23,937,514	\$ (200,650)
Restricted Use Funds	--	6,059,060	--
Subtotal -- State Operations	<u>\$ (874,525)</u>	<u>\$ 29,996,574</u>	<u>\$ (200,650)</u>
Other Assistance:			
Other Funds	\$          --	\$ 2,316,268	\$          --
Total General Use Funds	<u>\$ (874,525)</u>	<u>\$ 23,937,514</u>	<u>\$ (200,650)</u>
Total Operating Expenditures	<u>\$ (874,525)</u>	<u>\$ 32,312,842</u>	<u>\$ (200,650)</u>
Capital Improvements:			
State General Fund	\$          --	\$ 2,162,000	\$          --
Other Funds	--	923,000	--
Subtotal -- Capital Improvements	<u>\$          --</u>	<u>\$ 3,085,000</u>	<u>\$          --</u>
GRAND TOTAL	<u>\$ (874,525)</u>	<u>\$ 35,397,842</u>	<u>\$ (200,650)</u>
FTE Positions	1.0	623.4	--

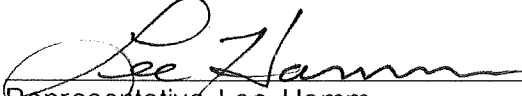
House Subcommittee Recommendations

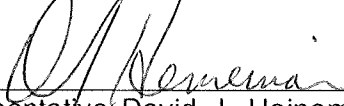
The House Subcommittee concurs with the Senate recommendations with the following adjustments:


1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$131,489 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendations -- Other Operating Expenditures. Delete \$33,624 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. Delete \$35,537 (State General Fund) for technical adjustments to the general use operating budget.
4. The Subcommittee notes the latest net General Fees Fund estimate for FY 1990 is \$20,232 below the Governor's estimate. However, since the amount is less than 0.5 percent of the total amount estimated no adjustment is made in the budget year.

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

  
\_\_\_\_\_  
Representative Bill Buntin

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

  
\_\_\_\_\_  
Representative David J. Heinemann

  
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Representative George Teagarden

**SUBCOMMITTEE REPORT**

Agency: University of Kansas

Bill No. 80

Bill Sec. 14

Analyst: Conroy

Analysis Pg. No. 691

Budget Pg. No. 600

<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	\$ 89,726,166	\$ 90,660,100	\$ --
General Fees Fund	39,225,757	39,225,757	--
Endowment Interest	<u>65,000</u>	<u>65,000</u>	--
General Use Funds	\$ 129,016,923	\$ 129,950,857	\$ --
Restricted Use Funds	<u>69,594,988</u>	<u>69,594,988</u>	--
Subtotal	<u>\$ 198,611,911</u>	<u>\$ 199,545,845</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
Other General Use	\$ 243,372	\$ 243,372	\$ --
Restricted Use	<u>6,507,259</u>	<u>6,507,259</u>	--
Subtotal	<u>\$ 6,750,631</u>	<u>\$ 6,750,631</u>	<u>\$ --</u>
<b>Total General Use Operating</b>	<u>\$ 129,260,295</u>	<u>\$ 130,194,229</u>	<u>\$ --</u>
<b>Total Operating Expenditures</b>	<u>\$ 205,362,542</u>	<u>\$ 206,296,476</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,297,528	\$ 3,297,528	\$ --
Educational Building Fund	8,921,338	10,607,247	--
Other Funds	<u>8,445,475</u>	<u>8,445,475</u>	<u>(677,660)</u>
Subtotal	<u>\$ 18,664,341</u>	<u>\$ 22,350,250</u>	<u>\$ (677,660)</u>
<b>GRAND TOTAL</b>	<u>\$ 224,026,883</u>	<u>\$ 228,646,726</u>	<u>\$ (677,660)</u>
<b>FTE Positions</b>	4,314.3	4,314.3	--

Agency Request/Governor's Recommendation

**FY 1989.** The University's general use base budget for FY 1989 totals \$129,260,295, which is 10.4 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$130,194,229, an increase of \$933,934 above the agency request. Of the additional funds, \$432,672 relates to increased health insurance for employees, \$414,177 for employer support of dependent health insurance, and \$74,213 for implementation of Phase III salary increases.

HA  
3-28-89  
Attachment 3

Senate Subcommittee Recommendations

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

1. Lapse the current available balance in the Law Enforcement Training Center Final Planning, Renovation, or Construction for Capital Improvements Fund pending further review by the Joint Committee on State Building Construction. Available information indicates the current balance in the fund is \$677,660.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

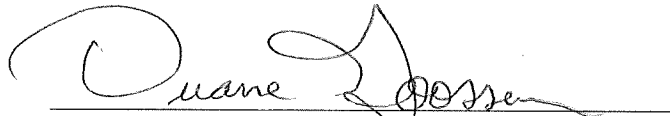
<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 90,660,100	\$ (356,593)
General Fees Fund	--	39,225,757	--
Endowment Interest	--	65,000	--
General Use Funds	\$ --	\$ 129,950,857	\$ (356,593)
Restricted Use Funds	--	69,594,988	--
Subtotal--State Operations	\$ --	\$ 199,545,845	\$ (356,593)
Other Assistance:			
Other Funds	\$ --	\$ 6,507,259	\$ --
Other General Use	--	243,372	--
Subtotal--Other Assistance	\$ --	\$ 6,750,631	\$ --
Total General Use Funds	\$ --	\$ 130,194,229	\$ (356,593)
Total Operating Expenditures	\$ --	\$ 206,296,476	\$ (356,593)
Capital Improvements:			
State General Fund	\$ --	\$ 3,297,528	\$ --
Educational Bldg. Fund	--	10,607,247	--
Other Funds	(677,660)	7,767,815	677,660
Subtotal--Capital Imp.	\$ (677,660)	\$ 21,672,590	\$ 677,660
<b>GRAND TOTAL</b>	<b>\$ (677,660)</b>	<b>\$ 227,969,066</b>	<b>\$ 321,067</b>
FTE Positions:	--	4,314.3	--

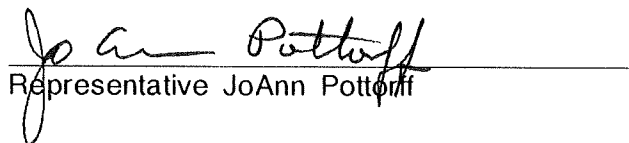


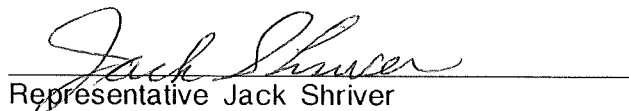
House Subcommittee Recommendations

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

1. Delete \$356,593 (State General Fund) for utilities based on the latest estimates. The Subcommittee notes the magnitude of the shortfall of utility funding for Kansas State University and therefore deletes the estimated savings within this agency's budget. The agency had requested financing of several energy conservation projects from restricted-use utility funds. The Subcommittee recommends that this time be reviewed further for the Omnibus appropriation bill.
2. Addition of technical language to permit the transfer of General Fees Fund for matching the available resources in the National Direct Student Loan Fund.
3. Add \$677,660 (Law Enforcement Training Center Fund) for capital improvements at the Law Enforcement Training Center. This action reflects the previous decisions of the Joint Committee on State Building Construction and the Legislature. Without any other proposals or information, the Subcommittee proposes that the current capital improvement plan for the Center continue as currently approved.
4. The Subcommittee takes no action on the Regents Center since it is currently within S.B. 281.

  
Representative Duane A. Goossen  
Subcommittee Chairperson

  
Representative JoAnn Pottorff

  
Representative Jack Shriver

**SUBCOMMITTEE REPORT**

Agency: University of Kansas

Bill No. 67

Bill Sec. 7

Analyst: Conroy

Analysis Pg. No. 691

Budget Pg. No. 600

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 100,056,361	\$ 102,833,871	\$ 753,136
General Fees Fund	40,765,233	40,765,233	--
Endowment Interest	<u>40,000</u>	<u>40,000</u>	--
General Use Funds	\$ 140,861,594	\$ 143,639,104	\$ 753,136
Restricted Use Funds	<u>72,969,805</u>	<u>72,969,805</u>	--
Subtotal	<u>\$ 213,831,399</u>	<u>\$ 216,608,909</u>	<u>\$ 753,136</u>
<b>Other Assistance:</b>			
Other General Use	\$ 253,107	\$ 253,107	\$ --
Restricted Use	<u>6,767,549</u>	<u>6,767,549</u>	--
Subtotal	<u>\$ 7,020,656</u>	<u>\$ 7,020,656</u>	<u>\$ --</u>
<b>Total General Use Operating</b>	<u>\$ 141,114,701</u>	<u>\$ 143,892,211</u>	<u>\$ 753,136</u>
<b>Total Operating Expenditures</b>	<u>\$ 220,852,055</u>	<u>\$ 223,629,565</u>	<u>\$ 753,136</u>
<b>Capital Improvements:</b>			
Educational Building Fund	\$ 6,800,700	\$ 4,910,700	\$ (530,000)
Other Funds	<u>2,095,000</u>	<u>1,845,000</u>	--
Subtotal	<u>\$ 8,895,700</u>	<u>\$ 6,755,700</u>	<u>\$ (530,000)</u>
<b>GRAND TOTAL</b>	<u>\$ 229,747,755</u>	<u>\$ 230,385,265</u>	<u>\$ 223,136</u>
<b>FTE Positions</b>	4,399.5	4,383.6	36.5

Agency Request/Governor's Recommendation

**FY 1990.** The University requests a total of \$141,114,701 in general use funds for the FY 1990 budget, an increase of 9.2 percent above the FY 1989 agency request. The request includes program maintenance increases of \$5,277,296 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, and a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$633,202 for adjustments to the FY 1989 base budget for fringe benefit increases, \$1,772,467 and 52.5 FTE positions for an enrollment adjustment, and \$607,441 and 11.2 FTE for servicing new buildings. For the Margin of Excellence program, the agency requests a total of \$3,564,000, of which \$2,027,000 would be for faculty salary parity and \$1,537,000 and 21.5 FTE positions would be for mission related enhancements.

The Governor recommends an FY 1990 general use base budget of \$143,509,648, an increase of 10.2 percent above the revised FY 1989 recommendations.

The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the agency request for an enrollment adjustment of \$1,772,467 and 52.5 FTE positions. The Governor also concurs with the agency request for servicing new buildings of \$607,441 and 11.2 FTE positions. The Governor recommends a total of \$2,795,500 for the Margin of Excellence, of which \$2,027,000 is for faculty salary parity and \$768,500 for mission related enhancements.

#### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation-Margin of Excellence. Addition of \$768,500 (State General Fund) and 16.5 for FTE positions for full funding of the Margin of Excellence as requested by the agency.
2. Systemwide Recommendation -- Student Salaries. Delete \$15,364 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget. The Subcommittee urges the House Subcommittee to review this increase once additional detailed information is available from the agency.
3. Concur with the Governor's Budget Amendment No. 1 which adds \$382,563 (State General Fund) for salaries and wages (health insurance). The addition is a technical adjustment to the agency's FY 1990 budget.
4. Add 20.0 additional FTE positions for research activities at the University. The positions would be financed with restricted fee funds and will not require any General Use Fund support.
5. Reestablish separate State General Fund line item appropriations for the Kansas Geological Survey and the Capitol Complex program.
6. Addition of language that would permit expenditures from restricted fees to acquire insurance for equipment purchased through research and training grants only if the grants include money for and authorize the purchase of such insurance.
7. The Subcommittee notes with concern that the U.S. Department of Energy may not permit the recommended expenditure of oil overcharge funds for the continued study of the Dakota Aquifer by the Kansas Geological Survey. Last year the Kansas Geological Survey's original proposal had to be greatly modified prior to the Department of Energy accepting the scope of the study. The Subcommittee encourages the agency to continue to pursue oil overcharge funds to finance the study. However, should the Department of Energy refuse to permit the expenditure of oil overcharge funds, the Subcommittee would be supportive of supplemental funds for this important and necessary study in the omnibus appropriation bill.

8. Increase the expenditure limitation on the General Fees Fund by \$253,107 to correct an error in the original version of S.B. 67. The adjustment is technical in nature.
9. Authorize the demolition of nine buildings/sheds to clear the site for the new Lied Performing Arts Center. The \$13.0 million facility will be constructed entirely with private funds. The building numbers are 107,108, 109, 110, 111, 112, 113, 115, and 171. The nine buildings have a total net assignable square footage of 28,225. Seven of the nine buildings are used for storage, one is the transmitter building and tower for KANU radio, and the ninth is a small thermodynamics lab. Occupants of these facilities will be relocated to existing facilities or into new structures on KU Endowment Association property.
10. Delete \$530,000 for the remodeling of Fowler Shops and Broadcasting Hall, financed from the Educational Building Fund pending further review from the Joint Committee on State Building Construction.
11. The Subcommittee notes that Governor's recommended \$2.0 million (State General Fund) for a new Regents' Center in Overland Park is currently out of H.B. 2040. The Subcommittee does not recommend restoring the funds for the facility at this time pending further review by the Joint Committee on State Building Construction. The Subcommittee believes there are too many unresolved questions concerning the Regents' Center to recommend restoration of the funds at this time.
12. Add eight special revenue funds associated with the debt service on the new parking facility and renovation of the Student Union, retitle the existing "parking fees fund" account to "parking facilities revenue fund," and shift \$100,000 from the parking facilities revenue fund to a new parking facilities surplus fund.

#### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustment:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$2,795,500 (State General Fund) and 5.0 FTE positions for the Margin of Excellence. However, the Committee recommends full funding for the margin of Excellence in S.B. 281.

#### Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations with the following adjustment:

1. Add \$530,000 (Educational Building Fund) for the remodeling of Fowler Shops and Broadcasting Hall based on a favorable recommendation of the Joint Committee on State Building Construction.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (2,042,364)	\$ 100,791,507	\$ (1,611,852)
General Fees Fund	--	40,765,233	197,000
Endowment Interest	--	40,000	--
General Use Funds	\$ (2,042,364)	\$ 141,596,740	\$ (1,414,852)
Restricted Use Funds	--	72,969,805	--
Subtotal -- State Operations	<u>\$ (2,042,364)</u>	<u>\$ 214,566,545</u>	<u>\$ (1,414,852)</u>
Other Assistance:			
Other Funds	\$ --	\$ 6,767,549	\$ --
Other General Use	--	253,107	--
Subtotal -- Other Assistance	<u>\$ --</u>	<u>\$ 7,020,656</u>	<u>\$ --</u>
Total General Use Operating	<u>\$ (2,042,364)</u>	<u>\$ 141,849,847</u>	<u>\$ (1,414,852)</u>
Total Operating Expenditures	<u>\$ (2,042,364)</u>	<u>\$ 221,587,201</u>	<u>\$ (1,414,852)</u>
Capital Improvements:			
Educational Building Fund	\$ --	\$ 4,910,700	\$ --
Other Funds	--	1,845,000	200,000
Subtotal -- Capital Improvements	<u>\$ --</u>	<u>\$ 6,755,700</u>	<u>\$ 200,000</u>
GRAND TOTAL	<u>\$ (2,042,364)</u>	<u>\$ 228,342,901</u>	<u>\$ (1,214,852)</u>
FTE Positions	20.0	4,398.6	(3.0)

House Subcommittee Recommendations

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

1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$793,734 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$192,750 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. Addition of technical language to permit the transfer of General Fees Fund for matching the available resources in the National Direct Student Loan Fund and the federal Education Opportunity Act programs.
4. Delete \$197,000 from the State General Fund and increase the General Fees Fund limitation by \$197,000 for state operations support based on the latest enrollment projections.

5. Delete \$363,078 (State General Fund) for technical adjustments to the general use operating budget.
6. The Subcommittee notes the importance of the Dakota Aquifer study of the Kansas Geological Survey which will be funded with federal oil overcharge funds. However, should the federal government not permit the expenditure of the funds for the aquifer study, the Subcommittee recommends the issue be considered for the omnibus appropriation bill.
7. Add \$200,000 (Law Enforcement Training Center Fund) for capital improvements at the Law Enforcement Training Center Fund. The expenditure with previous authorizations will allow Phase I of the renovation and expansion of the Center. The additional funds will permit the agency to carry out Phase I improvements at a reduced cost when compared to bidding the Phase I components separately.
8. Delete 3.0 FTE maintenance positions and \$65,290 (State General Fund) based on the razing of nine structures for the new Lied Performing Arts Center.

  
Representative Duane A. Goossen

  
Representative Jo Ann Pottorf

  
Representative Jack Shriver

UTILITY EXPENDITURES FOR REGENTS' INSTITUTIONS

Institution	Actual FY 1988	Approved FY 1989	Regents' Revised Estimate	Net Difference Between, Approved and Revised Est. FY 1989	KLRD Projected Est. (3-24-89)	Net Difference Between Approved and Projected Est.
University of Kansas	\$ 5,272,799	\$ 5,846,432	\$ 5,489,839	\$ 356,593	\$ 5,458,764	\$ 387,668
University of Kansas Medical Center	4,664,525	4,664,525	4,662,228	2,297	4,516,743	147,782
Kansas State University	4,338,730	4,723,822	5,422,269	(698,447)	5,290,455	(566,633)
Kansas State University Veterinary Medical Center	696,155	808,402	761,794	46,608	738,935	69,467
Wichita State University	2,635,186	2,911,940	2,729,702	182,238	2,490,879	421,061
Emporia State University	717,006	717,006	717,006	--	669,326	47,680
Pittsburg State University	967,636	1,008,043	1,008,043	--	1,012,516	(4,473)
Fort Hays State University	806,817	806,817	802,459	4,358	751,112	55,705
Kansas College of Technology	101,083	133,460	122,424	11,036	126,105	7,355
<b>TOTAL</b>	<u>\$ 20,199,937</u>	<u>\$ 21,620,447</u>	<u>\$ 21,715,764</u>	<u>\$ (95,317)</u>	<u>\$ 21,054,835</u>	<u>\$ 565,612</u>

HH  
3-28-89  
Attachment #  
89-124/AC

## SUBCOMMITTEE REPORT

Agency: Kansas College of  
Technology

Bill No. 80

Bill Sec. 23

Analyst: Conroy

Analysis Pg. No. 727

Budget Pg. No. 382

<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	\$ 3,532,600	\$ 3,570,343	\$ --
General Fees Fund	266,213	348,273	--
General Use Funds	\$ 3,798,813	\$ 3,918,616	\$ --
Other Funds	408,599	408,599	--
Subtotal -- State Operations	\$ 4,207,412	\$ 4,327,215	\$ --
<b>Other Assistance:</b>			
Other Funds	\$ 176,941	\$ 176,941	\$ --
<b>Total General Use Funds</b>	<b>\$ 3,798,813</b>	<b>\$ 3,918,616</b>	<b>\$ --</b>
<b>Total Operating Expenditures</b>	<b>\$ 4,384,353</b>	<b>\$ 4,504,156</b>	<b>\$ --</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 48,781	\$ 48,781	\$ --
Educational Building Fund	--	--	--
Subtotal	\$ 48,781	\$ 48,781	\$ --
<b>GRAND TOTAL</b>	<b>\$ 4,433,134</b>	<b>\$ 4,552,937</b>	<b>\$ --</b>
<b>FTE Positions</b>	<b>95.3</b>	<b>95.3</b>	

### Agency Request/Governor's Recommendations

**FY 1989 – General Use Base Budget.** Kansas College of Technology base budget request for FY 1989 is \$3,798,813, as was approved by the 1988 Legislature. The College does not request any supplemental funding.

The Governor recommends a general use base operating budget of \$3,918,616, an increase of \$119,803. The Governor recommends a State General Fund supplemental of \$37,743 and a fee release of \$82,060. The recommended State General Fund supplemental would be directed toward increased health insurance costs and implementation of Phase III. The fee release relates to higher than anticipated enrollment in the fall of 1988.

### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation in the current year.

HA  
3-28-89  
Attachment 5



Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

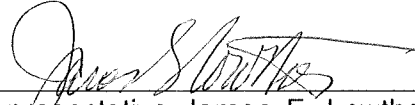
<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 3,570,343	\$ (11,036)
General Fees Fund	--	348,273	--
General Use Funds	\$ --	\$ 3,918,616	\$ (11,036)
Restricted Use Funds	--	408,599	--
Subtotal - State Operations	\$ --	\$ 4,327,215	\$ (11,036)
Other Assistance:			
Other Funds	\$ --	\$ 176,941	\$ --
Total Operating Exp.	\$ --	\$ 4,504,156	\$ (11,036)
Capital Improvements:			
State General Fund	\$ --	\$ 48,781	\$ --
GRAND TOTAL	\$ --	\$ 4,552,937	\$ (11,036)
FTE Positions	--	95.3	--

House Subcommittee Recommendations

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

1. Delete \$11,036 (State General Fund) for utilities based on the latest estimates. The Subcommittee notes that magnitude of the shortfall of the utility funding for Kansas State University and therefore deletes the estimated savings within this agency's budget.
2. Addition of technical language to permit the transfer of General Fees Fund for matching the available resources in the National Direct Student Loan Fund.

5.2



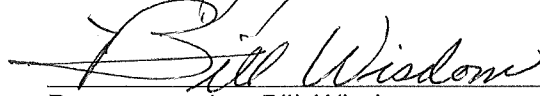
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Representative James E. Lowther  
Subcommittee Chairperson



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Representative Bob J. Mead



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Representative Bill Wisdom

## SUBCOMMITTEE REPORT

Agency: Kansas College of  
Technology

Bill No. 67

Bill Sec. 11

Analyst: Conroy

Analysis Pg. No. 727

Budget Pg. No. 382

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,768,758	\$ 3,784,112	\$ (352)
General Fees Fund	273,990	358,751	--
General Use Funds	\$ 4,042,748	\$ 4,142,863	\$ (352)
Other Funds	414,355	414,355	--
Subtotal -- State Operations	\$ 4,457,103	\$ 4,557,218	\$ (352)
Other Assistance:			
Other Funds	\$ 176,941	\$ 176,941	\$ --
Total General Use Funds	\$ 4,042,748	\$ 4,142,863	\$ (352)
Total Operating Expenditures	\$ 4,634,044	\$ 4,734,159	\$ (352)
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	150,000	--	--
Other Funds	68,000	223,000	--
Subtotal	\$ 218,000	\$ 223,000	\$ --
GRAND TOTAL	\$ 4,852,044	\$ 4,957,159	\$ (352)
FTE Positions	96.5	96.3	--

### Agency Request/Governor's Recommendations

**FY 1990.** The College requests a total of \$4,047,748 in general use funds for the FY 1990 budget, an increase of 6.4 percent over the FY 1989 agency request. The request includes program maintenance increases of \$149,935 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures, and classified staff pay plan step movement. The College also requests \$19,789 for adjustments to the FY 1989 base budget for fringe benefit increases. The agency also reflects a negative enrollment adjustment of \$69,010. For the Margin of Excellence program, the agency requests a total of \$135,000, of which \$60,000 would be for faculty salary parity and \$75,000 for mission related enhancements.

The Governor recommends an FY 1990 general use base budget of \$4,142,863, a 5.7 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the negative enrollment adjustment, as requested by the agency. The Governor concurs with the agency request for the Margin of Excellence in its entirety.

Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- Student Salaries. Delete \$352 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget.
2. Recommend a change in the account title from "Engineering technology program -- Wichita" to "Engineering technology program -- off-campus programs." This change will reflect the expansion of the program to other sites, and in particular to Fort Riley.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustment:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$135,000 (State General Fund) and 1.0 FTE position for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

Senate Committee of the Whole Recommendations

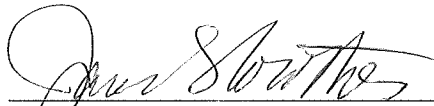
The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (135,352)	\$ 3,648,760	\$ (58,350)
General Fees Fund	--	358,751	29,594
General Use Funds	\$ (135,352)	\$ 4,007,511	\$ (28,756)
Restricted Use Funds	--	414,355	--
Subtotal -- State Operations	<u>\$ (135,352)</u>	<u>\$ 4,421,866</u>	<u>\$ (28,756)</u>
Other Assistance:			
Other Funds	\$ --	\$ 176,941	\$ --
Total Operating Exp.	\$ (135,352)	\$ 4,598,807	\$ (28,756)
Capital Improvements:			
Other Funds	--	\$ 223,000	\$ --
GRAND TOTAL	<u>\$ (135,352)</u>	<u>\$ 4,821,807</u>	<u>\$ (28,756)</u>
FTE Positions	(1.0)	95.3	--

House Subcommittee Recommendations

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

1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$21,661 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$7,095 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. Delete \$29,594 from State General Fund financing and increase the General Fees Fund limitation by \$29,594. The shift in financing reflects the latest estimates for the General Fees Fund based on actual enrollment for the fall 1988 and spring 1989.
4. Addition of technical language to permit the transfer of General Fees Fund resources to match available resources in the National Direct Student Loan and federal education opportunity act programs.
5. The Subcommittee notes that the Fall of 1988 student FTE count and student credit hour production are both above the Fall, 1987 figures. However, the Subcommittee further notes that over the last six years the college student FTE count and student credit hour production in Fall, 1988 are still below Fall, 1983. It appears that the students are taking less credit hours which could impact significantly the future mission and goals of this agency.
6. The Subcommittee notes the difficulties still being encountered by the College in offering courses in the Wichita area. The Subcommittee encourages the agency to continue to address the problems with the program.



Representative James E. Lowther  
Subcommittee Chairperson



Representative Bob J. Mead



Representative Bill Wisdom

**SUBCOMMITTEE REPORT**

Agency: Pittsburg State University

Bill No. 80

Bill Sec. 19

Analyst: Conroy

Analysis Pg. No. 684

Budget Pg. No. 466

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Amended Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 18,665,279	\$ 18,889,174	\$ --
General Fees Fund	6,002,199	6,108,717	--
General Use Funds	\$ 24,667,478	\$ 24,997,891	\$ --
Restricted Use	4,360,775	4,360,775	--
Subtotal - State Operations	<u>\$ 29,028,253</u>	<u>\$ 29,358,666</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
State General Fund	\$ 64,000	\$ 64,000	\$ --
Other Funds	1,476,919	1,476,919	--
Subtotal - Other Assistance	<u>\$ 1,540,919</u>	<u>\$ 1,540,919</u>	<u>\$ --</u>
<b>Total General Use Funds</b>	<u>\$ 24,731,478</u>	<u>\$ 25,061,891</u>	<u>\$ --</u>
<b>Total Operating Expendi- tures</b>	<u>\$ 30,569,172</u>	<u>\$ 30,899,585</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund Educational Building Fund	\$ 65,926	\$ 220,810	\$ --
Subtotal - Capital Improvements	<u>248,127</u>	<u>248,127</u>	<u>--</u>
	<u>\$ 314,053</u>	<u>\$ 468,937</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 30,883,225</u></u>	<u><u>\$ 31,368,522</u></u>	<u><u>\$ --</u></u>
<b>FTE Positions</b>		630.2	--

Agency Request/Governor's Recommendation

**FY 1989.** The University's general use base budget for FY 1989 totals \$24,786,478. The FY 1989 general use base budget is 14.0 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$25,061,891, an increase of \$275,413 over the approved amount. The Governor's recommendations include a State General Fund supplemental of \$224,117 and a fee release of \$106,518. Of the additional funds recommended by the Governor, \$196,991 relates to increased health insurance costs for employees and dependents.

HA  
3-28-89  
Attachment 6

Senate Subcommittee Recommendations

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

1. Concur with Governor's Budget Amendment No. 1 which adds \$134,152 (State General Fund) for salaries and wages. The addition is a technical adjustment to the agency's current year budget.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

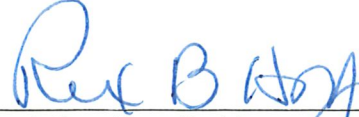
<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 18,889,174	\$ (27,512)
General Fees Fund	--	6,108,717	--
General Use Funds	\$ --	\$ 24,997,891	\$ (27,512)
Restricted Use Funds	--	4,360,775	--
Subtotal - State Operations	\$ --	\$ 29,358,666	\$ (27,512)
Other Assistance:			
State General Fund	\$ --	\$ 64,000	\$ --
Other Funds	--	1,476,917	--
Subtotal - Other Assistance	\$ --	\$ 1,540,917	\$ --
Total General Use Funds	\$ --	\$ 25,061,891	\$ (27,512)
Total Operating Expenditures	\$ --	\$ 30,899,585	\$ (27,512)
Capital Improvements:			
State General Fund	\$ ---	\$ 220,810	\$ ---
Educational Building Fund	--	248,127	--
Subtotal - Capital Improvements	\$ --	\$ 468,937	\$ --
GRAND TOTAL	\$ --	\$ 31,368,522	\$ (27,512)
FTE Positions	--	630.2	--

6-2


House Subcommittee Recommendations

The House Subcommittee concurs with the Senate recommendations, with the following adjustment:

1. Delete \$27,512 (State General Fund) for technical adjustments to the general use operating budget.



\_\_\_\_\_  
Representative Rex B. Hoy  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Henry M. Helgerson, Jr.



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Representative Anthony Hensley



**SUBCOMMITTEE REPORT**

Agency: Pittsburg State University      Bill No. 67      Bill Sec. 6  
 Analyst: Conroy      Analysis Pg. No. 684      Budget Pg. No. 466

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 21,503,014	\$ 21,645,261	\$ 153,121
General Fees Fund	5,463,119	5,765,089	--
General Use Funds	\$ 26,966,133	\$ 27,410,350	\$ 153,121
Restricted Use	4,693,655	4,693,655	--
Subtotal - State Operations	<u>\$ 31,659,788</u>	<u>\$ 32,104,005</u>	<u>\$ 153,121</u>
<b>Other Assistance:</b>			
State General Fund	\$ 66,560	\$ 66,560	\$ --
General Fees	--	--	--
Other Funds	1,535,516	1,535,516	--
Subtotal - Other Assistance	<u>\$ 1,602,076</u>	<u>\$ 1,602,076</u>	<u>\$ --</u>
Total General Use Funds	\$ 27,032,693	\$ 27,476,910	\$ --
Total Operating Expenditures	\$ 33,261,874	\$ 33,706,081	\$ 153,121
<b>Capital Improvements:</b>			
State General Fund	\$ 894,000	\$ --	\$ --
Educational Building Fund	371,000	1,265,000	--
Other Funds	--	--	--
Subtotal - Capital Improvements	<u>\$ 1,265,000</u>	<u>\$ 1,265,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 34,526,874</u></u>	<u><u>\$ 34,971,081</u></u>	<u><u>\$ 153,121</u></u>
FTE Positions	641.2	641.2	--

Agency Request/Governor's Recommendation

**FY 1990.** The University requests a total of \$27,032,693 in general use funds for the FY 1990 budget, an increase of 9.3 percent over the FY 1989 budget. The request includes program maintenance increases totaling \$1,000,052, which provides 5 percent for unclassified salary increases, 4 percent for other operating expenditures increases, 5 percent for student salaries, and classified staff pay plan step movement. The University also requests \$173,416 for adjustments to the FY 1989 base budget for fringe benefit increases, \$214,779 for an enrollment adjustment for increased enrollment in FY 1988, and \$40,968 for additional maintenance support for Shirk Hall. For the Margin of Excellence program, the agency requests a total of \$817,000, of which \$498,000 would be for faculty salary parity and \$319,000 for mission-related enhancements.

6-4

The Governor recommends an FY 1990 general use base budget of \$27,540,932, a 10.5 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor recommends \$214,779 and 7.0 FTE positions for an enrollment adjustment as requested by the agency. The Governor recommends a total of \$675,500 for the Margin of Excellence, of which \$498,000 is for faculty salary parity and \$159,500 for mission-related enhancements.

### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$159,500 (State General Fund) for full funding of the Margin of Excellence as requested by the agency.
2. Systemwide Recommendation -- Student Salaries. Delete \$6,379 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting resources to other student programs within the Board of Regents' Office budget.
3. Concur with Governor's Budget Amendment No. 1 which deletes \$64,022 (State General Fund) for salaries and wages. The reduction is a technical adjustment to the agency's FY 1990 budget.
4. The Subcommittee toured the institutional campus. The Subcommittee saw the need for additional major maintenance funds to protect the infrastructure of the institution. The Subcommittee is supportive of the moratorium on major new construction or major reconstruction financed from the Educational Building Fund (EBF). The moratorium will permit EBF resources to address the major maintenance needs of the campus.
5. The Subcommittee supports the recommended capital improvement projects totaling \$1,265,000 from the EBF. The projects include \$371,000 for modifications to the School of Technology (Whitesitt Hall) and \$894,000 for roof replacements. The projects would not violate the Committee's moratorium on major construction or major reconstruction financed from the EBF. The modifications to the School of Technology relate to accreditation of the Department of Engineering Technology.
6. The Subcommittee expresses concern over the apparent need for updated scientific equipment for successful graduate programs. The Subcommittee encourages the Board of Regents to continue to review the cost-effectiveness of offering graduate programs that have a very low number of graduations, but a high cost of providing the necessary research equipment for the students.
7. The Subcommittee is please with the efforts of President Don Wilson of Pittsburg State University. The Subcommittee believes President Wilson

has been key in improving communication between the administration and the faculty. The Subcommittee attributes the improvements made at Pittsburg State to Dr. Wilson, concerned faculty, staff, and students.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations, with the following adjustment:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$657,500 (State General Fund) for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

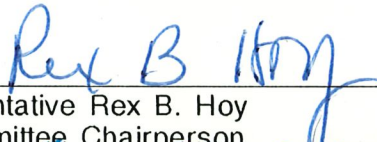
<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (663,879)	\$ 20,981,382	\$ (651,835)
General Fees Fund	---	5,765,089	357,577
General Use Funds	\$ (663,879)	\$ 26,746,471	\$ (294,258)
Restricted Use Funds	---	4,693,655	---
Subtotal - State Operations	\$ (663,879)	\$ 31,440,126	\$ (294,258)
Other Assistance:			
State General Fund	\$ --	\$ 66,560	\$ --
Other Funds	---	1,535,516	---
Subtotal - Other Assistance	\$ --	\$ 1,602,076	\$ --
Total General Use Funds	\$ (663,879)	\$ 26,813,031	\$ (294,258)
Total Operating Expenditures	\$ (663,879)	\$ 33,042,202	\$ (294,258)
Educational Building Fund	\$ --	\$ 1,265,000	\$ --
GRAND TOTAL	\$ (663,879)	\$ 34,307,202	\$ (294,258)
FTE Positions	--	641.2	--

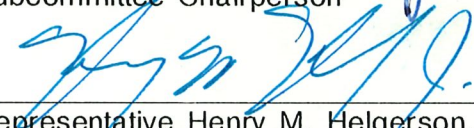
House Subcommittee Recommendations

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

6-6

1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$144,332 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$33,302 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. Delete \$116,624 (State General Fund) for technical adjustments to the general use operating budget.
4. Delete \$357,577 from State General Fund financing and increase the General fees Fund limitation by \$357,577. The shift in financing reflects the latest estimates for the General Fees Fund based on actual enrollments for the Fall, 1988 and Spring, 1989.

  
\_\_\_\_\_  
Representative Rex B. Hoy  
Subcommittee Chairperson

  
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Representative Henry M. Helgerson, Jr.

  
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Representative Anthony Hensley

## SUBCOMMITTEE REPORT

Agency: Kansas State University  
 Veterinary Medical  
 Center

Bill No. 80

Bill Sec. 17

Analyst: Conroy

Analysis Pg. No. 672

Budget Pg. No. 406

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Amended Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 6,530,008	\$ 6,599,961	\$ --
General Fees Fund	2,711,903	2,711,902	--
Hospital Revenue Fund	1,236,875	1,236,875	--
General Use Funds	\$ 10,478,786	\$ 10,548,738	\$ --
Restricted Use	562,945	562,945	--
Subtotal	<u>\$ 11,041,731</u>	<u>\$ 11,111,683</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 66,603	\$ 66,603	\$ --
<b>GRAND TOTAL</b>	<u><u>\$ 11,108,334</u></u>	<u><u>\$ 11,178,286</u></u>	<u><u>\$ --</u></u>
FTE Positions	221.8	221.8	--

### Agency Request/Governor's Recommendation

**FY 1989.** The Veterinary Medical Center's general use base budget request for FY 1989 of \$10,478,786 includes no supplementals. The funding request includes \$6,530,008 from the State General Fund, \$2,711,903 from the General Fees Fund, and \$1,236,875 from hospital revenues. The Governor recommends a total general use base budget of \$10,548,738, which includes a State General Fund supplemental of \$69,953. Of the additional recommended funds, \$61,453 relates to increased health insurance costs for employees and dependents and \$8,500 is recommended for implementation of salaries and wage increases for Phase III.

### Senate Subcommittee Recommendations

**FY 1989.** The Senate Subcommittee concurs with the Governor's recommendations in the current year with the following adjustment:

1. Concur with the Budget Director's Budget Amendment No. 1 which deletes \$204,933 (State General Fund) for salaries and wages (health insurance). The reduction is a technical adjustment to the agency's current year budget.

### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

HA  
 3-28-89  
 Attachment 7

Senate Committee of the Whole Recommendations

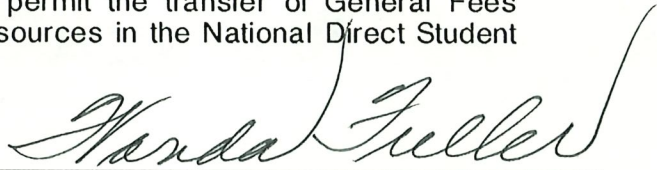
The Senate Committee of the Whole concur with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 6,599,961	\$ (46,608)
General Fees Fund	--	2,711,902	--
Hospital Revenue Fund	--	<u>1,236,875</u>	--
General Use Funds	\$ --	\$ 10,548,738	\$ (46,608)
Restricted Use	--	<u>562,945</u>	--
Subtotal	<u>\$ --</u>	<u>\$ 11,111,683</u>	<u>\$ (46,608)</u>
Capital Improvements:			
State General Fund	\$ --	\$ 66,603	\$ --
GRAND TOTAL	<u>\$ --</u>	<u>\$ 11,178,286</u>	<u>\$ (46,608)</u>
FTE Positions	--	221.8	--

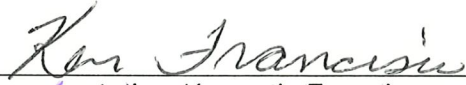
House Subcommittee Recommendations

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

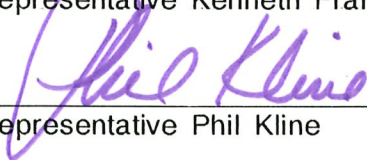
1. Delete \$46,608 (State General Fund) for utilities based on the latest estimates. The Subcommittee notes the magnitude of the shortfall of utility funding for Kansas State University and therefore deletes the estimated savings within this agency's budget.
2. Addition of technical language to permit the transfer of General Fees Fund for matching the available resources in the National Direct Student Loan Fund.



Representative Wanda Fuller  
Subcommittee Chairperson



Representative Kenneth Francisco



Representative Phil Kline

**SUBCOMMITTEE REPORT**

Agency: Kansas State University  
 Veterinary Medical  
 Center

Bill No. 67

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 672

Budget Pg. No. 406

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,328,167	\$ 7,594,276	\$ (1,044)
General Fees Fund	3,096,534	3,096,534	--
Hospital Revenue Fund	<u>1,308,000</u>	<u>1,308,000</u>	<u>--</u>
General Use Funds	\$ 11,732,701	\$ 11,998,810	\$ (1,044)
Restricted Use	565,965	513,840	--
GRAND TOTAL	<u>\$ 12,298,666</u>	<u>\$ 12,512,650</u>	<u>\$ (1,044)</u>
FTE Positions	229.8	229.8	--

Agency Request/Governor's Recommendation

**FY 1990.** The Medical Center requests a total of \$11,721,701 in general use funds, an increase of 12.0 percent over the FY 1989 agency request. The request includes program maintenance increases of \$369,837 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The Medical Center also requests \$208,088 for adjustments to the FY 1989 general use base budget for fringe benefit increases (\$68,088) and for full-year funding of five positions that were funded for six months in FY 1989 (\$140,000). The agency requests a total of \$675,990 in FY 1990 for the Margin of Excellence. Of the requested amount, \$150,000 would be for faculty/unclassified salary parity and \$525,990 for program fulfillments.

The Governor recommends a general use operating budget of \$11,998,810 or \$266,109 above the agency's request. The recommendation is an 13.7 percent increase above the Governor's FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the agency request of \$208,088 for general use base budget adjustments. The Governor also concurs with the entire agency request for the Margin of Excellence (\$675,990). The Governor increases the agency request for employee health insurance by \$79,427 and also recommends \$57,196 for employer family health insurance support.

Senate Subcommittee Recommendations

**FY 1990.** The Senate Subcommittee concurs with the Governor's recommendations in the budget year with the following adjustment:

1. Systemwide Recommendation -- Student Salaries. Delete \$1,044 (State General Fund) for student salaries to reflect a 4 percent increase rather

than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget.

2. Concur with the Governor's Budget Amendment No. 1 which deletes \$18,387 (State General Fund) for salaries and wages (health insurance). The reduction is a technical adjustment to the agency's FY 1990 budget.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee recommendations, with the following adjustment:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$675,990 (State General Fund) and 8.0 FTE positions for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (677,034)	\$ 6,917,242	\$ (70,126)
General Fees Fund	--	3,096,534	--
Hospital Revenue Fund	--	<u>1,308,000</u>	--
General Use Funds	\$ (677,034)	\$ 11,321,776	\$ (70,126)
Restricted Use	--	<u>513,840</u>	--
GRAND TOTAL	<u>\$ (677,034)</u>	<u>\$ 11,835,616</u>	<u>\$ (70,126)</u>
FTE Positions	(8.0)	221.8	--

House Subcommittee Recommendations

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

1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$47,811 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$22,315 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.

7-4



3. The Subcommittee notes the latest net General Fees Fund estimate for FY 1990 is \$15,440 below the Governor's estimate. However, since the amount is less than 0.5 percent of the total amount estimated, no adjustment is made in the budget year.
4. Addition of technical language to permit the transfer of General Fees Fund resources to match available resources in the National Direct Student Loan and federal Educational Opportunity Act programs.



Representative Wanda Fuller  
Subcommittee Chairperson



Representative Kenneth Francisco



Representative Phil Kline

**SUBCOMMITTEE REPORT**

Agency: Wichita State University      Bill No. 80      Bill Sec. 15  
 Analyst: Conroy      Analysis Pg. No. 702      Budget Pg. No. 620

<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	\$ 42,095,132	\$ 42,624,176	\$ --
General Fee Fund	13,743,584	13,863,554	--
General Use Funds	\$ 55,838,716	\$ 56,487,730	\$ --
Other Funds	<u>22,019,308</u>	<u>22,019,308</u>	<u>--</u>
Subtotal - State Operations	\$ 77,858,024	\$ 78,507,038	\$ --
Other Assistance:			
General Fees Fund	\$ 48,000	\$ 48,000	\$ --
Other Funds	<u>4,946,886</u>	<u>4,946,886</u>	<u>--</u>
Subtotal - Other Assistance	\$ 4,994,886	\$ 4,994,886	\$ --
Total General Use Funds	\$ 55,886,716	\$ 56,535,730	\$ --
Total Operating Expenditures	\$ 82,852,910	\$ 83,501,924	\$ --
Capital Improvements:			
State General Fund	\$ 231,700	\$ 231,700	\$ --
Educational Building Fund	<u>1,846,798</u>	<u>2,001,798</u>	<u>--</u>
Subtotal - Capital Improvements	\$ 2,078,498	\$ 2,233,498	\$ --
GRAND TOTAL	<u>\$ 84,931,408</u>	<u>\$ 85,735,422</u>	<u>\$ --</u>
FTE Positions	1,579.4	1,579.4	--

Agency Request/Governor's Recommendation

**FY 1989.** The University's general use base budget for FY 1989 totals \$55,886,716, which is 7.7 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$56,535,730, or \$649,014 above the approved amount. The Governor's recommendations include State General Fund salaries and wages supplementals of \$529,044 and a fee release of \$119,970 for salaries and wages support for higher than anticipated enrollment. Within the Governor's recommendation is \$150,000 and 5.0 FTE unclassified positions for the Institute for Aviation Research.

*HA  
3-28-89  
Attachment 8*

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following comment:

1. The Subcommittee is supportive of the \$150,000 and 5.0 unclassified FTE positions recommended for the Institute for Aviation Research. The Institute will be a major asset for the aircraft industry within our state.

Senate Committee Recommendations

The Senate Committee concurs with Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>FY 1989 Senate Adjustments</u>	<u>FY 1989 Senate Rec.</u>	<u>FY 89 House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 42,624,176	\$ (582,879)
General Fees Funds	--	13,863,554	457,879
General Use Funds	\$ --	\$ 56,487,730	\$ (125,000)
Restricted Use Funds	--	22,019,308	--
Subtotal -- State Operations	\$ --	\$ 78,507,038	\$ (125,000)
Other Assistance:			
Other Funds	\$ --	\$ 4,946,886	\$ --
General Fees Fund	--	48,000	--
Subtotal -- Other Assistance	\$ --	\$ 4,994,886	\$ --
Total General Use Funds	\$ --	\$ 56,535,730	\$ (125,000)
Total Operating Expenditures	\$ --	\$ 83,501,924	\$ (125,000)
Capital Improvements:			
State General Fund	\$ --	\$ 231,700	\$ --
Educational Building Fund	--	2,001,798	--
Subtotal -- Capital Imp.	\$ --	\$ 2,233,498	\$ --
GRAND TOTAL	\$ --	\$ 85,735,422	\$ (125,000)
FTE Positions:			
Classified	--	1,579.4	--

8-2


House Subcommittee Recommendations

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

1. Delete \$125,000 (State General Fund) for utilities based on the latest estimates. The Subcommittee further recommends that \$75,000 in utility savings be authorized for energy conservation improvements and in particular for and energy management system expansion. The Subcommittee also notes a small savings in utilities from the new Center for Entrepreneurship being slightly (one month) behind schedule.
2. Addition of technical language to permit the transfer of General Fees Fund resources to match available resources in the National Direct Student Loan program.
3. The Subcommittee is supportive of the \$150,000 and 5.0 FTE positions recommended for the Institute for Aviation Research. The Governor's recommendation includes six months of salaries and wages for the new positions. The Subcommittee is concerned whether or not the additional staff will be hired in this fiscal year. The Subcommittee recommends dividing the funds into two line items with \$110,000 for salaries and wages and \$40,000 for other operating expenditures. The Subcommittee notes that any unexpended funds will lapse at the end of the fiscal year.
4. Delete \$457,879 from the State General Fund and increase the expenditure limitation on the General Fees Fund by \$457,879 based on the latest enrollment data.



Representative Max W. Moomaw



Representative William R. Brady



Representative Fred Gatlin

**SUBCOMMITTEE REPORT**

Agency: Wichita State University

Bill No. 67

Bill Sec. 9

Analyst: Conroy

Analysis Pg. No. 702

Budget Pg. No. 620

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 47,039,825	\$ 47,250,930	\$ 283,944
General Fees Fund	14,003,445	14,915,099	--
General Use Funds	\$ 61,043,270	\$ 62,166,029	\$ 283,944
Other Funds	23,746,215	23,746,215	200,000
Subtotal - State Operations	<u>\$ 84,789,485</u>	<u>\$ 85,912,244</u>	<u>\$ 483,944</u>
<b>Other Assistance:</b>			
State General Fund	\$ --	\$ --	\$ --
General Fees Fund	131,920	70,920	--
Other Funds	4,946,486	4,946,486	--
Subtotal - Other Assistance	<u>\$ 5,078,406</u>	<u>\$ 5,017,406</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 61,175,190</u>	<u>\$ 62,236,949</u>	<u>\$ 283,944</u>
Total Operating Expenditures	<u>\$ 89,867,891</u>	<u>\$ 90,929,650</u>	<u>\$ 483,944</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ 2,000,000	\$ --
Educational Building Fund	1,155,000	2,000,000	--
Subtotal - Capital Improvements	<u>\$ 1,155,000</u>	<u>\$ 4,000,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 91,022,891</u></u>	<u><u>\$ 94,929,650</u></u>	<u><u>\$ 483,944</u></u>
FTE Positions	1,635.0	1,620.4	4.5

Agency Request/Governor's Recommendation

**FY 1990.** The University requests a total of \$61,175,190 in general use funds for the FY 1990 budget, an increase of 9.5 percent over the FY 1989 agency request. The request includes program increases of \$2,221,214 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, and a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$533,846 for adjustments to the FY 1989 base budget for increased fringe benefits and full-year servicing of two new buildings. For FY 1990, the agency requests \$480,423 and 17.0 FTE positions for an enrollment adjustment as a result of enrollment increases in FY 1988. The agency also requests \$326,991 and 7.0 FTE positions to service the new Institute for Aviation Research. For the Margin of Excellence program, the agency requests a total of \$1,726,000, of which \$1,284,000 would be for faculty salary parity and \$442,000 and 5.5 FTE positions for mission related enhancements.

8.4

The Governor recommends an FY 1990 general use base budget of \$62,236,949, a 10.1 percent increase above the revised FY 1989 recommendation. The Governor's recommendation includes funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries, as well as classified staff pay plan step movement. The Governor recommends \$455,388 for adjustments to the FY 1989 base budget, or \$78,458 less than the agency requested. The Governor concurs with the agency request of \$480,423 and 17.0 FTE positions for an enrollment adjustment. The Governor recommends a total of \$1,505,000 for the Margin of Excellence, of which \$1,284,000 is for faculty salary parity and \$221,000 and 1.0 FTE position for mission related enhancements. The Governor also includes full year funding of \$300,000 and 5.0 unclassified positions for the Institute of Aviation Research.

### Senate Subcommittee Recommendation

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$221,000 (State General Fund) and 4.5 FTE positions to fully fund the agency's FY 1990 Margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$11,218 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Subcommittee recommends shifting the resources to other student programs within the Board of Regents office budget.
3. Add \$74,162 (State General Fund) for full state support for the servicing costs (maintenance and utilities) of the Eck Stadium and Henry Levitt Arena. The Subcommittee concurs with Board of Regents' recent policy change that the state should fully support the maintenance costs of these selected athletic facilities.
4. The Subcommittee is supportive of the \$300,000 and 5.0 unclassified FTE positions recommended for the Institute for Aviation Research. The Institute will be a major asset for the aircraft industry within our state. However, the Subcommittee recommends shifting the \$300,000 from the salaries and wages and other operating expenditures line items to the general research line item to fully reflect and emphasize the intent of the resources.
5. Add \$200,000 from the Economic Development Initiatives Fund (EDIF) for support of the Rehabilitation Engineering Center for work with cerebral palsy research projects. The activities of the Rehabilitation Engineering Center provide the opportunity for economic development in this specialized industry.
6. The Subcommittee is supportive of the construction of a new classroom science building. The Subcommittee believes the moratorium on new construction does not apply to this structure since \$571,000 has already been approved to plan the facility and \$100,000 has been previously approved for site work for the structure.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustments:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$1,505,000 (State General Fund) and 1.0 FTE positions for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.
2. Add "telecommunication" as a new service clearing account.
3. Delete \$74,162 (State General Fund) for full state support of the servicing costs of athletic facilities.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (1,221,056)	\$ 46,029,874	\$ (112,397)
General Fees Fund	--	14,915,099	(100,000)
General Use Funds	\$ (1,221,056)	\$ 60,944,973	\$ (212,397)
Restricted Use Funds	200,000	23,946,215	--
Subtotal - State Operations	<u>\$ (1,021,056)</u>	<u>\$ 84,891,188</u>	<u>\$ (212,397)</u>
Other Assistance:			
Other Funds	\$ --	\$ 4,946,486	\$ --
General Fees Fund	--	70,920	--
Subtotal - Other Assistance	<u>\$ --</u>	<u>\$ 5,017,406</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ (1,221,056)</u>	<u>\$ 61,015,893</u>	<u>\$ (212,397)</u>
Total Operating Expenditures	<u>\$ (1,021,056)</u>	<u>\$ 89,908,594</u>	<u>\$ (212,397)</u>
Capital Improvements:			
State General Fund	\$ --	\$ 2,000,000	\$ --
Educational Building Fund	--	2,000,000	--
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ 4,000,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ (1,021,056)</u>	<u>\$ 93,908,594</u>	<u>\$ (212,397)</u>
FTE Positions	1,635.0	1,620.4	--

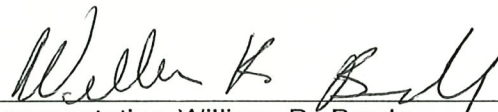
House Subcommittee Recommendations

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

1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$335,395 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$77,497 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. The Subcommittee notes the latest General Fees Fund estimate for FY 1990 is \$259,087 below the Governor's estimate. However, since the amount is 1.8 percent of the total amount estimated, no adjustment is made in the budget year.
4. Addition of technical language to permit the transfer of General Fees Fund for matching available resources in the National Direct Student Loan and federal education opportunity act programs.
5. Add \$300,495 (State General Fund) for technical adjustments to the agency's general use operating budget.
6. Delete \$100,000 (EDIF) for support of the Rehabilitation Engineering Center.



Representative Max W. Moomaw  
Subcommittee Chairperson



Representative William R. Brady



Representative Fred Gattlin



SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 80

Bill Sec. 16

Analyst: Conroy

Analysis Pg. No. 660

Budget Pg. No. 402

<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	\$ 90,974,723	\$ 92,330,705	\$ -
General Fees Fund	21,567,037	22,661,515	--
Federal Land Grant Fund	6,463,915	6,463,915	--
Endowment Interest	175,000	175,000	--
General Use Funds	\$ 119,180,675	\$ 121,631,135	\$ --
Other Funds	55,417,890	55,417,890	--
Subtotal -- State Operations	<u>\$ 174,598,565</u>	<u>\$ 177,049,025</u>	<u>\$ --</u>
Aid to Local Units:			
Restricted Use	\$ 101,642	\$ 101,642	\$ --
Other Assistance:			
Other Funds	\$ 5,699,710	\$ 5,699,710	\$ --
Total General Use Funds	<u>\$ 119,180,675</u>	<u>\$ 121,631,377</u>	<u>\$ --</u>
Total Operating Expendi- tures	<u>\$ 180,399,917</u>	<u>\$ 182,850,377</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 643,487	\$ 643,487	\$ --
Educational Building Fund	1,543,345	1,537,869	--
Other Funds	8,121,115	8,121,115	--
Subtotal -- Capital Improvements	<u>\$ 10,307,947</u>	<u>\$ 10,302,471</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 190,707,864</u>	<u>\$ 193,152,848</u>	<u>\$ --</u>
FTE Positions	4,142.3	4,142.3	--

Agency Request/Governor's Recommendation

FY 1989. Kansas State University requests a total operating budget in FY 1989 of \$180,399,917. The University's general use base budget for FY 1989 totals \$119,180,675, which is an increase of 10.1 percent above the actual general use expenditures in FY 1988. The University does request funding for several supplemental items. The University requests \$353,287 in additional salaries and wages support for Cooperative Extension staff. Kansas State also requests \$390,000 in the current year to correct heating system deficiencies in Bluemont Hall. Finally, the agency requests \$290,000 for extension of the campus electrical grid to Bramlage Coliseum.

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Attachment 9

The Governor recommends a total FY 1989 operating budget of \$182,850,377, an increase of 8.5 percent above the FY 1988 actual expenditures. The Governor recommends a general use base budget of \$121,631,135 in FY 1989, an increase of \$2,450,460 above the agency request. The Governor recommends a State General Fund supplemental appropriation of \$1,355,982 for salaries and wages in the current year, largely associated with increased employee and dependent health insurance costs and additional support for Cooperative Extension staff benefits. The Governor recommends a fee release of \$1,094,478 due to unanticipated increases in student enrollments. The Governor also recommends a transfer of \$390,000 from the Construction Defects Recovery Fund of the Department of Administration to the agency to correct defects in Bluemont Hall.

#### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following comment:

1. The agency had originally requested a State General Fund supplemental appropriation of \$290,000 to extend the electrical grid from the main campus to Bramlage Coliseum. Kansas State estimates that the linkage would allow energy cost savings of approximately \$134,000 per year, or a 3.2 year payback. S.B. 322 has been introduced which would establish an Energy Conservation Improvement fund which would provide an avenue to finance the extension of the electrical grid to Bramlage. However, should S.B. 322 not be approved the Subcommittee recommends this item be considered for inclusion in the omnibus appropriation bill.

#### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

#### Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

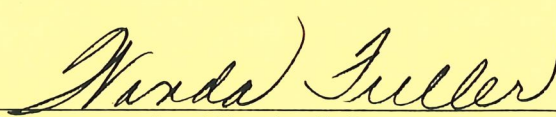
<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ --	\$ 92,330,705	\$ (159,998)
General Fees Fund	--	22,661,515	--
Federal Land Grant Fund	--	6,463,915	--
Endowment Interest	--	175,000	--
General Use Funds	\$ --	\$ 121,631,135	\$ (159,998)
Restricted Use Funds	--	55,417,890	--
Subtotal - State Operations	\$ --	\$ 177,049,025	\$ (159,998)
<b>Aid to Local Units:</b>			
Restricted Use	\$ --	\$ 101,642	\$ --
<b>Other Assistance:</b>			
Other Funds	\$ --	\$ 5,699,710	\$ --
Total General Use Funds	\$ --	\$ 121,631,377	\$ (159,998)
Total Operating Expenditures	\$ --	\$ 182,850,377	\$ (159,998)
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ 643,487	\$ --
Educational Building Fund	--	1,537,869	--
Other Funds	--	8,121,115	--
Subtotal - Capital Improvements	\$ --	\$ 10,302,471	\$ --
GRAND TOTAL	\$ --	\$ 193,154,848	\$ (159,998)
FTE Positions	--	4,142.3	--

House Subcommittee Recommendations

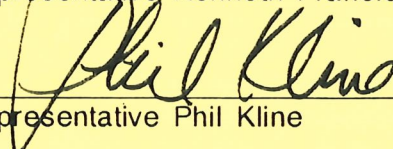
The House Subcommittee concurs with the Senate recommendations, with the following adjustments:

1. Delete \$159,998 (State General Fund) for technical adjustments to the general use operating budget.
2. Addition of technical language to permit the transfer of General Fees Fund resources to match available resources in the National Direct Student Loan Program.
3. The Subcommittee notes the agency request for an additional \$698,447 (State General Fund) for utilities in the current year. The Subcommittee is dismayed that this agency is the only Regents' institution that has a utility funding shortfall. The Legislative Post Audit Committee has authorized a 100-hour audit to determine the reasons for the shortfall. pending receipt of the audit, the Subcommittee recommends that no

action be taken on this issue and that it be reviewed further for possible inclusion in the omnibus appropriation bill.

  
\_\_\_\_\_  
Representative Wanda Fuller  
Subcommittee Chairperson

  
\_\_\_\_\_  
Representative Kenneth Francisco

  
\_\_\_\_\_  
Representative Phil Kline

SUBCOMMITTEE REPORT

Agency: Kansas State University      Bill No. 67      Bill Sec. 3  
 Analyst: Conroy      Analysis Pg. No. 660      Budget Pg. No. 402

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 100,251,898	\$ 98,542,212	\$ 924,457
General Fees Fund	22,010,984	25,832,358	--
Federal Land Grant Funds	6,621,986	6,621,986	--
Endowment Interest	175,000	175,000	--
General Use Funds	\$ 129,059,868	\$ 131,171,556	\$ 924,457
Other Funds	57,321,845	57,321,845	--
Subtotal -- State Operations	<u>\$ 186,381,713</u>	<u>\$ 188,493,401</u>	<u>\$ 924,457</u>
<b>Aid to Local Units:</b>			
Restricted Use	\$ 105,707	\$ 105,707	\$ --
Subtotal -- Aid to Local Units	<u>\$ 105,707</u>	<u>\$ 105,707</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
Other Funds	\$ 5,927,699	\$ 5,927,699	\$ --
<b>Total General Use Funds</b>	<u>\$ 129,059,868</u>	<u>\$ 131,171,556</u>	<u>\$ 924,457</u>
<b>Total Operating Expendi- tures</b>	<u>\$ 192,415,119</u>	<u>\$ 194,526,807</u>	<u>\$ 924,457</u>
<b>Capital Improvements:</b>			
Educational Building Fund	\$ 1,060,000	\$ 1,358,000	\$ --
Other Funds	4,770,000	4,858,000	--
Subtotal -- Capital Improvements	<u>\$ 5,830,000</u>	<u>\$ 6,216,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u>\$ 198,245,119</u>	<u>\$ 200,742,807</u>	<u>\$ 924,457</u>
<b>FTE Positions</b>	4,181.2	4,158.1	23.5

Agency Request/Governor's Recommendation

The University requests a total of \$129,059,868 in general use funds for the FY 1990 budget, an increase of 8.3 percent over the FY 1989 agency request. The request includes program maintenance increases of \$4,776,033 for a 5 percent unclassified faculty and staff salary increase, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and classified staff pay plan step movement. The University also requests \$1,008,051 for adjustments to the base budget, \$96,981 for an enrollment adjustment and \$131,128 for servicing new buildings. For the Margin of Excellence program, the agency requests a total of \$3,867,000, of which \$2,000,000 would be for faculty salary parity and \$1,867,000 and 30.1 FTE positions for mission-related

enhancements. Subsequent to the submission of the agency's budget document, the University amended the FY 1990 capital improvement request. The revised request totals \$12,278,000 for several capital improvement projects.

The Governor recommends an FY 1990 general use budget of \$131,171,556, a 7.8 percent increase above the FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the agency request for an enrollment adjustment, adjustments to the FY 1989 base budget, and the servicing of new buildings. The Governor recommends a total of \$2,938,500 and 7.0 FTE positions for the Margin of Excellence, of which \$2,000,000 is for faculty salary parity and \$938,500 for mission-related enhancements. The Governor recommends a total of \$6,216,000 for capital improvements in FY 1990.

### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$938,500 (State General Fund) and 23.5 FTE positions to fully fund the agency's FY 1990 margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$14,043 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget.
3. The Subcommittee does not recommend the addition of \$110,024 for the servicing of Brandeberry Practice Facility and Bramlage Coliseum. However, the Subcommittee would recommend if funds are added at Wichita State University or the University of Kansas for this same purpose, that the additional funds be considered for Kansas State University.
4. Amended the State General Fund line item appropriations for the experiment stations at Colby, Fort Hays, Southeast Kansas, Southwest Kansas, and the Agriculture Experiment Station into a single line item. This change will permit the agency to more effectively manage the State General Fund resources.
5. Addition of a proviso that would permit expenditures from the Student Health Fee Fund to purchase medical malpractice liability coverage for individuals employed on the medical staff at the Student Health Center.
6. The Subcommittee received testimony from the Kansas Rural Center that Kansas State University should be encouraged to conduct research in the area of low input agriculture. KSU officials did respond that \$227,000 has been earmarked for research in the area of low input agriculture.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustment:

- 1 Systemwide Recommendation -- Margin of Excellence. Delete \$2,938,500 (State General Fund) and 30.1 FTE positions for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

Senate Committee of the Whole Recommendations

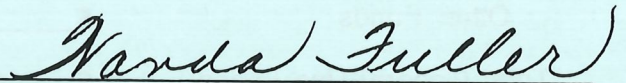
The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ (2,952,543)	\$ 95,589,669	\$ (1,095,976)
General Fees Fund	--	25,832,358	--
Federal Land Grant Funds	--	6,621,986	--
Endowment Interest	--	175,000	--
General Use Funds	\$ (2,952,543)	\$ 128,219,013	\$ (1,095,976)
Restricted Use Funds	--	57,321,845	--
Subtotal -- State Operations	<u>\$ (2,952,543)</u>	<u>\$ 185,540,858</u>	<u>\$ (1,095,976)</u>
<b>Aid to Local Units:</b>			
Restricted Use	\$ --	\$ 105,707	\$ --
<b>Other Assistance:</b>			
Other Funds	\$ --	\$ 5,927,699	\$ --
Total General Use Funds	<u>\$ (2,952,543)</u>	<u>\$ 128,219,013</u>	<u>\$ (1,095,976)</u>
Total Operating Expenditures	<u>\$ (2,952,543)</u>	<u>\$ 191,574,264</u>	<u>\$ (1,095,976)</u>
<b>Capital Improvements:</b>			
Educational Building Fund	\$ --	\$ 1,358,000	\$ --
Other Funds	--	4,858,000	--
Subtotal -- Capital Improvements	<u>\$ --</u>	<u>\$ 6,216,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ (2,952,543)</u>	<u>\$ 197,790,264</u>	<u>\$ (1,095,976)</u>
FTE Positions	(30.1)	4,151.5	--

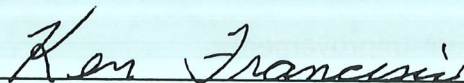
House Subcommittee Recommendations

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

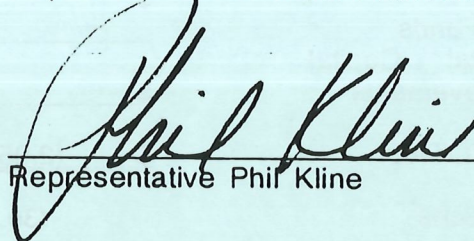
1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$730,946 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$176,091 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. Addition of technical language to permit the transfer of General Fees Fund resources to match available funds in the National Direct Student Loan and federal education opportunity act programs.
4. Delete \$188,939 (State General Fund) for technical adjustments to the general use operating budget.
5. Addition of language to allow the agency to issue bonds through the Kansas Development Finance Authority for improvements to Van Zile, Boyd, and Putman dormitories and parking improvements.
6. The Subcommittee notes with great alarm that due to an error at K.S.U. the amount of general fees income is overstated a net amount in FY 1990 of \$1,941,026. The Board of Regents has requested an appropriation of \$1,941,026 from the State General Fund to correct the error in FY 1990. At this time, given the magnitude of the error the Subcommittee defers any action on the shortfall pending further Committee action.



Representative Wanda Fuller  
Subcommittee Chairperson



Representative Kenneth Francisco



Representative Phil Kline



**SUBCOMMITTEE REPORT**

Agency: Board of Regents

Bill No. 80

Bill Sec. 21

Analyst: Conroy

Analysis Pg. No. 733

Budget Pg. No. 492

<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	\$ 1,986,994	\$ 1,961,543	\$ (1,336)
Other Funds	3,540	3,540	-
Subtotal	<u>\$ 1,990,534</u>	<u>\$ 1,965,083</u>	<u>\$ (1,336)</u>
Other Assistance:			
State General Fund	\$ 5,122,165	\$ 5,122,165	\$ --
Other Funds	1,095,773	1,095,773	--
Subtotal	<u>\$ 6,217,938</u>	<u>\$ 6,217,938</u>	<u>\$ --</u>
 GRAND TOTAL	 <u>\$ 8,208,472</u>	 <u>\$ 8,183,021</u>	 <u>\$ (1,336)</u>
 FTE Positions	 17.0	 17.0	 --

Agency Request/Governor's Recommendation

FY 1989. The Board of Regent's FY 1989 operating request totals \$8,208,472, an increase of 5.2 percent above the actual FY 1988 expenditures. The agency request is financed with \$7,109,159 from the State General Fund and \$1,099,313 from other funds. The Governor recommends an operating budget of \$8,183,021 or \$25,451 less than the agency requested. However, the Governor does recommend a State General Fund supplemental appropriation of \$4,978 for salaries and wages fringe benefit rate adjustments in the current year.

Senate Subcommittee Recommendations

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

1. Delete \$1,336 (State General Fund) of the recommended supplement appropriation of \$4,978 for salaries and wages fringe benefit rate adjustments in the current year. The adjustment is technical in nature.
2. Addition of a proviso to permit refund payments from the Osteopathic Scholarship Repayment fund to not be included in the expenditure limitation of the fund.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

HA  
3-28-89  
Attachment 10

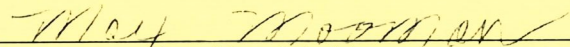
Senate Committee of the Whole Recommendations


The Senate Committee of the Whole concurs with the Committee's recommendations.

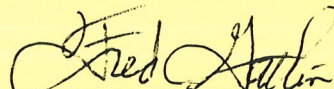
<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ (1,336)	\$ 1,960,207	\$ --
Other Funds	--	3,540	--
Subtotal	<u>\$ (1,336)</u>	<u>\$ 1,963,747</u>	<u>\$ --</u>
Other Assistance:			
State General Fund	\$ --	\$ 5,122,165	\$ --
Other Funds	--	1,095,773	--
Subtotal	<u>\$ --</u>	<u>\$ 6,217,938</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u>\$ (1,336)</u>	<u>\$ 8,181,685</u>	<u>\$ --</u>
FTE Positions	--	17.0	--

House Subcommittee Recommendations

The House Subcommittee concurs with the Senate recommendations.

  
\_\_\_\_\_  
Representative Max W. Moomaw  
Subcommittee Chairperson

  
\_\_\_\_\_  
Representative William R. Brady

  
\_\_\_\_\_  
Representative Fred Gatlin

## SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 67

Bill Sec. 10

Analyst: Conroy

Analysis Pg. No. 733

Budget Pg. No. 492

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
<b>State Operations:</b>			
State General Fund	\$ 2,054,190	\$ 2,009,934	\$ 107,331
Other Funds	3,000	3,000	540
Subtotal	\$ 2,057,190	\$ 2,012,934	\$ 107,871
<b>Aid to Local Units:</b>			
State General Fund	\$ --	\$ 7,241,756	\$ (7,241,756)
Other Funds	--	--	--
Subtotal -- Aid to Local Units	\$ --	\$ 7,241,756	\$ (7,241,756)
<b>Other Assistance:</b>			
State General Fund	\$ 6,099,227	\$ 6,127,165	\$ (216,250)
Other Funds	955,773	1,005,773	50,000
Subtotal	\$ 7,055,000	\$ 7,132,938	\$ (166,250)
<b>TOTAL -- Operating Expenditures</b>	<b>\$ 9,112,190</b>	<b>\$ 16,387,628</b>	<b>\$ (7,300,135)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 4,000,000	\$ --	\$ --
Educational Building Fund	--	4,000,000	--
Subtotal -- Capital Improvements	\$ 4,000,000	\$ 4,000,000	\$ --
<b>GRAND TOTAL</b>	<b>\$ 13,112,190</b>	<b>\$ 20,387,628</b>	<b>\$ (7,300,135)</b>
FTE Positions	17.0	17.0	

### Agency Request/Governor's Recommendation

**FY 1990.** The Board of Regents requests a total budget of \$13,112,190 for FY 1990 of which \$9,112,190 is for operating expenditures and \$4,000,000 is for major maintenance projects on the campuses. Major increases are requested for the Tuition Grant program, the State Scholarship program, and vocational scholarships. The Board also requests financing of a new Kansas Minority Scholars program.

The Governor recommends an operating budget of \$16,387,628, of which \$2,012,934 is for state operations, \$7,132,938 for other assistance programs, and \$7,241,756 for an operating grant for Washburn University. The Governor recommends \$435,000 for creation of a Nursing Scholarship program and \$50,000 for creation of a Minority Scholars program. In addition, the Governor recommends \$4,000,000 from the Educational Building Fund for major maintenance at the Regents' institutions.

Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- YES Program. Add \$50,000 (State General Fund) to continue the Youth Education Service (YES) Program in FY 1990. The additions for the YES Program and the work study program in item no. 2, reflect in part the shifting of resources from the allowance of a 4 percent student salary increase instead of a 5 percent increase as recommended by the Governor. The Committee 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 Committee 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.
2. Systemwide Recommendation -- Work Study. Add \$44,871 (State General Fund) to the Kansas Career Work Study Program in FY 1990. The following table reflects the requested amount for FY 1990, the FY 1990 Governor's recommendation and the Committee'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
TOTAL	<u>\$ 489,483</u>	<u>\$ 466,175</u>	<u>\$ 511,046</u>

3. Addition of a proviso to permit refund payments from the Osteopathic Scholarship Repayment Fund to not be included in the expenditure limitation of the fund.
4. Authorize expenditure of \$540 from the Conversion of Equipment and Material Fund for capital outlay and reduce the recommended State General Fund amount for capital outlay by \$540.
5. Add \$300,000 (State General Fund) for the Tuition Grant Program. This will bring the total amount recommended for the program to \$5,300,000. This would reach the goal to "halve the gap" of the maximum grant award to equal one-half the difference between the average public university and the average independent college tuition.
6. Shift \$50,000 financing of the Osteopathic Medical Education Scholarships from the State General Fund (reduction of \$50,000) to Osteopathic Scholarship Repayment Fund (increase of \$50,000).
7. Add \$18,750 (State General Fund) for vocational education scholarships. The recommendation would provide a total of \$56,250 for the program based on a maximum award of \$375 going to 100 first-year students and 50 second-year students.
8. Add \$13,000 (State General Fund) for publishing a second college-bound digest for prospective college-bound students. The recommendation would provide a total of \$25,000 which permits the college-bound digest to be distributed to eighth grade students and also to juniors and seniors throughout the state.
9. Delete \$50,000 for the new Kansas Minority Scholars Program. The Subcommittee is supportive of the program and the recommended level funding for the new program. However, pending passage of S.B. 12 which will establish the program, the Subcommittee recommends deletion of the funds.
10. Delete \$435,000 for the new Nursing Scholarship program. H.B. 2279, which would establish the program, is still in the House Appropriations Committee. Pending further legislative action on the bill the Subcommittee recommends deletion of the funds.
11. Delete \$7,241,756 for the recommended operating grant for Washburn University. The Subcommittee recommends the funds be appropriated to the Department of Education pending passage of S.B. 210 which changes the governance of Washburn from the Board of Education to the Board of Regents.
12. Recommend introduction of legislation that would permit members of the Board of Regents to receive the same compensation as members of the Legislature.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustments:

1. Delete \$5,574,665 (State General Fund) for scholarships and tuition grants. The Committee recommends the funding for scholarships and tuition grants be placed in S.B. 281.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations with the following adjustment:

1. Add \$150,000 (State General Fund) for the new Kansas Minority Scholars Program.

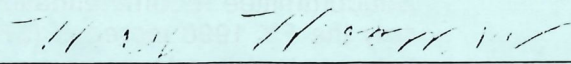
<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 107,331	\$ 2,117,265	\$ (13,000)
Other Funds	540	3,540	--
Subtotal	<u>\$ 107,871</u>	<u>\$ 2,120,805</u>	<u>\$ (13,000)</u>
Aid to Local Units:			
State General Fund	\$ (7,241,756)	\$ --	\$ --
Other Assistance:			
State General Fund	\$ (5,340,915)	\$ 786,250	\$ 5,178,415
Other Funds	50,000	1,055,773	100,000
Subtotal	<u>\$ (5,290,915)</u>	<u>\$ 1,842,023</u>	<u>\$ 5,278,415</u>
Capital Improvements:			
Educational Bldg. Fund.	\$ --	\$ 4,000,000	\$ --
<b>GRAND TOTAL</b>	<u><b>\$ (12,424,800)</b></u>	<u><b>\$ 7,962,828</b></u>	<u><b>\$ 5,265,415</b></u>
 FTE Positions	 --	 17.0	 --

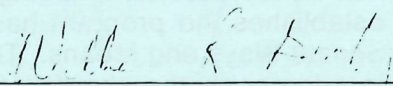
House Subcommittee Recommendations

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

1. Systemwide Recommendation -- YES Program. Delete \$50,000 (State General Fund) for the Youth Education Service (YES) Program in FY 1990.

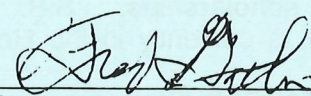
2. Add \$4,874,665 (State General Fund) for scholarships and tuition grants to reflect the base amounts for the student programs in S.B. 67. The Subcommittee recommendation, when S.B. 281 is considered would leave only the FY 1990 increase (\$700,000) for the tuition grant program. The tuition grant funds remaining in S.B. 281 when combined with the recommended funds in S.B. 67 would fund the "half the gap" program.
3. Add \$435,000 for nursing student scholarships, H.B. 2279 which establishes the program has now passed the House and is currently in Senate Ways and Means. The nursing student scholarships should assist in addressing the shortfall of nursing personnel across the state.
4. Delete \$13,000 (State General Fund) for publishing a second college-bound digest for prospective college-bound students. The Subcommittee believes that one college-bound digest serves the needs of students when it is supplemented by materials directly from colleges and universities.
5. Delete \$100,000 State General Fund support for the state scholarship program and increase by \$100,000 the support from the State Scholarship Discontinued Attendance Fund. The shift in funding utilizes the available balances in the State Scholarship Discontinued Attendance Fund.
6. Add \$37,500 (State General Fund) for the new Kansas Minority Scholarship program. The recommended addition would provide 25 additional student scholarships. S.B. 12 which creates the new scholarship program is currently in the House Education Committee.
7. Delete \$18,750 (State General Fund) for vocational scholarships. The Subcommittee's recommendation will maintain the current year level in FY 1990.
8. The Subcommittee notes the recent negotiations between the Board of Regents and the state of Missouri concerning reciprocity for dental and architecture students. The current proposal for fiscal years 1990-1992 would have a total of 100 Kansas students attend the Dental school at the University of Missouri -- Kansas City (UMKC); a total of 566 Missouri students attend Kansas Architectural programs; Missouri pays Kansas the difference between resident and nonresident tuition for students above 566; and a new agreement be developed for years subsequent to FY 1992. The Subcommittee would encourage the Board to work toward a more even exchange which would further reduce the annual \$13 million loss to Kansas for the agreement period.

  
\_\_\_\_\_  
Representative Max W. Moomaw  
Subcommittee Chairperson

  
\_\_\_\_\_  
Representative William R. Brady

**MINORITY REPORT**

I recommend that the Appropriations Committee express strong disagreement with the three-year proposal tentatively agreed to with regard to exchanges of Missouri architectural students and Kansas dental students. The proposed agreement demonstrates insufficient progress toward correcting the present financial burden borne by Kansas, especially in its second and third years and the state should not commit itself to such an agreement.

  
\_\_\_\_\_  
Representative Fred Gatlin



March 16, 1989

KANSAS AND MISSOURI RECIPROCITY FOR DENTAL AND ARCHITECTURAL STUDENTS

Background:

Activity concerning renegotiation of the Missouri reciprocal agreement began during 1987, the result of Legislative comments concerning the costs of the program to Kansas. Subsequently, a one year temporary agreement was negotiated for FY 1989, in which: (1) all previously admitted Kansas Dental and Missouri Architectural students were considered grandfathered; (2) 25 new Kansas Dental students were exchanged for 50 new Missouri Architectural students; and (3) Missouri agreed to pay Kansas \$2,400 for each student in addition to the 50 exchanged.

Negotiations between the staffs of the Kansas Board of Regents and the Missouri Coordinating Board occurred during the fall of 1988. Kansas was negotiating from the perspective of an agreement resulting in equity for both states at the end of a five year period. Kansas' initial offer (Attachment I) consisted of: (1) exchanging 25 Kansas Dental students for 75 Missouri Architectural students during each class subsequent to fall of 1988; (2) grandfathering 50 of the new Architectural students admitted during the fall of 1988; and (3) grandfathering all students admitted prior to the fall of 1988.

The Missouri offer (Attachment II) was similar to the Kansas offer, except that Missouri proposed grandfathering 75 of the new Architectural students admitted during the fall of 1988. In the spirit of compromise, Kansas counter-offered (Attachment III) the grandfathering of 60 fall 1988 freshmen Architectural students. All three proposals would have resulted in equity at the end of five years. However, the Missouri offer involved costs to Kansas \$671,600 above the Kansas offer and \$402,960 above the Kansas counter-offer during the phase in period (FY 1990-FY 1994).

Subsequently, representatives of the Kansas Legislature, the Missouri Legislature, the Kansas Board of Regents and the Missouri Coordinating Board for Higher Education have tentatively agreed upon a three year proposal, involving fiscal years 1990-1992. This proposal (Attachment IV) would have the following features: (1) a total of 100 Kansas students attend the Dental school at U.M.K.C.; (2) a total of 566 Missouri students attend Kansas Architectural programs; (3) Missouri pays Kansas the difference between resident and non-resident tuition for students above 566; and (4) a new agreement be developed for years subsequent to FY 1992.

HA  
3-28-89  
Attachment II

Staff Perspective:

Negotiations for a revised reciprocal agreement resulted from Legislative concerns regarding costs. Legislative involvement has surrounded the most recent negotiations. In the absence of profound Legislative concern regarding program costs to Kansas resulting from an imbalance of Architectural students from Missouri, such an agreement is beneficial to our institutions as it has an overall favorable impact upon the enrollments of Kansas Architectural programs.

Staff Recommendation:

The staff is recommending approval of the three year proposal discussed above.

## Impact of 25 Dentists and 75 Architects Per Class, Plus Grandfather 50 Additional FY 1989 Freshmen

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
*****	*****	*****	*****	*****	*****
Assumptions					
Grandfathered Dentists	63	42	25		
Grandfathered Architects	466	349	227	50	
Kansas Tuition Waived	2,800				
Missouri Tuition Waived	3,284				
Mo Cost Per Dental Stu.	21,786				
Ks Cost Per Arch. Stu	3,916				
Dental Students Per Class	25				
Arch Stu Per Class	75				
	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
*****	*****	*****	*****	*****	*****
Tuition Waived					
Ks Dental Stu. at UMKC	82,100	164,200	246,300	328,400	328,400
Architects at KU/KSU	210,000	420,000	630,000	840,000	1,050,000
Grandfathered Archs	1,304,800	977,200	635,600	140,000	0
Grandfathered Dentists	206,892	137,928	82,100	0	0
Net Gain (Loss)to Kansas	(1,225,808)	(1,095,072)	(937,200)	(651,600)	(721,600)
*****					
Expenditure Impact					
Ks Dental Stu. at UMKC	544,650	1,089,300	1,633,950	2,178,600	2,178,600
Architects at KU/KSU	293,700	587,400	881,100	1,174,800	1,468,500
Grandfathered Archs	1,824,856	1,366,684	888,932	195,800	0
Grandfathered Dentists	1,372,518	915,012	544,650	0	0
Net Gain (Loss)to Kansas	(201,388)	50,228	408,568	808,000	710,100
*****					
Combined Revenue and Expenditure Gain (Loss) to Kansas	(1,427,196)	(1,044,844)	(528,632)	156,400	(11,500)

Net Five Year Cost to Kansas

\$ (2,855,772)

Impact of 25 Dentists and 75 Architects Per Class, Plus Grandfather 75 Additional FY 1989 Freshmen

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
Assumptions					
Grandfathered Dentists	63	42	25		
Grandfathered Architects	491	374	252	75	
Kansas Tuition Waived	2,800				
Missouri Tuition Waived	3,284				
Mo Cost Per Dental Stu.	21,786				
Ks Cost Per Arch. Stu	3,916				
Dental Students Per Class	25				
Arch Stu Per Class	75				

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
Tuition Waived					
Ks Dental Stu. at UMKC	82,100	164,200	246,300	328,400	328,400
Architects at KU/KSU	210,000	420,000	630,000	840,000	1,050,000
Grandfathered Archs	1,374,800	1,047,200	705,600	210,000	0
Grandfathered Dentists	206,892	137,928	82,100	0	0
Net Gain (Loss) to Kansas	(1,295,808)	(1,165,072)	(1,007,200)	(721,600)	(721,600)

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
Expenditure Impact					
Ks Dental Stu. at UMKC	544,650	1,089,300	1,633,950	2,178,600	2,178,600
Architects at KU/KSU	293,700	587,400	881,100	1,174,800	1,468,500
Grandfathered Archs	1,922,756	1,464,584	986,832	293,700	0
Grandfathered Dentists	1,372,518	915,012	544,650	0	0
Net Gain (Loss) to Kansas	(299,288)	(47,672)	310,668	710,100	710,100

Combined Revenue and Expenditure Gain (Loss) to Kansas	(1,595,096)	(1,212,744)	(696,532)	(11,500)	(11,500)
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Net Five Year Cost to Kansas

\$(3,527,372)

Impact of 25 Dentists and 75 Architects Per Class, Plus Grandfather 60 Additional FY 1989 Freshmen

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
*****	*****	*****	*****	*****	*****
Assumptions					
Grandfathered Dentists	63	42	25		
Grandfathered Architects	476	359	237	60	
Kansas Tuition Waived	2,800				
Missouri Tuition Waived	3,284				
Mo Cost Per Dental Stu.	21,786				
Ks Cost Per Arch. Stu	3,916				
Dental Students Per Class	25				
Arch Stu Per Class	75				
*****	*****	*****	*****	*****	*****
Tuition Waived					
Ks Dental Stu. at UMKC	82,100	164,200	246,300	328,400	328,400
Architects at KU/KSU	210,000	420,000	630,000	840,000	1,050,000
Grandfathered Archs	1,332,800	1,005,200	663,600	168,000	0
Grandfathered Dentists	206,892	137,928	82,100	0	0
Net Gain (Loss)to Kansas	(1,253,808)	(1,123,072)	(965,200)	(679,600)	(721,600)
*****	*****	*****	*****	*****	*****
Expenditure Impact					
Ks Dental Stu. at UMKC	544,650	1,089,300	1,633,950	2,178,600	2,178,600
Architects at KU/KSU	293,700	587,400	881,100	1,174,800	1,468,500
Grandfathered Archs	1,864,016	1,405,844	928,092	234,960	0
Grandfathered Dentists	1,372,518	915,012	544,650	0	0
Net Gain (Loss)to Kansas	(240,548)	11,068	369,408	768,840	710,100
*****	*****	*****	*****	*****	*****
Combined Revenue and Expenditure Gain (Loss) to Kansas	(1,494,356)	(1,112,004)	(595,792)	89,240	(11,500)
Net Five Year Cost to Kansas					\$(3,124,412)

1-5

Impact of Architectural Students totaling 566 and Dentistry Students Totaling 100

Assumptions					
Total Dental Students	100	100	100	100	100
Total Archit. Students	566	566	566	566	566
Kansas Tuition annually	2,800				
Missouri Tuition annually	3,284				
Mo Cost Per Dental Stu.	21,786				
Ks Cost Per Arch. Stu	3,916				
	0				
	0				

	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994
*****	*****	*****	*****	*****	*****
Tuition Waived					
Ks Dental Stu. at UMKC	0	0	0	0	0
Architects at KU/KSU	0	0	0	0	0
Grandfathered Archs	1,584,800	1,584,800	1,584,800	1,584,800	1,584,800
Grandfathered Dentists	328,400	328,400	328,400	328,400	328,400
Net Gain (Loss)to Kansas	(1,256,400)	(1,256,400)	(1,256,400)	(1,256,400)	(1,256,400)

\*\*\*\*\*

Expenditure Impact					
Ks Dental Stu. at UMKC	0	0	0	0	0
Architects at KU/KSU	0	0	0	0	0
Grandfathered Archs	2,216,456	2,216,456	2,216,456	2,216,456	2,216,456
Grandfathered Dentists	2,178,600	2,178,600	2,178,600	2,178,600	2,178,600
Net Gain (Loss)to Kansas	(37,856)	(37,856)	(37,856)	(37,856)	(37,856)

\*\*\*\*\*

Combined Revenue and Expenditure Gain (Loss) to Kansas	(1,294,256)	(1,294,256)	(1,294,256)	(1,294,256)	(1,294,256)
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STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol  
Topeka 66612-1590  
(913) 296-3232

Mike Hayden Governor

April 11, 1989

Mr. Richard W. Dodderidge, Chairman  
Kansas Board of Regents  
5333 Mission Woods Road  
Mission Woods, Kansas 66205

Dear Dick:

As you know, I have been a strong supporter of reciprocal academic agreements between Kansas and Missouri. The present arrangement whereby Kansas residents may study dentistry at the University of Missouri-Kansas City in exchange for Missouri residents studying architecture at the University of Kansas and Kansas State University has been of benefit to both states. The Board of Regents' agreement with Missouri for the current year reverses a financial imbalance which favored Missouri. The Board is to be commended for recognizing the growing inequity in negotiating the agreement for 1988-89. However, my staff and I have reviewed the terms of the proposed agreement for the next three-year period and it appears to me that we are once again heading toward a gross imbalance which disadvantages Kansas.

I do not wish to interrupt the flow of students for the next academic year but would recommend that you and the Board of Regents reconsider the length of the next agreement. Three years is simply too long by which we prolong the inequity which results in a continuing Kansas subsidy of more than \$1 million per year for this program. I would like you to take immediate steps to shorten the suggested three-year term for the next agreement and work toward restoring an equitable balance for both states at the earliest possible time. If this

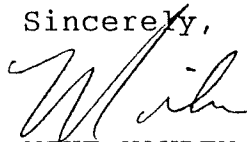
HA  
3-28-89  
Attachment 12

Mr. Richard W. Dodderidge  
April 11, 1989  
Page Two

is unacceptable to your counterparts in Missouri, then I urge you to seek other alternatives for the placement of Kansas residents wishing to study dentistry.

If I can assist you with your deliberations, please let me know. I shall look forward to hearing from you.

Sincerely,



MIKE HAYDEN  
Governor

Attachment - Subcommittee Report on SB 67,  
House Subcommittee Recommendation #8

cc: Senator Bud Burke  
Senator Fred Kerr  
Senator Wint Winter  
Senator Gus Bogina  
Representative Jim Braden  
Representative Robert H. Miller  
Representative Bill Buntin  
Stan Koplik

12-2



4. Delete \$13,000 (State General Fund) for publishing a second college-bound digest for prospective college-bound students. The Subcommittee believes that one college-bound digest serves the needs of students when it is supplemented by materials directly from colleges and universities.
5. Delete \$100,000 State General Fund support for the state scholarship program and increase by \$100,000 the support from the State Scholarship Discontinued Attendance Fund. The shift in funding utilizes the available balances in the State Scholarship Discontinued Attendance Fund.
6. Add \$37,500 (State General Fund) for the new Kansas Minority Scholarship program. The recommended addition would provide 25 additional student scholarships. S.B. 12 which creates the new scholarship program is currently in the House Education Committee.
7. Delete \$18,750 (State General Fund) for vocational scholarships. The Subcommittee's recommendation will maintain the current year level in FY 1990.
8. The Subcommittee notes the recent negotiations between the Board of Regents and the state of Missouri concerning reciprocity for dental and architecture students. The current proposal for fiscal years 1990-1992 would have a total of 100 Kansas students attend the Dental school at the University of Missouri -- Kansas City (UMKC); a total of 566 Missouri students attend Kansas Architectural programs; Missouri pays Kansas the difference between resident and nonresident tuition for students above 566; and a new agreement be developed for years subsequent to FY 1992. The Subcommittee would encourage the Board to work toward a more even exchange which would further reduce the annual \$1.3 million loss to Kansas for the agreement period.

#### House Committee Recommendations

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

1. Delete \$435,000 (State General Fund) for nursing student scholarships pending passage of H.B. 2279. The Committee notes that the Subcommittee is supportive of restoring the funds, if H.B. 2279 should pass both chambers.
2. Delete \$187,500 (State General Fund) for minority scholarships pending passage of S.B. 12.
3. Add \$50,000 (State General Fund) for operating support for the Kansas Association for Post Secondary Educational Television. The action reflects a shift in the program from the Public Broadcasting Commission to this agency.

Max W. Moomaw  
Representative Max W. Moomaw  
Subcommittee Chairperson

William R. Brady  
Representative William R. Brady

MINORITY REPORT

~~I recommend that the Appropriations Committee express strong disagreement with the three-year proposal tentatively agreed to with regard to exchanges of Missouri architectural students and Kansas dental students. The proposed agreement demonstrates insufficient progress toward correcting the present financial burden borne by Kansas, especially in its second and third years and the state should not commit itself to such an agreement.~~

Fred Gattlin  
Representative Fred Gattlin

**SUBCOMMITTEE REPORT**

Agency: Emporia State University

Bill No. 80

Bill Sec. 18

Analyst: Conroy

Analysis Pg. No. 678

Budget Pg. No. 216

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Amended Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 17,956,837	\$ 18,320,061	\$ --
General Fees Fund	4,827,170	4,961,297	--
Endowment Interest	<u>35,000</u>	<u>35,000</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 22,819,007	\$ 23,316,358	\$ --
Restricted Use Funds	<u>5,011,502</u>	<u>5,011,502</u>	<u>--</u>
Subtotal -- State Operations	\$ <u>27,830,509</u>	\$ <u>28,327,860</u>	\$ --
<b>Other Assistance:</b>			
Other Funds	\$ <u>1,984,414</u>	\$ <u>1,984,414</u>	\$ --
Total General Use Funds	\$ <u>22,819,007</u>	\$ <u>23,316,358</u>	\$ --
Total Operating Expenditures	\$ <u>29,814,923</u>	\$ <u>30,312,274</u>	\$ --
<b>Capital Improvements:</b>			
State General Fund Educational Building Fund	\$ 206,411	\$ 206,411	\$ --
Other Funds	253,369	253,369	--
Subtotal	<u>41,500</u>	<u>41,500</u>	<u>--</u>
GRAND TOTAL	\$ <u>30,316,203</u>	\$ <u>30,813,554</u>	\$ --
FTE Positions	625.7	623.7	--

Agency Request/Governor's Recommendations

**FY 1989. General Use Base Budget.** The University's general use base budget for FY 1989 totals \$22,819,007 which is 8.9 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$23,316,358, an increase of \$497,351 over the approved amount. The Governor's recommendations include a State General Fund supplemental of \$363,224 and a fee release of \$134,127. Of the additional funds, \$295,936 relates to increased health insurance costs for employees and dependents.

*HA  
3-18-89  
Attachment 13*

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Concur with the addition of \$104,231 (State General Fund) contained within Governor's Budget Amendment No. 1 for salaries and wages. The addition is a technical adjustment to the agency's FY 1989 budget.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendations

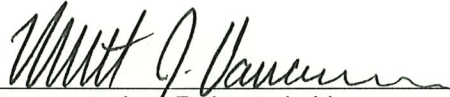
The Senate Committee of the Whole concurs with the Committee recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 18,320,061	\$ (178,212)
General Fees Fund	--	4,961,297	--
Endowment Interest	--	35,000	--
General Use Funds	\$ --	\$ 23,316,358	\$ (178,212)
Restricted Use Funds	--	5,011,502	--
Subtotal -- State Operations	\$ --	\$ 28,327,860	\$ (178,212)
Other Assistance:			
Other Funds	\$ --	\$ 1,984,414	\$ (178,212)
Total - Operating Exp.	\$ --	\$ 30,312,274	\$ --
Capital Improvements:			
State General Fund	\$ --	\$ 206,411	\$ --
Educational Building Fund	--	253,369	--
Other Funds	--	41,500	--
Subtotal -- Capital Improvements	\$ --	\$ 501,280	\$ --
GRAND TOTAL	\$ --	\$ 30,813,554	\$ (178,212)
FTE Positions:	--	623.7	--

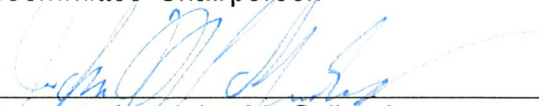
House Subcommittee Recommendations

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

1. Delete \$130,532 (State General Fund) for technical adjustments to the agency's operating budget.
2. Delete \$47,680 (State General Fund) for utilities based on the latest expenditures to date. The Subcommittee notes the magnitude of the shortfall of utility funding for Kansas State University and, therefore, deletes the funds within the agency's budget.
3. Authorize the agency to transfer \$3,363 (State General Fund) in unused capital improvement funds from the William Allen White elevator replacement and addition project to the Butcher Children's School reroof project.



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Representative Robert J. Vancrum  
Subcommittee Chairperson



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Representative John M. Solbach

\_\_\_\_\_  
Representative Larry F. Turnquist

## SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 67

Bill Sec. 5

Analyst: Conroy

Analysis Pg. No. 678

Budget Pg. No. 216

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 19,743,992	\$ 20,195,827	\$ 41,258
General Fees Fund	4,932,398	5,095,755	--
Endowment Interest	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 24,701,390	\$ 25,316,582	\$ 41,258
Restricted Use Funds	<u>5,189,369</u>	<u>5,189,369</u>	<u>--</u>
Subtotal -- State Operations	\$ 29,890,759	\$ 30,505,951	\$ 41,258
Other Assistance:			
Other Funds	\$ 1,984,414	\$ 1,984,414	\$ --
Total General Use Funds	\$ 24,701,390	\$ 25,316,582	\$ 41,258
Total Operating Expenditures	\$ 31,875,173	\$ 32,490,365	\$ 41,258
Capital Improvements:			
State General Fund Educational Building Fund	\$ --	\$ --	\$ --
	610,000	160,000	450,000
Other Funds	<u>41,500</u>	<u>41,500</u>	<u>--</u>
Subtotal	\$ 651,500	\$ 201,500	\$ 450,000
GRAND TOTAL	<u>\$ 32,526,673</u>	<u>\$ 32,691,865</u>	<u>\$ 491,258</u>
FTE Positions	653.0	645.3	1.5

### Agency Request/Governor's Recommendations

FY 1990. The University requests a total of \$24,701,390 in general use funds for the FY 1990 budget, an increase of 8.2 percent over the FY 1989 agency request. The request includes program maintenance increases of \$925,513 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$122,072 for adjustments to the FY 1989 base budget for fringe benefit increases and \$386,079 and 14.0 FTE positions for an adjustment for increased enrollment in FY 1988. For the Margin of Excellence program the agency requests a total of \$448,719, of which \$350,000 would be for faculty salary parity and \$98,719 and 3.0 FTE positions for mission-related enhancements.

The Governor recommends an FY 1990 general use base budget of \$25,166,747, an 8.4 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for

unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor recommends \$386,079 and 14.0 FTE positions for the enrollment adjustment as requested by the Agency. The Governor recommends a total of \$399,360 for the Margin of Excellence, of which \$350,000 is for faculty salary parity and \$49,360 is for 1.5 FTE positions for mission-related enhancements.

#### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$49,360 (State General Fund) and 1.5 FTE positions to fully fund the agency's FY 1990 Margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$8,102 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other students within the Board of Regents' Office budget.
3. Concur with the addition of \$149,835 (State General Fund) contained within Governor's Budget Amendment No. 1 for fringe benefit adjustments. The addition is a technical adjustment to the agency's FY 1989 budget.
4. The Subcommittee is supportive of the Committee's action to place a moratorium on major new construction or major renovation projects financed from the Educational Building Fund. The Subcommittee notes that for FY 1990 alone the agency submitted over \$2.0 million of major repairs and maintenance to the Board of Regents.
5. Add \$450,000 from the Educational Building Fund for final planning for the renovation of Plumb Hall. The Subcommittee is of the opinion that this project does not violate the Committee's moratorium on major reconstruction. The main focus of the project would be to update the electrical and mechanical systems throughout Plumb Hall. The Subcommittee believes that adequate resources will be available from the Educational Building Fund due to the construction/reconstruction moratorium of the Committee. The Subcommittee notes that preliminary planning for the project has been approved for FY 1989 and the most effective phasing of the project would provide for final planning to be completed in FY 1990.
6. The Subcommittee notes the high level concern expressed by faculty, employees, and students at Emporia State University on the possibility of Washburn University entering the Regent's system.

#### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations with the following adjustments:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$399,360 (State General Fund) and 3.0 FTE positions for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (407,462)	\$ 19,788,365	\$ (180,219)
General Fees Fund	--	5,095,755	--
Endowment Interest	--	25,000	--
General Use Funds	\$ (407,462)	\$ 24,909,120	\$ (180,219)
Restricted Use Funds	--	5,189,369	--
Subtotal - State Operations	<u>\$ (407,462)</u>	<u>\$ 30,098,489</u>	<u>\$ (180,219)</u>
Other Assistance:			
Other Funds	\$ --	\$ 1,984,414	\$ --
Capital Improvements:			
Educational Building Fund	\$ 450,000	\$ 610,000	\$ (450,000)
Other Funds	--	41,500	--
Subtotal - Capital Improvements	<u>\$ 450,000</u>	<u>\$ 651,500</u>	<u>\$ (450,000)</u>
GRAND TOTAL	<u>\$ 42,538</u>	<u>\$ 32,734,403</u>	<u>\$ (630,219)</u>
FTE Positions:	(3.0)	642.3	--

House Subcommittee Recommendations

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

1. Systemwide Recommendation -- Unclassified Salary Increases. Delete \$135,176 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures. Delete \$31,462 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent increase.
3. Delete \$13,581 (State General Fund) for technical adjustments to the agency's operating budget.

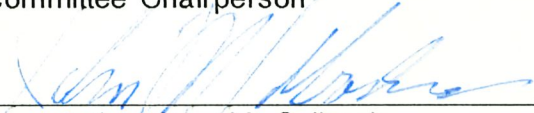


4. The Subcommittee notes the other operating expenditures shortfall the agency has struggled to address over the last several years. In addition, the negative enrollment adjustments the agency has experienced in the recent past have also compounded the other operating expenditures shortfall.
5. The Subcommittee notes the latest net General Fees Fund estimate for FY 1990 is \$32,470 below the Governor's recommendation. However, since the amount is 0.6 percent of the total amount estimated, no adjustment is made in the budget year. In addition the Subcommittee makes no adjustment to the utility line item in FY 1990.
6. Delete \$450,000 (Educational Building Fund) for the final planning of the renovation of Plumb Hall. The Subcommittee notes the sequencing of a companion project, the remodeling of Cremer Hall. The Subcommittee concurs with the Governor's recommendation to consider final planning funds for Plumb Hall and renovation funds for Cremer Hall in FY 1991.



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Representative Robert J. Vancrum  
Subcommittee Chairperson



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Representative John M. Solbach

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Representative Larry Turnquist

## SUBCOMMITTEE REPORT

Agency: University of Kansas  
 Medical Center  
 Analyst: Conroy

Bill No. 80  
 Analysis Pg. No. 712

Bill Sec. 22  
 Budget Pg. No. 604

<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	\$ 47,124,308	\$ 48,636,685	\$ (922,398)
General Fees Fund	5,970,440	5,571,492	--
Hospital Revenue Fund	98,711,961	98,551,969	--
General Use Funds	\$ 151,806,709	\$ 152,760,146	\$ (922,398)
Other Funds	43,734,122	44,215,396	(462,851)
Subtotal - State Operations	<u>\$ 195,540,831</u>	<u>\$ 196,975,542</u>	<u>\$ (1,385,249)</u>
<b>Other Assistance:</b>			
State General Fund	\$ 1,545,212	\$ 1,545,212	\$ --
Other General Use Funds	--	--	--
General Use Funds	\$ 1,545,212	\$ 1,545,212	\$ --
Other Funds	1,752,995	1,752,995	--
Subtotal - Other Assistance	<u>\$ 3,298,207</u>	<u>\$ 3,298,207</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 153,351,921</u>	<u>\$ 154,305,358</u>	<u>\$ (922,398)</u>
Total Operating Expenditures	<u>\$ 198,839,038</u>	<u>\$ 200,273,749</u>	<u>\$ (1,385,249)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 684,392	\$ 684,392	\$ --
Hospital Fund	1,872,131	1,872,131	--
Educational Building Fund	339,068	339,068	--
Other Funds	4,974,657	5,179,657	--
Subtotal - Capital Improvements	<u>\$ 7,870,248</u>	<u>\$ 8,075,248</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 206,709,286</u></u>	<u><u>\$ 208,348,997</u></u>	<u><u>\$ (1,385,249)</u></u>
FTE Positions	4,636.0	4,636.0	--

### Agency Request/Governor's Recommendation

**FY 1989.** The University of Kansas Medical Center requests a total operating budget of \$198,839,038, a decrease of \$1,333,291 from the amount approved by the 1988 Legislature. The total revised FY 1989 general use operating budget is requested at \$153,351,921, an increase of \$252,588 above the FY 1989 approved amount of \$153,099,333; and the agency requests FY 1989 general use supplemental funding of \$252,588. Of the requested amount, \$92,596 would be financed from the State General Fund for servicing the new Animal Care Research Support Facility and \$159,992 would be financed from the Hospital Revenue Fund for nurse salary upgrades. Subsequent to the agency submission of the revised FY 1989 budget, the Board of Regents on December 15,

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 Attachment 14

1988 increased the FY 1989 estimates for receipts to the Hospital Revenue Fund from \$106,000,000 to \$109,000,000.

The Governor recommends a total general use operating budget of \$154,305,358, an increase of \$953,437 above the Medical Center's revised request. The recommendation includes a supplemental State General Fund appropriation of \$1,754,973, a reduction of \$398,948 in the General Fees Fund, and a reduction of \$150,000 in State General Fund support of resident stipends, contracts, and medical malpractice insurance premiums for state-supported residents. The State General Fund supplemental is for increased employee health insurance (\$629,258), employer support of family health insurance (\$430,136), implementation of Phase III salary upgrades (\$204,035), support of the new Animal Care Research Support Facility (\$92,596), and replacement of a recommended reduction of \$398,948 in general fees support. The Governor does not recommend the requested salary upgrade for nurses in the current year.

#### Senate Subcommittee Recommendation

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

1. Delete \$192,496 (State General Fund) for an increased shrinkage rate (3 percent to 4 percent) for nursing staff. The agency is currently experiencing difficulty in recruiting and retaining nursing personnel in the competitive health care industry in the Kansas City metropolitan area.
2. Delete \$37,415 (State General Fund) to reflect a delay in hiring a new Associate Director for the Cancer Center. The 1988 Legislature authorized funds for the position and the agency is currently attempting to recruit an individual to fill the new position. The Subcommittee recommends leaving one month's salary in the current year for the position.
3. Shift \$89,374 (State General Fund) from the operating expenditures line item appropriation to the line item for state-supported residents for increased health insurance costs for residents. The additional funds for increased employer contributions was inadvertently placed in the wrong account. The change is a technical adjustment.
4. Add \$66,723 (State General Fund) for utilities for the new Animal Care Research Support Facility. The Subcommittee also recommends the addition of 3.9 FTE to service the new facility. The Governor recommended the funds and the increased position limitation, but the additions were not included in S.B. 80. The Subcommittee recommends this technical adjustment to correct the oversight.
5. Delete \$181,418 (State General Fund) in clinical faculty salaries and wages for the expanded organ transplant program approved by the 1988 Legislature. The reduction is possible due to delays in the recruitment of faculty for the expanded program. The recommendation would still leave salaries and wages funding of one month for the positions in the current year.

6. Delete \$577,791 (State General Fund) for operating funds in the hospital operation for the expanded organ transplant program. The reduction would include \$317,032 in salaries and wages and \$260,759 in other operating support. Due to the delays in the recruitment of the clinical faculty the development of the hospital operations for the expanded program are also behind schedule. The Subcommittee's reduction would still provide funding for two months of operation for the expanded organ transplant program in the current year. The Subcommittee also recommends a reduction of \$300,000 in the transfer from hospital revenue to restricted fees to support the program since the program will not generate the level of income as originally estimated in the current year.
7. Reduce the expenditure limitation by \$162,851 for the Medical Scholarship Repayment Fund due to a lower than estimated number of first-year medical class students who accepted scholarships in the current year. The Subcommittee notes the receipts to the Medical Scholarship Repayment Fund, based on the latest estimates, are now estimated at \$2,125,000 for the current year, an increase of \$325,000 above the Governor's estimate for the fund.
8. Authorize the agency the authority to transfer savings in expenditures from the Hospital Revenue Fund below the level authorized by the Legislature into an equipment replacement fund, the balance is then reappropriated to the following year. The Subcommittee notes the other Regents' institutions currently are authorized to make similar transfers from their General Fees Fund into an equipment replacement fund. This change would permit greater management flexibility for the agency and provide uniformity within the Regents' system.

#### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

#### Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ (922,398)	\$ 47,714,287	\$ (94,893)
General Fees Fund	--	5,571,492	--
Hospital Revenue Funds	--	<u>98,551,969</u>	--
General Use Funds	\$ (922,398)	\$ 151,837,748	\$ (94,893)
Restricted Use Funds	<u>(462,851)</u>	<u>43,752,545</u>	--
Subtotal - State Operations	<u>\$ (1,385,249)</u>	<u>\$ 195,590,293</u>	<u>\$ (94,893)</u>
<b>Other Assistance:</b>			
State General Fund	\$ --	\$ 1,545,212	\$ --
Other Funds	--	<u>1,752,995</u>	--
Subtotal - Other Assistance	<u>\$ --</u>	<u>\$ 3,298,207</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ (929,398)</u>	<u>\$ 153,382,960</u>	<u>\$ (94,893)</u>
Total Operating Expenditures	<u>\$ (1,385,249)</u>	<u>\$ 198,915,500</u>	<u>\$ (94,893)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ 684,392	\$ --
Educational Building Fund	--	339,068	--
Hospital Fund	--	1,872,131	--
Other Funds	--	<u>5,179,657</u>	--
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ 8,075,248</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ (1,385,249)</u></u>	<u><u>\$ 206,963,748</u></u>	<u><u>\$ (94,893)</u></u>
FTE Positions	--	4,636.0	--

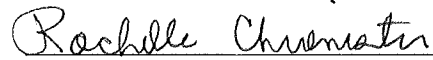
House Subcommittee Recommendations

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

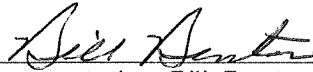
1. Delete \$2,297 (State General Fund) for utilities based on the latest estimates. The Subcommittee notes the magnitude of the shortfall of utility funding for Kansas State University and therefore deletes the estimated savings within this agency's budget.
2. Delete \$92,596 (State General Fund) for servicing the new Animal Care Research Support Facility (\$25,873 for salaries and wages and maintenance supplies and \$66,723 for utilities). The latest estimates from the agency indicate the new facility is slightly behind schedule.
3. Delete the authority for the agency to transfer savings in expenditures from the Hospital Revenue Fund below the level authorized by the Legislature into an equipment replacement fund. The Subcommittee

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notes the current procedure where Hospital Revenue Fund resources are transferred into the University Hospital Fund for major equipment acquisition.



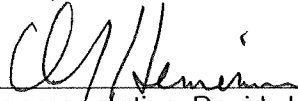
Representative Rochelle Chronister  
Subcommittee Chairperson



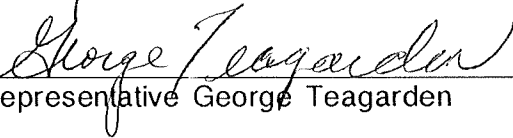
Representative Bill Bunten



Representative Lee Hamm



Representative David J. Heinemann



Representative George Teagarden

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**SUBCOMMITTEE REPORT**

Agency: University of Kansas  
 Medical Center  
 Analyst: Conroy

Bill No. 67  
 Analysis Pg. No. 712

Bill Sec. 8  
 Budget Pg. No. 604

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 67,264,689	\$ 62,718,721	\$ 440,189
General Fees Fund	5,609,669	6,008,617	--
Hospital Revenue Fund	89,789,046	96,842,146	328,117
Other Funds	--	500,000	466,796
General Use Funds	<u>\$ 162,663,404</u>	<u>\$ 166,069,484</u>	<u>\$ 1,235,102</u>
Other Funds	<u>45,368,249</u>	<u>45,558,649</u>	<u>--</u>
Subtotal - State Operations	<u>\$ 208,031,653</u>	<u>\$ 211,628,133</u>	<u>\$ 1,235,102</u>
Other Assistance:			
State General Fund	\$ 1,622,473	\$ 1,622,473	\$ --
Other General Use Funds	--	--	--
General Use Funds	<u>\$ 1,622,473</u>	<u>\$ 1,622,473</u>	<u>\$ --</u>
Other Funds	<u>1,809,022</u>	<u>1,809,022</u>	<u>--</u>
Subtotal - Other Assistance	<u>\$ 3,431,495</u>	<u>\$ 3,431,495</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 164,285,877</u>	<u>\$ 167,691,957</u>	<u>\$ 1,235,102</u>
Total Operating Expenditures	<u>\$ 211,463,148</u>	<u>\$ 215,059,628</u>	<u>\$ 1,235,102</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Hospital Fund	300,000	238,000	--
Educational Building Fund	200,000	760,000	--
Other Funds	<u>4,940,676</u>	<u>4,735,676</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 5,440,676</u>	<u>\$ 5,733,676</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 216,903,824</u>	<u>\$ 220,793,304</u>	<u>\$ 1,235,102</u>
FTE Positions	4,670.5	4,670.5	--

Agency Request/Governor's Recommendation

**FY 1990.** The Medical Center requests an operating budget of \$211,463,148 for FY 1990, a 6.3 percent increase over the FY 1989 operating budget. The Medical Center's request includes \$164,285,877 in general use funds and \$47,177,271 in restricted use funds. The general use request is made up of \$68,887,162 from the State General Fund, \$5,609,669 from the General Fees Fund, and \$89,789,046 from the Hospital Revenue Fund. The Medical Center's total general use operating budget request exceeds the revised FY 1989 estimate by \$10,933,957 or 7.1 percent. The agency requests funding for a 5 percent increase for unclassified personnel and student salaries, a 4 percent increase for other

operating expenditures, and classified pay plan step movement. In addition, the University requests \$675,000 for capital improvements of which \$200,000 is from the Educational Building Fund, \$300,000 from the Hospital Fund, and \$175,000 from other funds.

**Targeted Investments.** The University requests a total \$4,423,597 in FY 1990 for targeted investments. The request includes \$1,814,919 and 25.0 additional FTE positions for educational programs and \$2,608,678 and 9.5 additional FTE positions for hospital programs. The requests include additional funding for classified and unclassified salaries and wages and other operating expenditures, development of a child psychiatry program in Wichita, expansion of the physical therapy class size, establishment of a Bio-Technology Support Center, and expansion of the Non-Invasive Vascular Lab and Ambulatory Care Rehabilitation programs.

**Financing.** The Medical Center's request for FY 1990 reflects an increase of \$20,217,642 in funding from the State General Fund. Funding from the General Fees Fund in FY 1990 is \$360,771 below the requested FY 1989 level. Hospital Revenue Fund financing in FY 1990 is requested to decrease \$8,922,915 below the FY 1989 level.

The FY 1990 Governor's recommendation for the operating budget of the Medical Center is \$215,059,628 or \$3,596,480 above the agency request. The Governor's recommendation for the general use budget is \$167,691,957 or \$3,406,080 above the agency request. The Governor includes within the general use recommendation, \$500,000 from the Medical Scholarship Repayment Fund. The Governor's recommendation includes a 4 percent increase to the other operating expenditures base, a 5 percent increase for all unclassified personnel, a 5 percent increase for student salaries, and a 4 percent increase for classified personnel (\$2,267,547) and other operating expenditures. The Governor also recommends \$328,719 for instructional and research staff salary increases and \$2,948,888 for program enhancements. The Governor recommends \$1,173,000 for capital improvements in FY 1990. The Governor finances the capital improvements with \$760,000 from the Educational Building Fund, \$238,000 from the Hospital Fund, and \$175,000 from other funds.

#### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Systemwide Recommendation -- Student Salaries. Delete \$6,845 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Subcommittee recommends shifting the resources to other student programs within the Board of Regents office budget.
2. Addition of language that would permit expenditures from restricted fees to acquire insurance for equipment purchased through research and training grants, only if the grants include money for and authorize the purchase of such insurance.



3. Add ten special revenue funds associated with the debt service obligations on the clinical facility and the new parking facility. The addition of the funds is a technical adjustment since the funds were inadvertently omitted from the bill as introduced.
4. Permit the authority to transfer savings in the expenditure of Hospital Revenue funds, below the level authorized by the Legislature, to an equipment replacement fund. This would be similar to the current authority granted to the other Regents' institutions concerning General Fees funds. The amount transferred would be reappropriated to the following fiscal year.
5. Shift \$133,445 (State General Fund) from the utilities line item appropriation for the new Animal Care Research Facility to the operating expenditure line item of the agency. The Subcommittee also recommends the addition of a proviso to the operating expenditure line item that would permit \$133,445 to be expended for utilities for the Animal Care Facility. This change would permit KUMC to develop a procedure by which it may be possible to recoup the full cost for the operation of the facility from research grants.
6. Reduce by \$33,204 the expenditure limitation in FY 1990 for the Medical Scholarship Repayment Fund due to the reduced number of scholarships taken in the current year. The recommendation will permit the award of 50 new scholarships in FY 1990.
7. Increase the expenditure limitation on the Medical Scholarship Repayment Fund by \$500,000. The additional funds would be for general operating support of the facility and would allow a corresponding reduction of \$500,000 in State General Fund support. The total recommended amount of general operating support financed from the Medical Scholarship Repayment Fund in FY 1990 would total \$1,000,000. The change is due to reduced expenditures for the medical scholarship program in FY 1989 and FY 1990 and a higher than anticipated level of receipts to the Medical Scholarship Repayment Fund.
8. Reduce the transfer from the Hospital Revenue Fund to the University Hospital Fund by \$28,117. The reduction is possible due to the current balance in the University Hospital Fund.
9. Delete \$88,888 (State General Fund) in salaries and wages for ten new clinical faculty positions recommended by the Governor. The reduction anticipates a delay in the recruitment of the positions.
10. Add \$123,057 (State General Fund) in salaries and wages for shift differential for health care personnel, other than nurses, from the current \$0.20 per hour to 10 percent of salary. The current rate of \$0.20 per hour is not competitive in the Kansas City metropolitan area. The recommendation will require a proviso to

allow the 10 percent shift differential for all health care personnel at the institution.

11. Shift \$198,034 (State General Fund) from the operating expenditures line item to the line for state-supported residents for employer support of employee health insurance. The change is technical in nature.
12. Add \$218,049 (State General Fund) for classified step movement. The Subcommittee believes the funds are warranted due to the higher number of hospital personnel who have July anniversary dates and are eligible for merit step increases.
13. Add \$1,022,933 (State General Fund) for salary range upgrades for nurses, medical technologists, and other selected position classes. The requested upgrades are part of KUMC's Margin of Excellence program for FY 1990. The University continues to experience severe problems in maintaining competitive salaries with those offered by other hospitals in the Kansas City area. As long ago as 1982, and then again in 1983, the Legislature encouraged KUMC to explore the potential of exempting hospital employees from the state civil service system. The University has requested introduction of a bill which would permit the Board of Regents to establish in the unclassified service a category of health care personnel. The Subcommittee recommends that this bill be introduced by the full Committee. The Subcommittee believes by a combination of adjusting shrinkage rates and the additional recommended funds, the institution will be able to be competitive in the Kansas City area.

#### Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations, with the following adjustment:

1. Systemwide Recommendation -- Margin of Excellence. Delete \$4,423,597 and 34.5 FTE position for the Margin of Excellence. However, the Committee recommends full funding for the Margin of Excellence in S.B. 281.

#### Senate Committee of the Whole Recommendations

The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (2,758,408)	\$ 59,960,313	\$ (1,101,673)
General Fees Fund	--	6,008,617	--
Hospital Revenue Fund	(896,883)	95,945,263	--
Other Funds	<u>466,796</u>	<u>966,796</u>	--
General Use Funds	\$ (3,188,495)	\$ 162,880,989	\$ (1,101,673)
Other Funds	<u>--</u>	<u>45,558,649</u>	<u>--</u>
Subtotal - State Operations	<u>\$ (3,188,495)</u>	<u>\$ 208,439,638</u>	<u>\$ (1,101,673)</u>
Other Assistance:			
State General Fund	\$ --	\$ 1,622,473	\$ --
Other General Use Funds	<u>--</u>	<u>--</u>	<u>--</u>
General Use Funds	\$ --	\$ 1,622,473	\$ --
Other Funds	<u>--</u>	<u>1,809,022</u>	<u>--</u>
Subtotal - Other Assistance	<u>\$ --</u>	<u>\$ 3,431,495</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ (3,188,495)</u>	<u>\$ 164,503,462</u>	<u>\$ (1,101,673)</u>
Total Operating Expenditures	<u>\$ (3,188,495)</u>	<u>\$ 211,871,133</u>	<u>\$ (1,101,673)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Hospital Fund	--	238,000	--
Educational Building Fund	--	760,000	--
Other Funds	<u>--</u>	<u>4,735,676</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ 5,733,676</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ (3,188,495)</u>	<u>\$ 217,604,809</u>	<u>\$ (1,101,673)</u>
FTE Positions	(34.5)	4,636.0	--

House Subcommittee Recommendations

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

1. Systemwide Recommendation -- Unclassified Salary Increases.  
Delete \$516,850 (State General Fund) for unclassified faculty and staff salaries to reflect a 4 percent base increase rather than a 5 percent salary increase.
2. Systemwide Recommendation -- Other Operating Expenditures.  
Delete \$366,774 (State General Fund) for other operating expenditures to reflect a 3 percent base increase rather than a 4 percent salary increase.

3. The Subcommittee notes the latest net General Fees Fund estimate for FY 1990 is \$120,718 below the Governor's estimate. However, since the amount is less than 2.1 percent of the total amount estimated, no adjustment is made in the budget year.
4. Delete authority to transfer savings in the expenditure of Hospital Revenue funds, below the level authorized by the Legislature, to an equipment replacement fund. The Subcommittee notes the transfer from the Hospital Revenue Fund to the University Hospital Fund for major equipment acquisition and the \$1,000,000 for equipment replacement in the Margin of Excellence.
5. Delete \$218,049 (State General Fund) for classified step movement.
6. The Subcommittee encourages the agency to actively pursue joint agreements with hospitals throughout the region for their financial assistance with the agency's aircraft. The Subcommittee believes that since the aircraft provides services to many hospitals, that KUMC should not be the sole supporting agency for the aircraft.
7. The Subcommittee is extremely pleased to note the pending construction of the Sutherland Institute for Facial Rehabilitation. The entire \$3.0 million facility will be constructed with private gift funds. The Institute will bring together in one location the many specialities and services needed to correct congenital and acquired facial deformities of children and adults. The closest available comparable facilities are located in Dallas, Texas.

*Rochelle Chronister*

Representative Rochelle Chronister  
Subcommittee Chairperson

*William W. Buntin*

Representative Bill Buntin

*Lee Hamm*

Representative Lee Hamm

*David J. Heinemann*

Representative David J. Heinemann

*George Teagarden*

Representative George Teagarden