

Approved 4-23-90
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at
Chairperson

1:45 ~~xm~~p.m. on March 26, 1990 in room 514-S of the Capitol.

All members were present except: Representatives Heinemann and Mead (both excused)

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

Conferees appearing before the committee:

Others attending: See attached list.

Chairman Buntten announced that the Appropriations Committee will be meeting on April 16 and 17 and April 23 and 24. The Committee will work on the Omnibus Bill on April 16 and 17, so the Chairman suggested that any members who cannot be here should give input to their subcommittee chairmen regarding items under consideration from their budgets.

ADDITIONAL REGENTS SYSTEMWIDE ISSUES

Staff provided a memorandum outlining additional systemwide issues for Committee consideration (Attachment 1).

Servicing New Buildings

Representative Kline, Chairman of the special subcommittee on servicing new buildings, stated the Subcommittee has four recommendations: (1) Cut utilities by approximately half, or \$215,000, and look at expenditures to date in January 1991; (2) All new positions for servicing buildings throughout the system begin at entry level--\$18,600 per position; (3) Any positions requested above the formula for servicing new buildings of 1 per 10,500 sq.ft. should go through the normal budgeting process and not be requested in servicing new buildings; and (4) No change is recommended in OOE. Representative Kline moved adoption of the subcommittee's recommendations on servicing new buildings. Representative Brady seconded. Motion carried.

Graduate Teaching Assistant Fee Waivers

Representative Chronister moved to concur with the Governor on graduate teaching assistant fee waivers at 80 percent. Representative Solbach seconded. Motion carried.

Meritorious Faculty Salary Increases

Representative Teagarden moved to remove \$400,000 for meritorious faculty salary increases. Representative Gatlin seconded. Representative Solbach made a substitute motion to transfer \$400,000 from meritorious faculty salary increases to OOE distributing the applicable amount at each institution. The motion died for lack of a second. On Representative Teagarden's motion, the motion carried.

Fee Release

Fee receipts based on actual spring 1990 enrollment total an additional \$731,933. Wichita State University has a decrease in anticipated fees of \$326,575. Representative Chronister moved not to release the fees to the various institutions and not to approve a supplemental for Wichita State University. Representative Gatlin seconded. The effect of the motion is to decrease State General Fund expenditures for FY91. Representative

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:45 ~~a.m.~~ p.m. on March 26, 1990

Chronister withdrew her motion with the consent of the second, Representative Gatlin. Representative Chronister moved to take the net increase over two years of \$731,933 and offset the State General Fund. Representative Francisco seconded. The effect of this motion is to release additional money to Wichita State University to cover the deficit in fee collections and offset the State General Fund with the balance. The motion carried.

\$15 Admission Fee

The Board of Regents has imposed a \$15.00 restricted use fee on each undergraduate admission application effective in Fall 1990. The fee will generate \$546,630 systemwide and the Board has earmarked the funds for enhanced student services associated with the admissions process and student financial aid administration. Representative Shriver moved to use the proceeds from the \$15.00 fee to reduce the State General Fund obligation at each campus. Representative Teagarden seconded. Several members feel the funds should go into a restricted use fee fund to be used in the manner earmarked by the Board. The motion carried.

Representative Helgerson moved to add language in the Board of Regents subcommittee report that the Committee endorses the policy adopted by the Board that when shifts of funds occur between salaries and OOE, any amount over 5 percent must remain where it was shifted for the next budget submission. Representative Hensley seconded. Motion carried.

Representative Helgerson expressed concern at the ongoing costs to the State associated with buildings that may initially have been constructed with endowment funds. Representative Helgerson moved that the Board of Regents be asked to develop a procedure for getting the consent of the Building Committee, Appropriations Committee and Ways and Means Committee before embarking on any new buildings. Representative Turnquist seconded. Motion failed.

Representative Helgerson moved that the Board of Regents be asked to develop a policy for the use of endowment funds and to gather information on endowment funds and make it available to the Legislature. Representative Turnquist seconded. Motion failed.

Representative Helgerson moved that the Board of Regents advise the Legislature how much "sponsored research overhead" that comes primarily through federal funds is being received on an institution basis. Representative Hoy seconded. Motion carried.

SB 454 - Appropriations for FY91; state board of regents and higher education institutions.

UNIVERSITY OF KANSAS

Representative Goossen reviewed the subcommittee report for FY90 and FY91 (Attachment 2). Representative Goossen moved adoption of the subcommittee report. Representative Pottorff seconded. Motion carried.

UNIVERSITY OF KANSAS MEDICAL CENTER

Representative Chronister reviewed the subcommittee report for FY90 and FY91 (Attachment 3). Representative Chronister noted that the 70 FTE added for research activities are designated "unclassified restricted use" FTE which go with the grants for research and are limited-term. Representative Vancrum asked with the removal of the expenditure limitation on the Hospital Revenue Fund, if there should be a savings to the State General Fund in FY91. Representative Chronister stated that will be

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
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reviewed closely next year. Representative Chronister moved adoption of the FY90 and FY91 subcommittee report for KUMC. Representative Teagarden seconded. Motion carried.

FORT HAYS STATE UNIVERSITY

Representative Chronister reviewed the subcommittee report for FY90 and FY91 (Attachment 4). Representative Chronister moved adoption of the subcommittee report. Representative Teagarden seconded. Motion carried.

KANSAS STATE UNIVERSITY

Representative Fuller reviewed the subcommittee report for FY90 and FY91 (Attachment 5). Representative Fuller moved adoption of the subcommittee report. Representative Kline seconded. Motion carried.

KSU VETERINARY MEDICAL CENTER

Representative Fuller reviewed the subcommittee report for FY90 and FY91 (Attachment 6). Representative Fuller moved adoption of the subcommittee report. Representative Francisco seconded. Motion carried.

KANSAS COLLEGE OF TECHNOLOGY

Representative Lowther reviewed the subcommittee report for FY90 and FY91 (Attachment 7). Representative Teagarden moved to strike item #5 from the FY91 report. Representative Chronister seconded. Representative Teagarden withdrew his motion with the consent of his second, Representative Chronister. Representative Lowther moved adoption of the subcommittee report. Representative Wisdom seconded. Motion carried.

EMPORIA STATE UNIVERSITY

Representative Solbach reviewed the subcommittee report for FY90 and FY91 (Attachment 8). Representative Solbach moved to add \$127,000 as a special operating grant to Emporia State University. Representative Lowther seconded. Representative Solbach advised that his intent is that the \$127,000 would become part of the Emporia State University base budget. Representative Gatlin made a substitute motion to use the same language as was used in the Fort Hays State University subcommittee report asking the Governor to consider a budget amendment to make some allowance for the special circumstances that occurred at ESU and that this item be considered for inclusion in the Omnibus bill. Representative Moomaw seconded. Representative Gatlin stated his motion adds no money at this time. Substitute motion failed. On Representative Solbach's original motion, motion failed. Representative Solbach moved to reconsider committee action on Representative Gatlin's motion. Representative Lowther seconded. Motion failed. Representative Solbach moved adoption of the subcommittee report for FY90 and FY91 for Emporia State. Representative Vancrum seconded. Motion carried.

PITTSBURG STATE UNIVERSITY

The House Subcommittee concurred with the Senate for FY90 and FY91 with House systemwide adjustments (Attachment 9). Representative Hensley moved adoption of the subcommittee report. Representative Hoy seconded. Motion carried.

WICHITA STATE UNIVERSITY

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 10). Representative Moomaw moved adoption of the subcommittee report. Representative Gatlin seconded. Motion carried.

CONTINUATION SHEET

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room 514-S, Statehouse, at 1:45 ~~a.m.~~/p.m. on March 26, 1990

Chairman Buntten advised that when the Kansas College of Technology report was considered, the Committee did not have the FY90 report in front of them. Due to that oversight, he has approved reconsideration of the FY90 report on KCT. Representative Wisdom reviewed the FY90 report (see Attachment 7). Representative Wisdom moved adoption of the FY90 subcommittee report on KCT. Representative Teagarden seconded. Motion carried.

BOARD OF REGENTS

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 11). Representative Wisdom moved to add \$25,000 for KAPSET for FY91. Representative Solbach seconded. Representative Gatlin advised that this item was not appealed to the Subcommittee. Representative Wisdom withdrew his motion, but noted that this reduction in funds for FY91 of \$25,000 was appealed to him. Representative Gatlin moved adoption of the subcommittee report. Representative Moomaw seconded. Motion carried.

Representative Teagarden moved that SB 454, as amended, be recommended favorably for passage. Representative Moomaw seconded. Motion carried.

The meeting was adjourned at 4:00 p.m.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 3-26-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Greg Tugman	Capital Bldg	DOB
OKrife		: DOB
Trimmer		"
Dallan		"
Kenneth		"
Michael J. Steinle	1836 College Hts. Manhattan, Ks 66502	KSU Student Govt.
Chris Kern	1207 KEARNEY #10 MANHATTAN, Ks. 66502	KSU. STUDENT GOVT.
Darin D. Batchman	Haymaker 617 Manhattan, KS 66502	KSU Student Govt.
John W. Woodbury	500 Sunset Manhattan, KS 66502	KSU Student Govt
Mark Tallman	Topeka	ASK
Charlene Nichols	Manhattan	KSU SGA
Todd Heitschmidt	745 Haymaker Hall Manhattan KS 66506	KSU SGA
Angie Martin	1500 N. Manhattan Ave Manhattan, KS 66502	KSU Student Govt Ass
Peg Dunlap		K-NEA
Bob Wunsch	Lawrence	KUMC
BILL COWLIN	MANHATTAN	MERCURY
Ray Hauke	Topeka	Regents
Kon Pfister	Hays	FHSU
Nancy Stephens	Emporia	ESU
Fred Sedberry	Wichita	WUSU
Marvin Burris	Regents	Topeka
Ken Schetter	518 Osage #5 Manhattan, Ks, 66502	KSU Sanders Government
Ed W. Bowen	Topeka	Washburn Univ
HAROLD KIENM	TOPEKA	Ks ASSN OSTEOPATHIC MED
Marlin Penn		Kumc

ADDITIONAL REGENTS SYSTEMWIDE ISSUES

1. Report of Special Subcommittee on servicing new buildings.
2. Review of Senate recommendation on graduate teaching assistant fee waivers. The agency had requested an increase from the current level of 75 percent to a 100 percent fee waiver, the Governor recommended an 80 percent fee waiver, the Senate returned the fee waiver to 75 percent.
3. Governor's recommendation for meritorious faculty salary increases included \$400,000 systemwide for FY 1991, \$50,000 for each campus except for \$25,000 at the Kansas College of Technology and the Kansas State Veterinary Medical Center.
4. Handling of general fees funds based on Spring, 1990 enrollments.
5. Handling of \$15 admission fee.

Helgeson

*HA
3-26-90
Attachment 1*

PRELIMINARY SUMMARY OF REVISED GENERAL FEE ESTIMATES FOR FY 1990 AND 1991

BASED ON ACTUAL HEADCOUNT ENROLLMENT FOR FALL 1989 AND SPRING 1990

	FALL/SPRG ENROLLMENT CHANGE	INSTITUTION'S			INSTITUTION'S			NET INCREASE OVER TWO YEARS	GOVERNOR'S RECOMMENDED ENDING BALANCE FY 1991	RECOMMENDED SUPPLEMENTAL FY 1990	RECOMMENDED SUPPLEMENTAL FY 1991
		GOVERNOR'S RECOMMENDED FY 1990 EXPENDITURE LIMITATION	REVISED FY 1990 ESTIMATE OF AVAILABLE RESOURCES	FY 1990 INCREASE (DECREASE) IN AVAILABLE RESOURCES	GOVERNOR'S RECOMMENDED FY 1991 EXPENDITURE LIMITATION	REVISED * FY 1991 ESTIMATE OF AVAILABLE RESOURCES	FY 1991 INCREASE (DECREASE) IN AVAILABLE RESOURCES				
KU	300/312	43,617,500	43,969,216	351,716	45,328,228	45,703,274	375,046	726,762	304,893		
KUMC		6,116,282	6,009,021	-107,261	6,138,974	6,269,873	130,899	23,638	125,000		
KSU	805/1203	25,395,835	25,478,776	82,941	26,952,411	26,869,470	-82,941	0	106,126		
KSUVMC		3,133,198	3,133,198	0	3,413,760	3,327,835	⁰ -85,925	⁰ -85,925	33,071		85,925 ⁰
WSU	152/-321	16,022,747	15,761,115	-261,632	16,539,179	16,474,236	-64,943	-326,575	61,710	261,632	64,943
ESU	233/241	5,199,042	5,305,714	106,672	5,534,934	5,613,210	78,276	184,948	25,000		
PSU	351/-110	6,676,192	6,676,192	0	6,380,477	6,425,902	45,425	45,425	35,844		
FHSU	-28/113	4,553,501	4,570,344	16,843	4,698,901	4,724,695	25,794	42,637	23,938		
KCT	-41/-20	434,345	446,670	12,325	386,394	409,167	22,773	35,098	6,000		
TOTAL		111,148,642	111,350,246	201,604	115,373,258	115,817,662	444,404 530,329	646,088 731,933		261,632	150,868 64,943

* reflects Governor's recommended ending balance for FY 1991.

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SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 558

Bill Sec. 19

Analyst: Conroy

Analysis Pg. No. 723

Budget Pg. No. 576

<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	\$ 102,786,898	\$ 99,246,519	\$ 650,388
General Fees Fund	40,964,667	43,366,827	--
Endowment Interest	<u>40,000</u>	<u>40,000</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 143,791,565	\$ 142,653,346	\$ 650,388
Restricted Use Funds	<u>78,333,827</u>	<u>78,333,827</u>	<u>21,690</u>
Subtotal -- State Operations	\$ <u>222,125,392</u>	\$ <u>220,987,173</u>	\$ <u>672,078</u>
Other Assistance:			
General Fees Funds	\$ 250,673	\$ 250,673	\$ --
Restricted Use Funds	<u>7,951,926</u>	<u>7,951,926</u>	<u>--</u>
Subtotal -- Other Assistance	\$ <u>8,202,599</u>	\$ <u>8,202,599</u>	\$ <u>--</u>
Total General Use Operating	\$ <u>144,042,238</u>	\$ <u>142,904,019</u>	\$ <u>650,388</u>
Total Operating Expend.	\$ <u>230,327,991</u>	\$ <u>229,189,772</u>	\$ <u>672,078</u>
Capital Improvements:			
State General Fund Educational Building Fund	\$ 794,087	\$ 1,794,087	\$ --
Other Funds	<u>7,639,037</u>	<u>7,638,295</u>	<u>--</u>
Subtotal -- Capital Improvements	\$ <u>8,991,016</u>	\$ <u>7,216,016</u>	\$ <u>--</u>
GRAND TOTAL	\$ <u>247,752,131</u>	\$ <u>245,838,170</u>	\$ <u>672,078</u>
FTE Positions:			
Classified	2,003.3	2,003.3	--
Unclassified	<u>2,416.8</u>	<u>2,416.8</u>	--
TOTAL	<u>4,420.1</u>	<u>4,420.1</u>	--

* Includes Governor's Budget Amendment No. 1, dated February 2, 1990.

Agency Request/Governor's Recommendation

FY 1990. The University's general use base budget for FY 1990 totals \$144,042,238, which is 11.5 percent greater than actual general use expenditures for FY 1989. For FY 1990 the agency requests a State General Fund supplemental of \$143,314 for salaries and wages adjustments, including the classified pay plan revisions

HA
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Attachment 2

approved by the 1989 Legislature and health insurance rate revisions for employees and dependents.

The Governor recommends a general use base budget of \$141,148,426, or \$2,893,812 less than the agency requested and \$2,950,498 less than currently authorized. In particular, the Governor increases the shrinkage amount for unclassified positions in the current year and revises employer health insurance amounts to reflect the most current rates. However, the Governor also reduces the shrinkage rate for classified positions. The Governor does not recommend any State General Fund supplemental support for the agency in the current year. The Governor recommends that the General Fees Fund expenditure limitation be increased by \$2,402,160. However, the amount does not include a general fee release of \$351,716 as requested by the Board of Regents based on increased student enrollment. The Governor recommends that \$5,295,972 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- General Fees Fund Release.** Concur with the agency request that \$351,716 in general fees be released in the current year. The additional funds reflect the current policy of releasing 75 percent of the general fee revenue generated by higher than anticipated enrollment in the fall of 1989. The Subcommittee notes the Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result is an additional \$351,776 in expenditures financed from the State General Fund.
2. The Subcommittee concurs with Governor's Budget Amendment No. 1 which makes a technical adjustment of adding \$1,755,593 in State General Fund support to fully fund the Governor's recommendation in FY 1990.
3. Add \$488,069 (State General Fund) for employer support of employee and dependent health insurance to make a technical adjustment. The additional funds provide the proper amount of funds to finance employee and dependent health insurance costs by the employer.
4. Delete \$235,022 (State General Fund) for classified employees salaries and wages. This adjustment is technical in nature and reflects the intent of the 1989 Legislature for classified employees salaries and wages.
5. Add \$53,465 (State General Fund) for employer FICA contributions. This is a technical adjustment to provide the proper amount for employer FICA contributions.
6. Delete \$7,900 for additional salary and wage shrinkage, based on the three preceding Subcommittee action items.

7. Increase the expenditure limitation on the Parking Facilities Revenue Fund by \$21,690. The increase would finance the costs of longevity bonuses and cost-of-living increases for employees supported from parking revenue.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

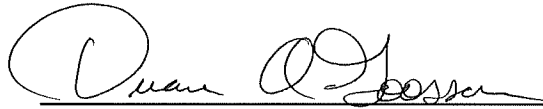
The Senate Committee of the Whole concurs with the Committee's recommendations.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subc. Adjustments</u>
State Operations:			
State General Fund	\$ 650,388	\$ 99,896,907	\$ (664,723)
General Fees Fund	--	43,366,827	--
Endowment Interest	--	40,000	--
Subtotal -- General Use Funds	\$ 650,388	\$ 143,303,734	\$ (664,723)
Restricted Use Funds	21,690	78,355,517	--
Subtotal -- State Operations	\$ 672,078	\$ 221,659,251	\$ (664,723)
Other Assistance:			
General Fees Funds	\$ --	\$ 250,673	\$ --
Restricted Use Funds	--	7,951,926	--
Subtotal -- Other Assistance	\$ --	\$ 8,202,599	\$ --
Total General Use Operating	\$ 650,388	\$ 143,554,407	\$ (664,723)
Total Operating Expend.	\$ 672,078	\$ 229,861,850	\$ (664,723)
Capital Improvements:			
State General Fund Educational Building Fund	\$ --	\$ 1,794,087	\$ --
Other Funds	--	7,638,295	--
Subtotal -- Capital Improvements	\$ --	\$ 7,216,016	\$ --
Subtotal -- Capital Improvements	\$ --	\$ 16,648,398	\$ --
GRAND TOTAL	\$ 672,078	\$ 246,510,248	\$ (664,723)
FTE Positions:			
Classified	--	2,003.3	--
Unclassified	--	2,416.8	--
TOTAL	--	<u>4,420.1</u>	--

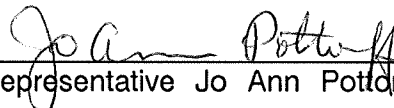
House Subcommittee Recommendations

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

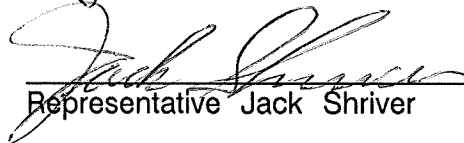
1. **Systemwide Recommendation -- General Fees Fund Release.** Delete \$351,716 (State General Fund) based on not releasing general fees in the current year. The action concurs with the Governor's recommendation. The Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result of the Senate recommendation was to finance the additional expenditures from the State General Fund. Therefore, the net result of the House systemwide recommendation is to reduce State General Fund demands.
2. Delete \$313,007 (State General Fund) for utilities based on the latest expenditures to date information. The Subcommittee recommends reappropriating the savings to FY 1991.



Representative Duane A. Goossen
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

2-11

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 443
454

Bill Sec. 13
7

Analyst: Conroy

Analysis Pg. No. 723

Budget Pg. No. 576

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 111,177,759	\$ 103,658,231	\$ 303,669
General Fees Fund	44,297,759	45,075,048	41,400
Endowment Interest	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 155,500,518	\$ 148,758,279	\$ 345,069
Restricted Use Funds	<u>81,549,329</u>	<u>81,547,185</u>	<u>--</u>
Subtotal -- State Operations	<u>\$ 237,049,847</u>	<u>\$ 230,305,464</u>	<u>\$ 345,069</u>
Other Assistance:			
General Fees Funds	\$ 260,700	\$ 253,180	\$ --
Restricted Use Funds	<u>8,270,003</u>	<u>8,270,003</u>	<u>--</u>
Subtotal -- Other Assistance	<u>\$ 8,530,703</u>	<u>\$ 8,523,183</u>	<u>\$ --</u>
Total General Use Operating	<u>\$ 155,761,218</u>	<u>\$ 149,011,459</u>	<u>\$ 345,069</u>
Total Operating Expend.	<u>\$ 245,580,550</u>	<u>\$ 238,828,647</u>	<u>\$ 345,069</u>
Capital Improvements:			
State General Fund Educational Building Fund	\$ --	\$ 1,000,000	\$ --
Other Funds	<u>1,715,000</u>	<u>--</u>	<u>--</u>
Other Funds	<u>15,205,000</u>	<u>7,180,000</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ 16,920,000</u>	<u>\$ 8,180,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 262,500,550</u>	<u>\$ 247,008,647</u>	<u>\$ 345,069</u>
FTE Positions:			
Classified	2,018.1	2,003.6	--
Unclassified	<u>2,424.8</u>	<u>2,416.8</u>	--
TOTAL	<u>4,442.9</u>	<u>4,420.4</u>	--

Agency Request/Governor's Recommendation

FY 1991. The University requests a total of \$155,761,218 in general use funds for the FY 1991 budget, an increase of 8.1 percent over the FY 1990 budget. The request includes increases of \$6,024,541, which provides increases of 5 percent for unclassified salary, 4 percent for other operating expenditures, 5 percent for student salaries, and classified staff pay plan step movement and longevity pay. The University

also requests \$1,667,182 for adjustments to the FY 1990 base budget for fringe benefit increases and classified salary plan revisions, and \$428,869 for servicing new buildings in FY 1991. For the Margin of Excellence program the agency requests a total of \$3,741,702, of which \$3,168,035 is for unclassified salary parity and \$573,667 is for mission related enhancements. The agency requests an additional 22.8 FTE positions in FY 1991.

The Governor recommends an FY 1991 general use base budget of \$149,011,459, a 5.6 percent increase above the revised FY 1990 recommendation. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor does not recommend funding servicing new buildings in FY 1991. The Governor also does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than seven different line items.

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$38,394 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$38,394 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation -- Graduate Assistant Fee Waiver.** The Subcommittee recommends that the graduate assistant fee waiver in FY 1991 remain at the current level of 75 percent. The Governor had recommended an increase to an 80 percent fee waiver, while the Regents had requested a fee waiver of 100 percent in FY 1991. The Subcommittee's recommendation will increase general fees funds at the institution by \$41,400. The net result of the recommendation is to reduce State General Fund expenditures in FY 1991 by \$41,400 and increase general fees funds by a like amount.
4. Add \$331,620 (State General Fund) for employer support of employee and dependent health insurance to make a technical adjustment. The

additional funds provide the proper amount of funds to finance employee and dependent health insurance costs by the employer.

5. Delete \$17,243 (State General Fund) in excess funding of fringe benefits. This is a technical adjustment.
6. Delete \$7,702 for increased salary and wage shrinkage based on the Subcommittee's action in items number 4 and 5 within this report. The adjustment is technical in nature.
7. The Subcommittee after considerable discussion and review does not recommend any additional funding for the servicing of new buildings in FY 1991. The Subcommittee could not, within the available time, develop a balanced recommendation. However, the Subcommittee is concerned that all of the Regents' institutions receive equitable treatment on this issue. Therefore, the Subcommittee recommends that whatever action the Committee provides the other Regents' institutions on servicing new buildings, also be provided to this institution.
8. This Subcommittee recommends that the subcommittee on capital improvements give favorable consideration on the agency's request for Lied Center parking (\$1,500,000), the Law Enforcement Training Center improvements (\$350,000), renovation of the student union facility, and authority to raze or relocate Buildings 112 and 113 on the campus.

Senate Committee Recommendations

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

1. Add \$315,177 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

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 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 618,846	\$ 104,277,077	\$ (228,916)
General Fees Fund	41,400	45,116,448	--
Endowment Interest	--	25,000	--
Subtotal -- General Use Funds	\$ 660,246	\$ 149,418,525	\$ (228,916)
Restricted Use Funds	--	81,547,185	--
Subtotal -- State Operations	<u>\$ 660,246</u>	<u>\$ 230,965,710</u>	<u>\$ (228,916)</u>
Other Assistance:			
General Fees Funds	\$ --	\$ 253,180	\$ --
Restricted Use Funds	--	8,270,003	--
Subtotal -- Other Assistance	<u>\$ --</u>	<u>\$ 8,523,183</u>	<u>\$ --</u>
Total General Use Operating	<u>\$ 660,246</u>	<u>\$ 149,671,705</u>	<u>\$ (228,916)</u>
Total Operating Expend.	<u>\$ 660,246</u>	<u>\$ 239,488,893</u>	<u>\$ (228,916)</u>
Capital Improvements:			
State General Fund Educational Building Fund	\$ -- 486,373	\$ 1,000,000 486,373	\$ -- --
Other Funds	--	7,180,000	350,000
Subtotal -- Capital Improvements	<u>\$ 486,373</u>	<u>\$ 8,666,373</u>	<u>\$ 350,000</u>
GRAND TOTAL	<u>\$ 1,146,619</u>	<u>\$ 248,155,266</u>	<u>\$ 121,084</u>
FTE Positions:			
Classified	--	2,003.6	--
Unclassified	--	2,416.8	--
TOTAL	<u>--</u>	<u>4,420.4</u>	<u>--</u>

House Subcommittee Recommendations

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

- Systemwide Recommendation -- Salary and Wage Shrinkage.** Add \$124,655 (State General Fund) to reduce salary and wages shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. This systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total of \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The

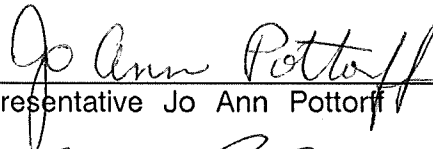
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systemwide recommendation addresses salary and wage shrinkage in all nine institutions.

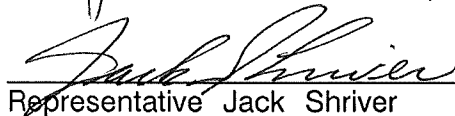
2. **Systemwide Recommendation -- Student Salaries.** Delete \$38,394 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$315,177 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. The Subcommittee notes that the Senate made several adjustments that corrected oversights within the budget. The Subcommittee would request that the agency seek and the Governor provide a Governor's Budget Amendment to fund the oversights. If the Governor's Budget Amendment is not granted and if the Division of the Budget can show the Subcommittee that the additions are more than just technical in nature, the Subcommittee will then consider deleting the funds in the omnibus appropriation bill.
5. Make a technical adjustment in the capital improvement projects for parking enhancements. The adjustment changes the fund title from the Parking Facilities Revenue Fund to the Parking Facilities Revenue Surplus Fund.
6. Add \$350,000 from the Law Enforcement Center Fund for capital improvements at the Law Enforcement Training Center. The project has been recommended by the Joint Committee on State Building Construction.



Representative Duane A. Goossen
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: University of Kansas
Medical Center

Bill No. 558

Bill Sec. 20

Analyst: Conroy

Analysis Pg. No. 774

Budget Pg. No. 578

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Gov. Rec. FY 90*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 63,555,995	\$ 58,306,295	\$ 95,893
General Fees Fund	5,887,899	6,116,282	--
Hospital Revenue Fund	97,170,263	98,297,418	--
Other Funds	<u>1,435,000</u>	<u>2,435,000</u>	<u>--</u>
Subtotal - General Use Funds	\$ 168,049,157	\$ 165,154,995	\$ 95,893
Other Funds	<u>45,662,873</u>	<u>45,662,873</u>	<u>--</u>
Subtotal - State Operations	\$ <u>213,712,030</u>	\$ <u>210,817,868</u>	\$ <u>95,893</u>
Other Assistance:			
State General Fund	\$ 1,622,473	\$ 1,622,473	\$ --
Other Funds	<u>1,500,820</u>	<u>1,500,820</u>	<u>--</u>
Subtotal - Other Assistance	\$ <u>3,123,293</u>	\$ <u>3,123,293</u>	\$ <u>--</u>
Total General Use Funds	\$ <u>169,671,630</u>	\$ <u>166,777,468</u>	\$ <u>95,893</u>
Total Operating Expend.	\$ <u>216,835,323</u>	\$ <u>213,941,161</u>	\$ <u>95,893</u>
Capital Improvements:			
State General Fund	\$ 481,893	\$ 481,893	\$ --
Hospital Fund	446,723	446,723	--
Educ. Building Fund	1,702,237	1,365,000	--
Other Funds	<u>3,291,213</u>	<u>3,291,213</u>	<u>--</u>
Subtotal - Capital Improvements	\$ <u>5,922,066</u>	\$ <u>5,584,829</u>	\$ <u>--</u>
GRAND TOTAL	\$ <u>222,757,389</u>	\$ <u>219,525,990</u>	\$ <u>95,893</u>
Bed Complement	465	465	
FTE Positions:			
Classified	3,083.3	3,083.3	--
Unclassified	<u>1,591.8</u>	<u>1,587.2</u>	<u>70.0</u>
Total	<u>4,675.1</u>	<u>4,670.5</u>	<u>70.0</u>

* Includes Governor's Budget Amendment No. 1, dated February 2, 1990.

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Attachment 3

Agency Request/Governor's Recommendation

The University of Kansas Medical Center requests a total operating budget of \$216,835,323, an increase of 8.7 percent above the FY 1989 actual amount. The total revised general use operating budget is requested at \$169,671,630 or \$729,465 above the current approved amount of \$168,942,165, and the agency requests a State General Fund supplemental appropriation of \$729,465. Of the requested amount, \$190,151 is for classified pay plan revisions approved by the 1989 Legislature, \$419,748 for employer health insurance rate revisions for employees and dependents, and \$119,567 is for servicing the new Kirmayer Fitness Center. The agency request for the Kirmayer Center also includes an additional 4.6 FTE classified positions.

The Governor recommends a total general use operating budget of \$166,277,468 or \$3,394,162 less than the agency requested. In particular, the Governor increases the shrinkage amount for unclassified positions in the current year. The Governor's recommendation does not include any supplemental salaries and wages State General Fund support for the agency. However, the Governor does recommend that three general use fund expenditure limitations be increased by a total of \$2,355,538. Of the recommended increases, \$1,000,000 is from the Medical Scholarship Repayment Fund; \$228,383 is from the General Fees Fund; and \$1,127,155 is from the Hospital Revenue Fund. The Governor recommends that \$5,020,235 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991.

Senate Subcommittee Recommendations

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

1. Increase the position limitation by 70.0 FTE in the current year based on additional research activities. The positions will be financed from restricted use funds generated from increased research grants.
2. Concur with Governor's Budget Amendment No. 1 which adds \$500,000 (State General Fund) to the University Hospital operating budget for the purchase of high technology equipment. The facility requires this type of equipment to enable it to provide the most up-to-date and high quality patient care.
3. Add \$65,893 (State General Fund) for the classified employees cost-of-living adjustment. The additional funding corrects an oversight and is a technical adjustment to the Governor's recommendation.
4. Add \$30,000 (State General Fund) for hospital housestaff malpractice surcharge payments based on the most recent rates of the Health Care Stabilization Fund.
5. The Subcommittee urges the House Appropriations Committee to closely review utility expenditures to date, especially in light of the opening of the new Kirmayer Fitness Center.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations

Senate Committee of the Whole Recommendation

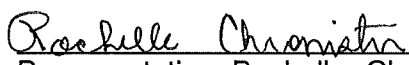
The Senate Committee of the Whole concurs with the Committee's recommendations.

<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	\$ 95,893	\$ 58,402,188	\$ (500,000)
General Fees Fund	--	6,116,282	--
Hospital Revenue Fund	--	98,297,418	500,000
Other Funds	--	<u>2,435,000</u>	--
Subtotal - General Use Funds	\$ 95,893	\$ 165,250,888	\$ --
Other Funds	--	<u>45,662,873</u>	<u>200,000</u>
Subtotal - State Operations	<u>\$ 95,893</u>	<u>\$ 210,913,761</u>	<u>\$ 200,000</u>
Other Assistance:			
State General Fund	\$ --	\$ 1,622,473	\$ --
Other Funds	--	<u>1,500,820</u>	--
Subtotal - Other Assistance	<u>\$ --</u>	<u>\$ 3,123,293</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 95,893</u>	<u>\$ 166,873,361</u>	<u>\$ --</u>
Total Operating Expend.	<u>\$ 95,893</u>	<u>\$ 214,037,054</u>	<u>\$ 200,000</u>
Capital Improvements:			
State General Fund	\$ --	\$ 481,893	\$ --
Hospital Fund	--	446,723	--
Educ. Building Fund	--	1,365,000	--
Other Funds	--	<u>3,291,213</u>	--
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ 5,584,829</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 95,893</u>	<u>\$ 219,621,883</u>	<u>\$ 200,000</u>
FTE Positions:			
Classified	--	3,083.3	--
Unclassified	<u>70.0</u>	<u>1,657.2</u>	--
TOTAL	<u>70.0</u>	<u>4,740.5</u>	--

House Subcommittee Recommendations

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

1. Increase the expenditure limitation on the Sponsored Research Overhead Fund by \$200,000 for debt service on the Animal Care Research Facility.
2. Shift financing of \$500,000 from the State General Fund to the Hospital Revenue Fund for the purchase of high technology hospital equipment. The Subcommittee also recommends a transfer of \$500,000 from the Hospital Revenue Fund to the Hospital Fund be made for the equipment acquisition. Finally, the Subcommittee recommends that any unencumbered balance in the recommended equipment funds be reappropriate to FY 1991.
3. Combine the State General Fund line item appropriation for state-supported residents with the general operating expenditures State General Fund line item appropriation. The action should assist the agency in negotiations with the federal government over hospital reimbursement calculations. If the action is not approved, as much as \$6.0 million in federal reimbursement funds may be jeopardized.



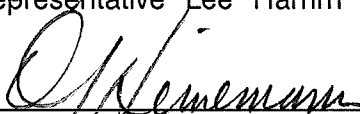
Representative Rochelle Chronister
Subcommittee Chairperson




Representative Bill Bunten



Representative Lee Hamm



Representative David J. Heinemann



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: University of Kansas
Medical Center

Bill No. 454
Bill No. 443

Bill Sec. 8
Bill Sec. 14

Analyst: Conroy

Analysis Pg. No. 774

Budget Pg. No. 578

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Amended Gov. Rec. FY 91*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 82,753,344	\$ 67,238,603	\$ 1,995,881
General Fees Fund	6,051,368	6,138,974	--
Hospital Revenue Fund	90,797,455	96,644,497	--
Other Funds	<u>780,000</u>	<u>1,432,529</u>	<u>--</u>
Subtotal - General Use Funds	\$ 180,382,167	\$ 171,454,603	\$ 1,995,881
Other Funds	<u>48,595,083</u>	<u>48,595,083</u>	<u>--</u>
Subtotal - State Operations	\$ <u>228,977,250</u>	\$ <u>220,049,686</u>	\$ <u>1,995,881</u>
Other Assistance:			
State General Fund	\$ 1,703,597	\$ 1,654,923	\$ --
Other Funds	<u>1,767,580</u>	<u>1,767,580</u>	<u>--</u>
Subtotal - Other Assistance	\$ <u>3,471,177</u>	\$ <u>3,422,503</u>	\$ <u>--</u>
Total General Use Funds	\$ <u>182,085,764</u>	\$ <u>173,109,526</u>	\$ <u>1,995,881</u>
Total Operating Expend.	\$ <u>232,448,427</u>	\$ <u>223,472,189</u>	\$ <u>1,995,881</u>
Capital Improvements:			
Hospital Fund	\$ 3,750,000	\$ 1,250,000	\$ --
Educ. Building Fund	2,500,000	--	--
Other Funds	<u>3,189,852</u>	<u>3,189,852</u>	<u>--</u>
Subtotal - Capital Improvements	\$ <u>9,439,852</u>	\$ <u>4,439,852</u>	\$ <u>--</u>
GRAND TOTAL	\$ <u>241,888,279</u>	\$ <u>227,912,041</u>	\$ <u>1,995,881</u>
Bed Complement	465	465	--
FTE Positions			
Classified	3,084.3	3,083.3	2.0
Unclassified	<u>1,598.3</u>	<u>1,587.2</u>	<u>70.0</u>
Total	<u>4,682.6</u>	<u>4,670.5</u>	<u>72.0</u>

* Includes Governor's Budget Amendment No. 1, dated February 2, 1990.

Agency Request/Governor's Recommendation

The Medical Center requests an operating budget of \$232,448,427 in FY 1991, a 7.2 percent increase over the FY 1990 operating budget. The Medical Center's request includes \$182,085,764 in general use funds and \$50,362,663 in restricted use funds. The general use request is made up of \$84,456,941 from the State General Fund, \$6,051,368 from the General Fees Fund, and \$90,797,455 from the Hospital Revenue Fund. The Medical Center's total general use operating budget request exceeds the revised FY 1990 request by \$12,414,134 or 7.3 percent. The agency requests \$6,012,488 for a 5 percent increase for unclassified personnel, house staff, and student salaries, a 4 percent increase for other operating expenditures, and classified pay plan step movement and longevity pay. In addition, the agency requests a total of \$9,439,852 for capital improvements, of which \$2,500,000 is from the Educational Building Fund, \$3,750,000 from the Hospital Revenue Fund, and \$3,189,852 from other funds.

Margin of Excellence. The University requests a total of \$4,401,937 in FY 1991 for the third year of the Margin of Excellence. The request includes \$2,201,937 and 7.5 FTE positions for educational programs and \$2,200,000 for hospital programs. The request includes funding for library resource development, enhancement of graduate programs, retention incentives for faculty and staff, additional general operating support for academic programs and the hospital, resident malpractice insurance for certain Wichita residents, additional house staff, an enhanced primary care program, establishment of an Institute for Prevention of Mental Retardation and Development Disability, additional hospital equipment, and a salary upgrade for patient care personnel.

Financing. The Medical Center's request for FY 1991 reflects an increase of \$19,278,473 from the State General Fund. Funding from the General Fees Fund in FY 1991 is \$163,469 above the requested FY 1990 level. Hospital Revenue Fund financing in FY 1991 is requested to decrease by \$6,372,808.

The FY 1991 Governor's recommendation for the operating budget of the Medical Center is \$221,872,189 or \$10,576,238 below the agency request. The Governor's recommendation for the general use budget is \$171,509,526 or \$10,576,238 below the agency request. The Governor includes within his general use recommendation \$1,432,529 from the Medical Scholarship Repayment Fund. The Governor's recommendation includes funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries, plus longevity pay, no increase in student salaries, a 2 percent increase for house staff salaries, and a 2 percent increase for other operating expenditures. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. The Governor also increases salary and wage shrinkage for unclassified and classified positions, and house staff above the agency request. The Governor also reduces employer health insurance costs for employees and dependents based on revised rates. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than several line items.

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$32,410 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$32,410 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level. The Subcommittee also notes the recommended adjustment differs from the amount that was approved in the Regents's systemwide memorandum which was incorrect. The proper amount is reflected in this report.
3. Add 70 additional FTE positions based on increased research activities at the institution. The positions will be financed from restricted fees and will not be part of the general use budget.
4. Concur with Governor's Budget Amendment No. 1 which adds \$1,600,000 (State General Fund) to make a technical adjustment to the institution's budget. The additional funds finance the Governor's original intent for FY 1991 for the agency's budget.
5. Make a technical adjustment in the appropriation language that transfers general fees to certain student loan programs. The adjustment clarifies which student loan programs and amounts are involved for the budget year.
6. Delete \$30,000 (State General Fund) for hospital house staff medical malpractice surcharge payments based on the most recent rates of the Health Care Stabilization Fund.
7. Add \$65,893 (State General Fund) for the classified employees cost-of-living adjustment. The additional funding corrects an oversight and is a technical adjustment to the Governor's recommendation.
8. Delete \$50,000 (State General Fund) for meritorious faculty salary increases in the budget year. The Subcommittee further recommends that consideration be given to removing the remaining \$350,000 in the Governor's budget for the respective institutions for meritorious faculty salary increases.
9. Add \$248,278 (State General Fund) for an additional 1 percent base increase for other operating expenditures. The Subcommittee notes the medical price index for hospital supplies is considerably higher than most familiar inflation measures such as the consumer price index for all urban consumers (CPI-U). KUMC as a major teaching and patient care facility cannot be expected to operate and compete in the

metropolitan Kansas City area with a 2 percent increase for other operating expenditures.

10. Add \$250,000 (State General Fund) for additional equipment purchases by the University Hospital. The facility requires this type of equipment funding to enable it to provide the most up-to-date and high quality patient care the citizens of our state expect at KUMC.
11. Add \$30,034 (State General Fund) and 2.0 classified FTE positions to service the new Kirmayer Fitness Center. Both of the positions recommended by the Subcommittee are laborers. The agency had requested 4.6 FTE positions and a total of \$243,801 for salaries and wages, other operating expenditures, and utilities for the new facility. The Subcommittee urges the House Appropriation Subcommittee to review utility expenditures based on the addition of the Kirmayer Fitness Center.
12. Add \$1,449,266 (State General Fund) to reduce the Governor's recommended salary and wage shrinkage adjustment from 4.6 percent to 3.5 percent. This action reduces the actual dollar shrinkage amount from \$6,137,594 to \$4,688,328. The Subcommittee notes the Governor's salary and wage shrinkage adjustments in FY 1990 and FY 1991 are based on actual FY 1989 experience. However, FY 1989 reflects the great difficulty the institution has experienced retaining nursing personnel. The Subcommittee hopes that with the passage of S.B. 464 (by the Senate) which will unclassify nursing staff at KUMC the inordinately high salary and wage shrinkage that occurred in FY 1989 will not repeat itself in FY 1991. Finally, the Subcommittee notes that in order for KUMC to generate over \$117.1 million in hospital receipts for FY 1991 the institution must be staffed at sufficient levels to handle such a patient load.

Senate Committee Recommendations

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

1. Add \$50,000 (State General Fund) for meritorious faculty salary increases in the budget year. The action provides equity between all of the institutions for faculty salary increases.
2. Add \$333,482 (State General Fund) for additional other operating expenditures support. This action when combined with the Subcommittee's recommendation will provide for a 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.
3. Add \$277,005 (State General Fund) to finance the LPN and Senior LPN costs associated with the implementation of the job rate study of the Division of Personnel Services for LPNs.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adj. FY 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,656,368	\$ 69,894,971	\$ (354,516)
General Fees Fund	--	6,138,974	--
Hospital Revenue Fund	--	96,644,497	--
Other Funds	--	<u>1,432,529</u>	--
Subtotal - General Use Funds	\$ 2,656,368	\$ 174,110,971	\$ (354,516)
Other Funds	--	<u>48,595,083</u>	<u>200,000</u>
Subtotal - State Operations	<u>\$ 2,656,368</u>	<u>\$ 222,706,054</u>	<u>\$ (154,516)</u>
Other Assistance:			
State General Fund	\$ --	\$ 1,654,923	\$ --
Other Funds	--	<u>1,767,580</u>	--
Subtotal - Other Assistance	<u>\$ --</u>	<u>\$ 3,422,503</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 2,656,368</u>	<u>\$ 175,765,894</u>	<u>\$ (354,516)</u>
Total Operating Expend.	<u>\$ 2,656,368</u>	<u>\$ 226,128,557</u>	<u>\$ (154,516)</u>
Capital Improvements:			
Hospital Fund	\$ --	\$ 1,250,000	\$ --
Educ. Building Fund	--	--	--
Other Funds	--	<u>3,189,852</u>	--
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ 4,439,852</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 2,656,368</u>	<u>\$ 230,568,409</u>	<u>\$ (154,516)</u>
Bed Complement	--	465	--
FTE Positions:			
Classified	2.0	3,085.3	--
Unclassified	<u>70.0</u>	<u>1,657.2</u>	--
TOTAL	<u>72.0</u>	<u>4,742.5</u>	--

House Subcommittee Recommendations

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

1. **Salary and Wage Shrinkage.** The Subcommittee adjusts salary and wage shrinkage in an amount different than would be allowed under

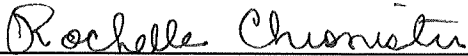
the systemwide Committee decisions for the University Hospital. The Subcommittee strongly believes that the University Hospital warrants special consideration. The Subcommittee notes that the Governor's shrinkage adjustment using FY 1989 actual amounts includes a large number of nursing and other patient care position vacancies. The Legislature has passed S.B. 464 which unclassified health care workers at KUMC which hopefully will greatly reduce the number of position vacancies at the University Hospital. KUMC as a major institution for handling patient referrals from across the state and the economic viability of the hospital is clearly dependent on attracting and retaining health care workers of sufficient numbers to carry out this mission. The committee salary and wage shrinkage adjustment amount would force the institution to hold patient care positions vacant and negate the positive impact of S.B. 464. The Subcommittee does recommend that the nonhospital programs at KUMC take the salary and wage adjustment as recommended by the Committee. The net result of the Subcommittee action is an additional \$509,654 (State General Fund) for salaries and wages.

2. **Systemwide Recommendation -- Student Salaries.** Delete \$32,410 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$581,760 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base increase for other operating expenditures in FY 1991.
4. Increase the expenditure limitation on the Sponsored Research Overhead Fund by \$200,000 for debt service on the Animal Care Research Facility.
5. Combine the State General Fund line item appropriation for state-supported residents with the general operating expenditures State General Fund line item appropriation. The action should assist the agency in negotiations with the federal government over hospital reimbursement calculations. If the action is not approved as much as \$6.0 million in federal reimbursement funds may be jeopardized.
6. Delete \$250,000 (State General Fund) for additional equipment purchases by the University Hospital. The Subcommittee notes the additional funding of \$500,000 for hospital equipment in FY 1990.
7. Remove the expenditure limitation on the Hospital Revenue Fund for a one-year period of time. This will allow the institution the ability to respond to patient load increases and continue to be a major factor in a very competitive Kansas City health care market. The action attempts to place the University Hospital financing on a sound business-like foundation. The financial destiny of the hospital will be placed squarely in the hands of the institution. The amount of hospital revenue generated will be the only limiting factor for KUMC to meet the health care needs of the citizens of our state. The Subcommittee

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recommends that the success or failure of this action be closely reviewed by the 1991 Legislature.

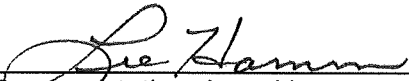
8. Recommend an interim legislative study on the mission and activities of KUMC (including the financing of the agency) since the institution warrants periodic and frequent examinations by the Legislature due to the complexity and the changing needs of the Medical Center in the Kansas City health care market.



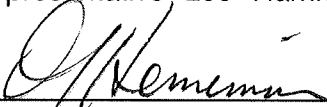
Representative Rochelle Chronister
Subcommittee Chairperson




Representative Bill Bunten



Representative Lee Hamm



Representative David J. Heinemann



Representative George Teagarden

682MC-91/ADC

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 558

Bill Sec. 14

Analyst: Conroy

Analysis Pg. No. 703

Budget Pg. No. 216

<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	\$ 20,525,160	\$ 19,771,116	\$ --
General Fees Fund	<u>4,369,470</u>	<u>4,553,501</u>	--
Subtotal -- General Use Funds	\$ 24,894,630	\$ 24,324,617	\$ --
Other Funds	<u>6,152,172</u>	<u>6,152,172</u>	--
Subtotal -- State Operations	<u>\$ 31,046,802</u>	<u>\$ 30,476,789</u>	<u>\$ --</u>
Other Assistance:			
Other Funds	<u>\$ 2,316,268</u>	<u>\$ 2,316,268</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 24,894,630</u>	<u>\$ 24,324,617</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 33,363,070</u>	<u>\$ 32,793,057</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 3,510,461	\$ 3,232,618	\$ --
Educational Building Fund	5,699	248,626	--
Other Funds	<u>898,202</u>	<u>901,505</u>	--
Subtotal -- Capital Improvements	<u>\$ 4,414,362</u>	<u>\$ 4,382,749</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 37,777,432</u>	<u>\$ 37,175,806</u>	<u>\$ --</u>
FTE Positions:			
Classified	297.8	297.5	--
Unclassified	<u>331.9</u>	<u>331.9</u>	--
TOTAL	<u>629.7</u>	<u>629.4</u>	<u>--</u>

Agency Request/Governor's Recommendation

FY 1990. The University's general use base budget request for FY 1990 totals \$24,894,630. The FY 1990 general use base budget is 13.1 percent greater than actual general use expenditures for FY 1989. The agency requests a State General Fund supplemental in FY 1990 of \$92,638 for classified pay plan revisions approved by the 1989 Legislature, employer health insurance adjustments, and other base budget adjustments.

The Governor recommends a general use budget of \$24,324,617 or \$570,014 less than the agency requested in FY 1990. In particular, the Governor increases the shrinkage amount for classified and unclassified positions in the current year. The Governor recommends that the General Fees Fund expenditure limitation be increased by \$184,031. The Governor also recommends that \$758,371 in State General Fund resources

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Attachment 16

in the current year be reappropriated to finance expenditures in FY 1991. In addition, the Governor recommends a State General Fund supplemental of \$4,327 for utilities.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendations

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

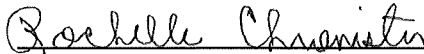
<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 19,771,116	\$ 29,104
General Fees Fund	--	4,553,501	--
Subtotal -- General Use Funds	\$ --	\$ 24,324,617	\$ 29,104
Other Funds	--	6,152,172	--
Subtotal -- State Operations	\$ --	\$ 30,476,789	\$ 29,104
Other Assistance:			
Other Funds	\$ --	\$ 2,316,268	\$ --
Total General Use Funds	\$ --	\$ 24,324,617	\$ 29,104
Total Operating Expenditures	\$ --	\$ 32,793,057	\$ 29,104
Capital Improvements:			
State General Fund	\$ --	\$ 3,232,618	\$ --
Educational Building Fund	--	248,626	--
Other Funds	--	901,505	--
Subtotal -- Capital Improvements	\$ --	\$ 4,382,749	\$ --
GRAND TOTAL	\$ --	\$ 37,175,806	\$ 29,104
FTE Positions:			
Classified	--	297.5	--
Unclassified	--	331.9	--
TOTAL	--	629.4	--

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House Subcommittee Recommendations

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

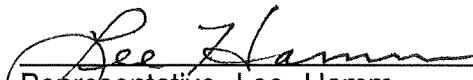
1. Add 29,104 (State General Fund) for utilities. The addition is recommended by the Board of Regents and reflects the latest year-to-date expenditure projections.



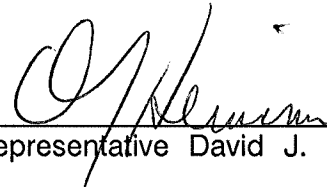
Representative Rochelle Chronister
Subcommittee Chairperson



Representative William Bunten



Representative Lee Hamm



Representative David J. Heinemann



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Fort Hays State
University

Bill No. 454

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 703

Budget Pg. No. 216

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 22,150,010	\$ 20,673,691	\$ 422,875
General Fees Fund	<u>4,648,689</u>	<u>4,698,901</u>	<u>7,611</u>
Subtotal -- General Use Funds	\$ 26,798,699	\$ 25,372,592	\$ 430,486
Other Funds	<u>6,364,495</u>	<u>6,285,428</u>	<u>25,000</u>
Subtotal -- State Operations	<u>\$ 33,163,194</u>	<u>\$ 31,658,020</u>	<u>\$ 455,486</u>
Other Assistance:			
Other Funds	<u>\$ 2,408,918</u>	<u>\$ 2,408,918</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 26,798,699</u>	<u>\$ 25,372,592</u>	<u>\$ 430,486</u>
Total Operating Expenditures	<u>\$ 35,572,112</u>	<u>\$ 34,066,938</u>	<u>\$ 455,486</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	325,000	--	--
Other Funds	<u>75,000</u>	<u>100,000</u>	<u>---</u>
Subtotal -- Capital Improvements	<u>\$ 400,000</u>	<u>\$ 100,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 35,972,112</u>	<u>\$ 34,166,938</u>	<u>\$ 455,486</u>
FTE Positions			
Classified	299.0	297.5	--
Unclassified	<u>332.9</u>	<u>331.9</u>	<u>--</u>
TOTAL	<u>631.9</u>	<u>629.4</u>	<u>--</u>

Agency Request/Governor's Recommendation

FY 1991. The University requests a total of \$26,798,699 in general use funds for the FY 1991 budget, an increase of 7.6 percent over the FY 1990 budget. The request includes program maintenance increases of \$1,086,315, which provides a 5 percent increase for unclassified salaries, a 4 percent increase for other operating expenditures, a 5 percent increase for student salaries, and classified staff pay plan step movement and longevity pay. The University also requests \$323,958 for adjustments to the FY 1990 base budget for fringe benefit increases and classified salary plan revisions, and \$98,314 for servicing new buildings. For the Margin of Excellence program, the agency requests \$394,911, of which \$332,600 is for unclassified salary parity and \$62,311 is for mission related enhancements.

The Governor recommends an FY 1991 general use base budget of \$25,372,592, a 4.3 percent increase above the revised FY 1990 recommendation. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent average increase for classified salaries, plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. For FY 1991 the Governor increases the shrinkage factor from the agency request for unclassified, classified, and student salaries. The Governor does not recommend the requested funding for the servicing of new buildings. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than one line item for salaries and wages, one for other operating expenditures, and one for utilities.

Senate Subcommittee Recommendations

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$32,148 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$32,148 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation -- Graduate Assistant Fee Waiver.** The Subcommittee recommends that the graduate assistant fee waiver in FY 1991 remain at the current level of 75 percent. The Governor had recommended an increase to an 80 percent fee waiver, while the Regents had requested a fee waiver of 100 percent in FY 1991. The Subcommittee's recommendation will increase general fees funds at the institution by \$7,611. The net result of the recommendation is to reduce State General Fund expenditures in FY 1991 by \$7,611 and increase general fees funds by a like amount.
4. Make a technical adjustment to the appropriation language for the Service Clearing Fund. The adjustment reflects the service clearing activity of telecommunications rather than telecommunication services.
5. Increase the expenditure limitation on the Sheridan Coliseum Gift Fund from \$25,000 to \$50,000. This would allow the expenditure of interest earned on the funds for the project.

6. Add \$74,000 (State General Fund) for a technical adjustment for classified salaries and fringe benefits to correct an oversight in the budget year.
7. The Subcommittee, after considerable discussion and review, does not recommend any additional funding for the servicing of new buildings in FY 1991. The Subcommittee could not, within the available time, develop a balanced recommendation. However, the Subcommittee is concerned that all of the Regents' institutions receive equitable treatment on this issue. Therefore, the Subcommittee recommends that whatever action the Committee provides the other Regents' institutions on servicing new buildings, also be provided to this opportunity.
8. The Subcommittee also spent considerable time discussing and reviewing the appropriate level of salary and wage shrinkage in the budget year. Due to prudent management decisions in FY 1989, the institution generated an abnormally high salary and wage shrinkage amount in order to have the resources to match available grant funds. The Governor used FY 1989 as the base year for shrinkage adjustments in FY 1990 and FY 1991. This action unfairly penalizes Fort Hays State University in FY 1991 and places the institution at a severe disadvantage. To correct this situation, the Subcommittee recommends that the FY 1991 shrinkage adjustment be based on a three-year average (FY 1985, FY 1986, and FY 1988). This would lower the shrinkage adjustment from 3.7 percent to 2.19 percent. This three-year average provides a proper historical perspective rather than solely relying on the aberration in FY 1989. The final point the Subcommittee advances is that the 2.19 shrinkage adjustment is more than double the agency's budget request for FY 1991. The Subcommittee therefore recommends adding \$324,338 (State General Fund) to reduce the salary and wage adjustment from \$794,736 to \$470,398.

Senate Committee Recommendations

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

1. Add \$54,980 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

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 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 477,855	\$ 21,151,546	\$ (121,050)
General Fees Fund	7,611	4,706,512	--
Subtotal -- General Use Funds	\$ 485,466	\$ 25,858,058	\$ (121,050)
Other Funds	25,000	6,310,428	--
Subtotal -- State Operations	\$ 510,466	\$ 32,168,486	\$ (121,050)
Other Assistance:			
Other Funds	\$ --	\$ 2,408,918	\$ --
Total General Use Funds	\$ 485,466	\$ 25,858,058	\$ (121,050)
Total Operating Expenditures	\$ 510,466	\$ 34,577,404	\$ (121,050)
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	--	--	--
Other Funds	--	100,000	--
Subtotal -- Capital Improvements	\$ --	\$ 100,000	\$ --
GRAND TOTAL	\$ 510,466	\$ 34,677,404	\$ (121,050)
FTE Positions			
Classified	--	297.5	--
Unclassified	--	331.9	--
TOTAL	--	629.4	--

House Subcommittee Recommendations

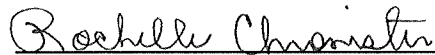
The House Subcommittee concurs with the Senate recommendations, with the following adjustments:

1. **Systemwide Recommendations -- Salary and Wage Shrinkage.** Delete \$33,922 (State General Fund) for salary and wage shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. This systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions. The Subcommittee notes the special circumstances in FY 1989 that generated the higher than normal salary and wage shrinkage amount. This higher than normal shrinkage factor was used by the Governor in FY 1991. The Subcommittee is supportive of some type of special treatment for the institution, such as a three-year shrinkage average as

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proposed by the Senate. However, the Subcommittee would encourage the Governor to consider amending his budget to make some allowance for the special circumstances that occurred at the institution. Pending receipt of a Governor's budget amendment, the Subcommittee makes no further adjustment other than the systemwide recommendation. The Subcommittee urges that this item be reviewed as part of those items considered for inclusion in the omnibus appropriations bill.

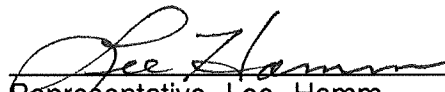
2. **Systemwide Recommendation -- Student Salaries.** Delete \$32,148 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendations for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$54,980 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. Change the Sheridan Coliseum Gift Fund to a no-limit fund to provide greater flexibility to the University.



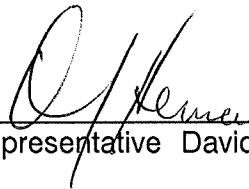
Representative Rochelle Chronister
Subcommittee Chairperson



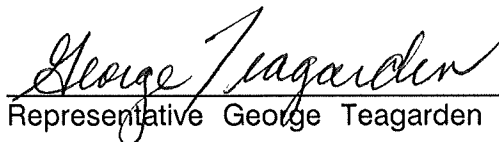
Representative William Bunten



Representative Lee Hamm



Representative David J. Heinemann



Representative George Teagarden

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 558

Bill Sec. 15

Analyst: Conroy

Analysis Pg. No. 763

Budget Pg. No. 388

<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	\$ 102,475,054	\$ 99,635,489	\$ 752,635
General Fees Fund	23,891,332	25,395,835	--
Federal Land Grant Funds	6,621,986	6,621,986	--
Endowment Interest	<u>175,000</u>	<u>175,000</u>	<u>--</u>
Subtotal - General Use Funds	\$ 133,163,372	\$ 131,828,310	\$ 752,635
Restricted Use Fund	<u>58,148,566</u>	<u>58,148,566</u>	<u>--</u>
Subtotal - State Operations	<u>\$ 191,311,938</u>	<u>\$ 189,976,876</u>	<u>\$ 752,635</u>
Aid to Local Units:			
Restricted Use Fund	<u>\$ 146,754</u>	<u>\$ 146,754</u>	<u>\$ --</u>
Other Assistance:			
Other Funds	<u>\$ 7,019,858</u>	<u>\$ 7,019,858</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 133,163,372</u>	<u>\$ 131,828,310</u>	<u>\$ 752,635</u>
Total Operating Expenditures	<u>\$ 198,478,550</u>	<u>\$ 197,143,488</u>	<u>\$ 752,635</u>
Capital Improvement			
State General Fund	\$ 19,425	\$ 19,425	\$ --
Educ. Bldg. Fund	2,380,666	2,381,137	--
Other Funds	<u>6,591,159</u>	<u>6,591,159</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 8,991,250</u>	<u>\$ 8,991,721</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 207,469,800</u>	<u>\$ 206,135,209</u>	<u>\$ 752,635</u>
FTE Positions:			
Classified	1,913.4	1,913.4	--
Unclassified	<u>2,290.8</u>	<u>2,290.8</u>	<u>--</u>
TOTAL	<u>4,204.2</u>	<u>4,204.2</u>	<u>--</u>

* Includes Governor's Budget Amendment No. 1, dated February 2, 1990.

Agency Request/Governor's Recommendation

FY 1990. Kansas State University requests a total operating budget in FY 1990 of \$198,478,550. The University's general use base budget for FY 1990 totals \$133,163,372, which is an increase of 9.3 percent above the actual general use

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Attachment 5*

expenditures in FY 1989. The University requests State General Fund supplemental funding in FY 1990 totaling \$1,066,489. Of the requested amount, \$579,377 is for classified salary plan revisions approved by the 1989 Legislature and employer health insurance adjustments and the other component is \$487,112 for utilities.

The Governor recommends a total FY 1990 operating budget of \$196,797,047, an increase of 3.4 percent above the FY 1989 actual expenditures. The Governor recommends a general use base budget of \$131,481,869 in FY 1990, a decrease of \$1,681,503 below the agency's request. The Governor does not recommend any supplemental salaries and wages State General Fund support for the agency. However, the Governor recommends that the General Fees Fund expenditure limitation be increased by \$1,004,503. The amount does not include a general fee release of \$752,635 as requested by the Board of Regents, based on increased enrollment. The Governor recommends that \$2,859,439 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991. The Governor recommends a State General Fund supplemental for utilities in the amount of \$660,542, which is \$173,430 above the agency's request.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- General Fees Fund Release.** Concur with the agency request that \$752,635 in general fees be released in the current year. The additional funds reflect the current policy of releasing 75 percent of the general fee revenue generated by higher than anticipated enrollment in the fall of 1989. The Subcommittee notes the Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result is an additional \$752,635 in expenditures financed from the State General Fund.
2. Concur with Governor's Budget Amendment No. 1 for KSU. The action corrects a technical oversight by adding \$346,441 (State General Fund) to fund classified employees longevity increases and step movement in the current year. The Governor's Budget Amendment No. 1 also offsets State General Fund support by a \$500,000 General Fee Fund expenditure limitation increase to utilize available general fee funds. The net result of the Governor's amended budget is to decrease State General Fund support by \$153,559 and increase General Fee Fund support by \$500,000.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

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	\$ 752,635	\$ 100,388,124	\$ (778,715)
General Fees Fund	--	25,395,835	--
Federal Land Grant Funds	--	6,621,986	--
Endowment Interest	--	175,000	--
Subtotal - General Use Funds	\$ 752,635	\$ 132,580,945	\$ (778,715)
Restricted Use Fund	--	58,148,566	--
Subtotal - State Operations	<u>\$ 752,635</u>	<u>\$ 190,729,511</u>	<u>\$ (778,715)</u>
Aid to Local Units:			
Restricted Use Fund	\$ --	\$ 146,754	\$ --
Other Assistance:			
Other Funds	\$ --	\$ 7,019,858	\$ --
Total General Use Funds	<u>\$ 752,635</u>	<u>\$ 132,580,945</u>	<u>\$ (778,715)</u>
Total Operating Expenditures	<u>\$ 752,635</u>	<u>\$ 197,896,123</u>	<u>\$ (778,715)</u>
Capital Improvement			
State General Fund	\$ --	\$ 19,425	\$ --
Educ. Bldg. Fund	--	2,381,137	--
Other Funds	--	6,591,159	--
Subtotal - Capital Improvements	<u>\$ --</u>	<u>\$ 8,991,721</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ --</u></u>	<u><u>\$ 206,887,844</u></u>	<u><u>\$ (778,715)</u></u>
FTE Positions:			
Classified	--	1,913.4	--
Unclassified	--	<u>2,290.8</u>	--
TOTAL	--	<u><u>4,204.2</u></u>	--

House Subcommittee Recommendations

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

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1. **Systemwide Recommendation -- General Fees Fund Release.** Delete \$752,635 (State General Fund) based on not releasing general fees in the current year. The action concurs with the Governor's recommendation. The Governor did not recommend the release of general fees fund for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result of the Senate recommendation was to finance the additional expenditures from the State General Fund. Therefore, the net result of the House systemwide recommendation is to reduce State General Fund demands.
2. Delete \$26,080 (State General Fund) for utilities based on the latest expenditure-to-date information.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Kenneth Francisco



Representative Phil Kline

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 454
Bill No. 443

Bill Sec. 3
Bill Sec. 10

Analyst: Conroy

Analysis Pg. No. 763

Budget Pg. No. 388

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Amended Governor's Rec. FY 91*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 117,145,644	\$ 106,081,617	\$ 2,390,131
General Fees Fund	25,207,406	26,952,411	15,921
Federal Land Grant Funds	6,714,529	6,757,023	--
Endowment Interest	<u>125,000</u>	<u>125,000</u>	<u>--</u>
Subtotal - General Use Funds	\$ 149,192,579	\$ 139,916,051	\$ 2,406,052
Restricted Use Fund	<u>60,363,743</u>	<u>60,442,478</u>	<u>--</u>
Subtotal - State Operations	<u>\$ 209,556,322</u>	<u>\$ 200,358,529</u>	<u>\$ 2,406,052</u>
Aid to Local Units:			
Restricted Use Funds	<u>\$ 152,624</u>	<u>\$ 152,624</u>	<u>\$ --</u>
Other Assistance:			
Other Funds	<u>\$ 7,300,652</u>	<u>\$ 7,296,616</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 149,192,579</u>	<u>\$ 139,916,051</u>	<u>\$ 2,406,052</u>
Total Operating Expenditures	<u>\$ 217,009,598</u>	<u>\$ 207,807,769</u>	<u>\$ 2,406,052</u>
Capital Improvements:			
Educ. Bldg. Fund	\$ 500,000	\$ 500,000	\$ --
Other Funds	<u>7,483,400</u>	<u>4,500,000</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 7,983,400</u>	<u>\$ 5,000,000</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 224,992,998</u></u>	<u><u>\$ 212,807,769</u></u>	<u><u>\$ 2,406,052</u></u>
FTE Positions:			
Classified	1,958.1	1,934.1	16.0
Unclassified	<u>2,352.1</u>	<u>2,316.0</u>	<u>32.2</u>
TOTAL	<u><u>4,310.2</u></u>	<u><u>4,250.1</u></u>	<u><u>48.2</u></u>

* Includes Governor's Budget Amendment No. 1, dated February 2, 1990.

Agency Request/Governor's Recommendation

FY 1991. The University requests a total of \$149,192,579 in general use funds from the FY 1991 budget, an increase of 12.0 percent over the FY 1990 agency request. The request includes program maintenance increases of \$5,386,192 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 and longevity pay. The University requests \$1,840,684 for adjustments to the base budget, \$4,688,550 and 92.3 FTE positions for an enrollment adjustment, and \$316,404 and 6.2 FTE positions for servicing new buildings. For the Margin of Excellence, the agency requests a total of \$4,376,563 of which \$3,569,443 is for unclassified salary parity and \$807,120 for mission-related enhancements. The total additional FTE positions requested by the agency is 106 for FY 1991.

The Governor recommends an FY 1991 general use base budget of \$139,916,051, a 6.4 percent increase above the revised FY 1990 recommendation. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor recommends \$2,344,275 and 46.2 FTE positions for an enrollment adjustment, or 50 percent of what the agency requested. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. The Governor does not recommend the requested servicing new buildings funding in FY 1991. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than separate line items for salaries and wages, other operating expenditures, and as many as 13 others.

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$31,024 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$31,024 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation -- Graduate Assistant Fee Waiver.** The Subcommittee recommends that the graduate assistant fee waiver in FY 1991 remain at the current level of 75 percent. The Governor had recommended an increase to an 80 percent fee waiver, while the Regents had requested a fee waiver of 100 percent in FY 1991. The Subcommittee's recommendation will increase general fees funds at the institution by \$15,921. The net result of the recommendation is to reduce State General Fund expenditures in FY 1991 by \$15,921 and increase general fees funds by a like amount.

4. **Systemwide Recommendation -- Enrollment Adjustment.** The Subcommittee recommends full funding of the requested enrollment adjustment in FY 1991 and adds \$2,344,275 in State General Fund support and 46.2 FTE positions. The Subcommittee notes that the current enrollment adjustment has been in place since 1987 and the institution has based a request on the current approved funding process. But most importantly, the requested enrollment adjustment reflects an additional 1,300 students systemwide who arrived at the institutions in FY 1989. The campuses have managed their resources to accommodate the additional students for FY 1990 (the enrollment adjustment process intervening year) and have anticipated the increased resources being available in FY 1991. The Subcommittee also points out that the Governor's recommendation of abolishing the enrollment adjustment process in FY 1993 will have the effect of encouraging qualified admissions, not through legislation, but through budgetary appropriations. A major policy consideration such as qualified admissions should be addressed clearly by the Legislature prior to any significant changes. Finally, the Subcommittee recommends that the Legislature study the issue of modifying the enrollment adjustment process to determine if any changes are warranted, including the Governor's recommendation and the Board of Regents' proposal.
5. The Subcommittee concurs with the Governor's recommendation for utilities in FY 1991. However, the Subcommittee recommends that the House Appropriations Committee review utility expenditures to determine if any adjustments are warranted.
6. The Subcommittee reviewed the Governor's recommended salary and wage shrinkage adjustment of 3.2 percent for FY 1991. The Subcommittee notes that the actual shrinkage rate for FY 1989 was 3.2 percent and in FY 1988 was 3.0 percent. Given this historical perspective, the Subcommittee does not recommend any further salary and wage shrinkage adjustment for FY 1991.
7. Add \$30,753 and 2.0 classified FTE positions (a custodial worker and a General Maintenance and Repair Technician II) for nine months to service two new facilities on campus. The new structures include the Regents' Educational Communications Center and Plant Science Complex Glasshouse, Phase IIA. The agency had requested \$316,404 and 6.2 FTE positions to service the facilities. However, the Subcommittee does not support the Regents' formula for a new staff person for every additional 10,500 gross square feet, other operating expenditures of \$0.42 per gross square feet, plus utilities. The Subcommittee's recommendation should provide adequate staffing for the new facilities.
8. Concur with Governor's Budget Amendment No. 1 which utilizes available General Fees Fund balances by increasing general fees by \$25,000 and decreases State General Fund support by a like amount.

Senate Committee Recommendations

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

1. Add \$284,697 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

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 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,674,828	\$ 108,756,445	\$ (2,328,338)
General Fees Fund	15,921	26,968,332	--
Federal Land Grant Funds	--	6,757,023	--
Endowment Interest	--	125,000	--
Subtotal - General Use Funds	\$ 2,690,749	\$ 142,606,800	\$ (2,328,338)
Restricted Use Fund	--	60,442,478	--
Subtotal - State Operations	\$ 2,690,749	\$ 203,049,278	\$ (2,328,338)
Aid to Local Units:			
Restricted Use Funds	\$ --	\$ 152,624	\$ --
Other Assistance:			
Other Funds	\$ --	\$ 7,296,616	\$ --
Total General Use Funds	\$ 2,690,749	\$ 142,606,800	\$ (2,328,338)
Total Operating Expenditures	\$ 2,690,749	\$ 210,498,518	\$ (2,328,338)
Capital Improvements:			
State General Fund	\$ 500,000	\$ 500,000	\$ --
Educ. Bldg. Fund	340,000	840,000	--
Other Funds	--	4,500,000	--
Subtotal - Capital Improvements	\$ 840,000	\$ 5,840,000	\$ --
GRAND TOTAL	\$ 3,530,749	\$ 216,338,518	\$ (2,328,338)
FTE Positions:			
Classified	16.0	1,950.1	--
Unclassified	32.2	2,348.2	--
TOTAL	48.2	4,298.3	--

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House Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Salary and Wage Shrinkage.** Add \$546,306 (State General Fund) to reduce salary and wages shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. This systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total of \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions.
2. **Systemwide Recommendation -- Student Salaries.** Delete \$31,024 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$284,697 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. **Systemwide Recommendation -- Enrollment Adjustment.** Delete \$2,558,923 (State General Fund) and 50.4 FTE positions (35.1 unclassified and 15.3 classified) for the budget year enrollment adjustment. The action reflects the acceleration of the Board of Regents FY 1992 proposal to modify the enrollment adjustment funding mechanism to FY 1991.
5. Make two technical adjustments to the appropriation bill. One corrects a title of a restricted fee account; the other corrects the reappropriated amount to agree with the Governor's original intent for the agency.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Kenneth Francisco



Representative Phil Kline

SUBCOMMITTEE REPORT

Agency: Kansas State University
Veterinary Medical Center

Bill No. 558

Bill Sec. 16

Analyst: Conroy

Analysis Pg. No. 710

Budget Pg. No. 390

<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	\$ 7,603,166	\$ 7,484,492	\$ --
General Fees Fund	3,081,094	3,133,198	--
Hospital Revenue Fund	<u>1,538,000</u>	<u>1,308,000</u>	<u>100,000</u>
Subtotal--General Use Funds	\$ 12,222,260	\$ 11,925,690	\$ 100,000
Restricted Use Funds	<u>757,164</u>	<u>757,164</u>	--
Subtotal--State Operations	<u>\$ 12,979,424</u>	<u>\$ 12,682,854</u>	<u>\$ 100,000</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	<u>108,000</u>	<u>108,000</u>	--
Subtotal--Capital Improvements	<u>\$ 108,000</u>	<u>\$ 108,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 13,087,424</u>	<u>\$ 12,790,854</u>	<u>\$ 100,000</u>
FTE Positions			
Classified	140.4	140.4	--
Unclassified	<u>89.4</u>	<u>89.4</u>	--
TOTAL	<u>229.8</u>	<u>229.8</u>	--

Agency Request/Governor's Recommendation

FY 1990. The Veterinary Medical Center's general use budget request for FY 1990 is \$12,222,260 which is a 15.4 percent increase above the FY 1989 actual level. The request includes a State General Fund supplemental of \$34,284 for salary and wage revisions and an expenditure limitation increase of \$230,000 for the Hospital and Diagnostic Laboratory Fee Fund.

The Governor recommends a total general use base budget of \$11,925,690 or \$296,570 less than the agency requested and \$32,286 less than currently authorized. The Governor does not recommend a State General Fund supplemental for salaries and wages in FY 1990. The Governor did not consider the requested expenditure limitation increase on the Hospital and Diagnostic Laboratory Fee Fund. The Governor also recommends that \$118,674 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991. The recommended State General Fund reappropriation amount includes \$85,367 from salaries and wages and \$33,307 from utilities.

Senate Subcommittee Recommendations

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

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1. Add \$100,000 from the Hospital and Diagnostic Laboratory Fee Fund in the current year based on higher than anticipated hospital revenue. The additional funds will be used to acquire consumable supplies used in the diagnostic process at the institution.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

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	\$ --	\$ 7,484,492	\$ --
General Fees Fund	--	3,133,198	--
Hospital Revenue Fund	<u>100,000</u>	<u>1,408,000</u>	<u>130,000</u>
Subtotal--General Use Funds	\$ 100,000	\$ 12,025,690	\$ 130,000
Restricted Use Funds	--	<u>757,164</u>	--
Subtotal--State Operations	<u>\$ 100,000</u>	<u>\$ 12,782,854</u>	<u>\$ 130,000</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	--	<u>108,000</u>	--
Subtotal--Capital Improvements	<u>\$ --</u>	<u>\$ 108,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 100,000</u>	<u>\$ 12,890,854</u>	<u>\$ 130,000</u>
FTE Positions			
Classified	--	140.4	--
Unclassified	--	<u>89.4</u>	--
TOTAL	<u>--</u>	<u>229.8</u>	--

House Subcommittee Recommendations

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

1. Increase the expenditure limitation on the Hospital and Diagnostic Laboratory Fee Fund by \$130,000. The additional receipts are as a result of increased caseload at the Medical Center. The additional caseload is partially a result of specialists that have joined the staff at the Medical Center who have attracted additional referrals from across the state. The referrals have provided unique teaching opportunities for the students at the Center. The additional funds will be used to acquire medical supplies to support the increased caseload.

Wanda Fuller

Representative Wanda Fuller
Subcommittee Chairperson

Ken Francisco

Representative Kenneth Francisco

Phil Kline

Representative Phil Kline

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SUBCOMMITTEE REPORT

Agency: Kansas State University
Veterinary Medical Center

Bill No. 454

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 710

Budget Pg. No. 390

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 9,046,589	\$ 8,019,046	\$ (128,387)
General Fees Fund	3,115,657	3,413,760	--
Hospital Revenue Fund	<u>1,460,000</u>	<u>1,460,000</u>	<u>130,000</u>
Subtotal -- General			
Use Funds	\$ 13,622,246	\$ 12,892,806	\$ 1,613
Restricted Use Funds	<u>625,155</u>	<u>618,899</u>	<u>--</u>
GRAND TOTAL	<u><u>\$ 14,247,401</u></u>	<u><u>\$ 13,511,705</u></u>	<u><u>\$ 1,613</u></u>
FTE Positions			
Classified	150.4	148.4	5.0
Unclassified	<u>96.9</u>	<u>89.4</u>	<u>--</u>
TOTAL	<u><u>247.3</u></u>	<u><u>237.8</u></u>	<u><u>5.0</u></u>

Agency Request/Governor's Recommendation

FY 1991. The University requests a total of \$13,622,246 in general use funds for the FY 1991 budget, an increase of 11.5 percent above the FY 1990 request. The request includes program maintenance increases of \$468,611, which provides increases of 5 percent for unclassified salaries, 4 percent for other operating expenditures, 5 percent for student salaries, and classified staff pay plan step movement and longevity pay. The Medical Center also requests \$675,659 for adjustments to the FY 1990 general use base budget for classified salary plan revisions and fringe benefit rate adjustments (\$149,669) and \$525,990 for full-year funding of salaries and wages, including other operating expenditures support for 20 positions that were funded for six months in FY 1990. The agency requests a total of \$520,000 in FY 1991 for the Margin of Excellence. Of the requested amount, \$150,000 would be for faculty/unclassified salary parity and \$370,000 for mission related program enhancements.

The Governor recommends a general use operating budget of \$12,892,806 or \$729,440 less than requested by the agency. The recommendation is an 8.1 percent increase above the recommendation for FY 1990. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$25,000 for meritorious faculty salary increases. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than one line item for salaries and wages, one for other operating expenditures, and one for utilities.

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Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$1,613 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$1,613 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. The Subcommittee reviewed the Governor's recommended salary and wage shrinkage adjustment for FY 1991. The Subcommittee notes that the recommended shrinkage rate of 2.5 percent does not deviate a great deal from the historical patterns of shrinkage at the institution. Therefore, the Subcommittee does not recommend any further salary and wage adjustment for FY 1991.
4. Increase receipts to the Hospital Revenue Fund by \$130,000 in FY 1991 based on additional hospital income in the current year. The Subcommittee recommends offsetting the demand on the State General Fund by \$130,000 in FY 1991 to reflect a shift in funding sources.
5. Add 5.0 classified FTE positions in FY 1991 for additional veterinary technicians. The positions will be restricted fee financed and will not place a demand on general use funds at the institution.

Senate Committee Recommendations

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

1. Add \$40,025 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

Senate Committee of the Whole Recommendation

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

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<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	\$ (88,362)	\$ 7,930,684	\$ 84,673
General Fees Fund	--	3,413,760	--
Hospital Revenue Fund	<u>130,000</u>	<u>1,590,000</u>	<u>(130,000)</u>
Subtotal--General Use Funds	\$ 41,638	\$ 12,934,444	\$ (45,327)
Restricted Use Funds	--	<u>618,899</u>	--
Subtotal--State Operations	<u>\$ 41,638</u>	<u>\$ 13,553,343</u>	<u>\$ (45,327)</u>
 GRAND TOTAL	 <u>\$ 41,638</u>	 <u>\$ 13,553,343</u>	 <u>\$ (45,327)</u>
FTE Positions			
Classified	5.4	153.4	--
Unclassified	<u>--</u>	<u>89.4</u>	--
TOTAL	<u>5.0</u>	<u>242.8</u>	<u>--</u>

House Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Salary and Wage Shrinkage.** Delete \$3,689 (State General Fund) for salary and wage shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. This systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions.
2. **Systemwide Recommendation -- Student Salaries.** Delete \$1,613 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$40,025 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. The Subcommittee reviewed utility expenditures and does not recommend any adjustment based on the latest expenditures to date information.
5. Make two technical adjustments to the appropriation bill. One adds some restricted fee account titles that were omitted, the other corrects

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a reappropriated State General Fund amount to reflect the Governor's original intent.

6. Shift \$130,000 of financing of general use expenditures from the Hospital Revenue Fund to the State General Fund. The Subcommittee recommends that the additional receipts to the Hospital Fund be expended in the current year to acquire medical supplies.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Kenneth Francisco



Representative Phil Kline

SUBCOMMITTEE REPORT

Agency: Kansas College of
Technology

Bill No. 558

Bill Sec. 22

Analyst: Conroy

Analysis Pg. No. 742

Budget Pg. No. 368

<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	\$ 3,744,010	\$ 3,709,109	\$ --
General Fees Fund	<u>388,345</u>	<u>434,345</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 4,132,355	\$ 4,143,454	\$ --
Restricted Use Funds	<u>456,365</u>	<u>455,225</u>	<u>--</u>
Subtotal -- State Operations	<u>\$ 4,588,720</u>	<u>\$ 4,598,679</u>	<u>\$ --</u>
Other Assistance:			
Other Funds	<u>\$ 223,656</u>	<u>\$ 223,656</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 4,132,355</u>	<u>\$ 4,143,454</u>	<u>\$ --</u>
Total Operating Expend.	<u>\$ 4,812,376</u>	<u>\$ 4,822,335</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 55,000	\$ --	\$ --
Educ. Building Fund	<u>--</u>	<u>54,000</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ 55,000</u>	<u>\$ 54,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 4,867,376</u>	<u>\$ 4,876,335</u>	<u>\$ --</u>
FTE Positions:			
Classified	36.5	36.5	--
Unclassified	<u>59.8</u>	<u>59.8</u>	<u>15.0</u>
TOTAL	<u>96.3</u>	<u>96.3</u>	<u>15.0</u>

Agency Request/Governor's Recommendation

FY 1990. The Kansas College of Technology general use budget for FY 1990 is \$4,132,355. The FY 1990 general use base budget is 5.8 percent greater than actual general use expenditures for FY 1989. The College requests a State General Fund supplemental of \$6,292 for salaries and wages adjustments, including the classified pay plan revisions approved by the 1989 Legislature and employer health insurance rate revisions for employees and dependents.

The Governor recommends a general use base budget of \$4,143,454 or \$11,099 above the agency's request. The Governor does not recommend a State General Fund supplemental for salaries and wages in the current year. The Governor does apply for the first time a shrinkage factor of 1.7 percent or \$58,923 against salaries and wages in the current year. However, the Governor recommends that the General Fees Fund expenditure limitation be increased by \$46,000. The Governor also

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recommends that \$34,900 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991.

Senate Subcommittee Recommendations

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

1. Add 15.0 unclassified FTE positions associated with the new international pilot training program. The positions will be funded from restricted use revenue obtained through the training program and will not be built into the general use budget of the institution.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

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	\$ --	\$ 3,709,109	\$ 25,024
General Fees Fund	--	434,345	--
Subtotal -- General Use Funds	\$ --	\$ 4,143,454	\$ 25,024
Restricted Use Funds	--	455,225	--
Subtotal -- State Operations	\$ --	\$ 4,598,679	\$ 25,024
Other Assistance:			
Other Funds	\$ --	\$ 223,656	\$ --
Total General Use Funds	\$ --	\$ 4,143,454	\$ 25,024
Total Operating Expend.	\$ --	\$ 4,822,335	\$ 25,024
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educ. Building Fund	--	54,000	--
Subtotal -- Capital Improvements	\$ --	\$ 54,000	\$ --
GRAND TOTAL	\$ --	\$ 4,876,335	\$ 25,024
FTE Positions:			
Classified	--	36.5	--
Unclassified	15.0	74.8	--
TOTAL	<u>15.0</u>	<u>111.3</u>	<u>--</u>

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House Subcommittee Recommendations

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

1. Add \$25,024 (State General Fund) for utilities based on the recommendation of the Board of Regents and a review of the latest expenditures to date.

Representative James E. Lowther
Subcommittee Chairperson

Representative Bob J. Mead

Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Kansas College of
Technology

Bill No. 454

Bill Sec. 11

Analyst: Conroy

Analysis Pg. No. 742

Budget Pg. No. 368

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,603,814	\$ 4,068,785	\$ 341,775
General Fees Fund	<u>405,636</u>	<u>386,394</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 5,009,450	\$ 4,455,179	\$ 341,775
Restricted Use Funds	<u>462,622</u>	<u>463,304</u>	<u>--</u>
Subtotal -- State Operations	<u>\$ 5,472,072</u>	<u>\$ 4,918,483</u>	<u>\$ 341,775</u>
Other Assistance:			
Other Funds	<u>\$ 243,608</u>	<u>\$ 243,656</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 5,009,450</u>	<u>\$ 4,455,179</u>	<u>\$ 341,775</u>
Total Operating Expend.	<u>\$ 5,715,680</u>	<u>\$ 5,162,139</u>	<u>\$ 341,775</u>
Capital Improvements:			
Other Funds	<u>\$ 185,400</u>	<u>\$ --</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 5,901,080</u>	<u>\$ 5,162,139</u>	<u>\$ 341,775</u>
FTE Positions:			
Classified	38.5	37.5	1.0
Unclassified	<u>65.8</u>	<u>62.8</u>	<u>21.0</u>
TOTAL	<u>104.3</u>	<u>100.3</u>	<u>22.0</u>

Agency Request/Governor's Recommendation

FY 1991. The College requests a total of \$5,009,450 in general use funds for the FY 1991 budget, an increase of 21.2 percent over the FY 1990 budget. The request includes program maintenance increases of \$202,379, 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 and longevity pay. The College also requests \$6,292 for adjustments to the FY 1990 base budget for fringe benefit increases and classified salary plan revisions, and \$533,525 for an enrollment adjustment for increased enrollment in FY 1989. For the Margin of Excellence program, the agency requests a total of \$135,000, of which \$78,900 is for unclassified salary parity and \$56,100 for mission related program enhancements. The agency requests a total of 8.0 additional FTE positions in FY 1991.

The Governor recommends an FY 1991 general use base budget of \$4,455,179, a 7.5 percent increase above the revised FY 1990 recommendation. The

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Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries and longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor does apply a shrinkage factor of 1.9 percent or \$74,407 against salaries and wages. The Governor recommends \$266,763 and 4.0 FTE positions for an enrollment adjustment, or 50 percent of what the agency requested. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$25,000 for meritorious faculty salary increases. Finally, the Governor recommends that the State General Fund appropriation be made into a single line item for operating expenditures, rather than one for salaries and wages, one for other operating expenditures, etc.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation – Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation – Student Salaries.** Add \$606 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$606 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation – Enrollment Adjustment.** The Subcommittee recommends full funding of the requested enrollment adjustment in FY 1991 and adds \$266,762 in State General Fund support and 4.0 FTE positions. The Subcommittee notes that the current enrollment adjustment has been in place since 1987 and the institution has based a request on the current approved funding process. But most importantly, the requested enrollment adjustment reflects an additional 1,300 students systemwide who arrived at the institutions in FY 1989. The campuses have managed their resources to accommodate the additional students for FY 1990 (the enrollment adjustment process intervening year) and have anticipated the increased resources being available in FY 1991. The Subcommittee also points out that the Governor's recommendation of abolishing the enrollment adjustment process in FY 1993 will have the effect of encouraging qualified admissions, not through legislation, but through budgetary appropriations. A major policy consideration such as qualified admissions should be addressed clearly by the Legislature prior to any significant changes. Finally, the Subcommittee recommends that the Legislature study the issue of modifying the enrollment adjustment process to determine if

any changes are warranted, including the Governor's recommendation and the Board of Regents' proposal.

4. Add \$74,407 (State General Fund) to remove the entire salary and wage shrinkage adjustment as recommended by the Governor in FY 1991. Traditionally, the institution has not budgeted a salary and wage shrinkage factor. The Subcommittee notes that the agency has only 100 FTE positions to carry out its educational mission and should a vacancy occur in a faculty position, temporary individuals are hired to carry out the duties of the faculty member. The net result is the salary and wage resources are used by the agency to the fullest extent possible.
5. Add 3.0 unclassified FTE positions associated with the establishment of a federal Small Business Development Center regional office on the campus of KCT. The positions would be federally funded and not part of the institution's general use base budget.
6. Add 15.0 unclassified FTE positions associated with the international pilot training program. The positions will be funded from restricted use revenue through the training program and will not be built into the general use budget of the institution.
7. The Subcommittee acknowledges with great pride the accomplishments of KCT and the entire Salina community in attracting the international pilot training program to our state. The agreement will generate at a minimum \$1.5 million annually for the next three years for the Kansas economy. Plus the potential for expansion into other aviation related training programs, such as helicopter pilot training, are almost unlimited. The training agreement could easily grow into a \$3.0 million annual program for our state's economy.

Senate Committee Recommendations

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

1. Add \$11,178 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adj. FY 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 341,775	\$ 4,410,560	\$ (182,369)
General Fees Fund	--	<u>386,394</u>	<u>35,098</u>
Subtotal -- General Use Funds	\$ 341,775	\$ 4,796,954	\$ (147,271)
Restricted Use Funds	--	<u>463,304</u>	--
Subtotal -- State Operations	<u>\$ 341,775</u>	<u>\$ 5,260,258</u>	<u>\$ (147,271)</u>
Other Assistance:			
Other Funds	\$ --	<u>\$ 243,656</u>	\$ --
Total General Use Funds	<u>\$ 341,775</u>	<u>\$ 4,796,954</u>	<u>\$ (147,271)</u>
Total Operating Expend.	<u>\$ 341,775</u>	<u>\$ 5,503,914</u>	<u>\$ (147,271)</u>
Capital Improvements:			
Other Funds	\$ --	\$ --	\$ --
GRAND TOTAL	<u>\$ 341,775</u>	<u>\$ 5,503,914</u>	<u>\$ (147,271)</u>
FTE Positions:			
Classified	1.0	38.5	--
Unclassified	<u>21.0</u>	<u>83.8</u>	<u>(2.0)</u>
TOTAL	<u>22.0</u>	<u>122.3</u>	<u>(2.0)</u>

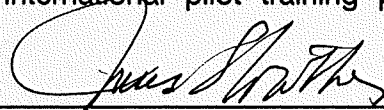
House Subcommittee Recommendations

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

1. **Systemwide Recommendation – Salary and Wage Shrinkage.** Delete \$37,204 (State General Fund) for salary and wage shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. The systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions.

2. **Systemwide Recommendation – Student Salaries.** Delete \$606 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.

3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$11,178 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1990.
4. **Systemwide Recommendation -- Enrollment Adjustment.** Delete \$133,381 (State General Fund) and 2.0 FTE positions for the budget year enrollment adjustment. The systemwide recommendation is based on acceleration of the Board of Regents' FY 1992 proposal to modify the enrollment adjustment funding mechanism to FY 1991. However, the Regents' proposal did not specifically address the Kansas College of Technology. After considerable discussion, the Subcommittee recommends funding 75 percent of the requested FY 1991 enrollment adjustment or a total of \$400,144 out of the \$533,525 requested. The Subcommittee notes that Wichita State University under the systemwide recommendations will receive 72 percent of the requested enrollment adjustment in the budget year.
5. Add \$35,098 (General Fees Fund) for other operating expenditures in FY 1991. The additional fee receipts are available based on higher than anticipated spring enrollments. The Subcommittee would encourage the College to strongly consider using the additional receipts to acquire used aircraft with at least one having retractable landing gear since the Federal Aviation Administration requires this type of aircraft be utilized in the commercial phase of the professional pilot training program. The Subcommittee would also encourage the agency use the resources to transport and install a donated turbine engine test cell for use in the airframe and power plant program.
6. The Subcommittee commends President Anthony Tilsman, faculty and staff at the College for their efforts to develop and sustain a successful program at the institution. The College is fulfilling an important role in meeting a unique educational need of the state. In addition, the College is encouraging significant economic development for the state through the development of the international pilot training program.



Representative James E. Lowther
Subcommittee Chairperson



Representative Bob J. Mead



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 558

Bill Sec. 17

Analyst: Conroy

Analysis Pg. No. 717

Budget Pg. No. 202

<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	\$ 20,528,216	\$ 19,899,460	\$ 142,785
General Fees Fund	5,063,285	5,199,042	--
Endowment Interest	<u>25,000</u>	<u>25,000</u>	<u>--</u>
Subtotal--General Use Funds	\$ 25,616,501	\$ 25,123,502	\$ 142,785
Restricted Use Funds	<u>5,929,087</u>	<u>5,929,087</u>	<u>--</u>
Subtotal--State Operations	<u>\$ 31,545,588</u>	<u>\$ 31,052,589</u>	<u>\$ 142,785</u>
Other Assistance:			
Other Funds	<u>\$ 2,150,000</u>	<u>\$ 2,150,000</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 25,616,501</u>	<u>\$ 25,123,502</u>	<u>\$ 142,785</u>
Total Operating Expenditures	<u>\$ 33,695,588</u>	<u>\$ 33,202,589</u>	<u>\$ 142,785</u>
Capital Improvements:			
State General Fund	\$ 8,958	\$ 8,958	\$ --
Educational Building Fund	577,801	575,982	--
Other Funds	<u>1,595,767</u>	<u>1,595,767</u>	<u>--</u>
Subtotal--Capital Improvements	<u>\$ 2,182,526</u>	<u>\$ 2,180,707</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 35,878,114</u>	<u>\$ 35,383,296</u>	<u>\$ 142,785</u>
FTE Positions			
Classified	289.2	289.2	--
Unclassified	<u>357.6</u>	<u>357.6</u>	--
TOTAL	<u><u>646.8</u></u>	<u><u>646.8</u></u>	--

Agency Request/Governor's Recommendation

FY 1990. The University's general use base budget request for FY 1990 totals \$25,616,501. The FY 1990 general use base budget is 10.6 percent greater than actual general use expenditures for FY 1989. The University requests a State General Fund supplemental of \$303,453 for salaries and wages adjustments, including the classified pay plan revisions approved by the 1989 Legislature and health insurance rate revisions for employees and dependents.

The Governor recommends a general use base budget of \$25,123,502, or \$492,999 less than requested by the agency and \$189,546 less than currently authorized.

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Attachment 8*

In particular, the Governor increases the shrinkage amount for unclassified positions in the current year. The Governor's recommendation does not include any supplemental salaries and wages State General Fund support for the agency. However, the Governor does recommend that the General Fees Fund expenditure limitation be increased by \$135,757 in the current year. However, the amount does not include a general fee release of \$142,785 as requested by the Board of Regents based on increased student enrollment. The Governor recommends that \$339,019 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991. The Governor recommends a State General Fund supplemental for utilities in the amount of \$13,716.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- General Fees Fund Release.** Concur with the agency request that \$142,785 in general fees be released in the current year. The additional funds reflect the current policy of releasing 75 percent of the general fee revenue generated by higher than anticipated enrollment in the fall of 1989. The Subcommittee notes the Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result is an additional \$142,785 in expenditures financed from the State General Fund.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

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

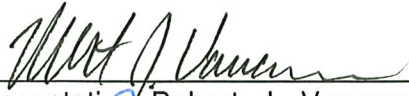
<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 142,785	\$ 20,042,245	\$ (142,785)
General Fees Fund	--	5,199,042	--
Endowment Interest	--	<u>25,000</u>	<u>--</u>
Subtotal--General Use Funds	\$ 142,785	\$ 25,266,287	\$ (142,785)
Restricted Use Funds	--	<u>5,929,087</u>	<u>--</u>
Subtotal--State Operations	<u>\$ 142,785</u>	<u>\$ 31,195,374</u>	<u>\$ (142,785)</u>
Other Assistance:			
Other Funds	<u>\$ --</u>	<u>\$ 2,150,000</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 142,785</u>	<u>\$ 25,266,287</u>	<u>\$ (142,785)</u>
Total Operating Expenditures	<u>\$ 142,785</u>	<u>\$ 33,345,374</u>	<u>\$ (142,785)</u>
Capital Improvements:			
State General Fund	\$ --	\$ 8,958	\$ --
Educational Building Fund	--	575,982	--
Other Funds	--	<u>1,595,767</u>	<u>--</u>
Subtotal--Capital Improvements	<u>\$ --</u>	<u>\$ 2,180,707</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 142,785</u></u>	<u><u>\$ 35,526,081</u></u>	<u><u>\$ (142,785)</u></u>
FTE Positions:			
Classified	--	289.2	--
Unclassified	--	<u>357.6</u>	--
TOTAL	<u>--</u>	<u>646.8</u>	<u>--</u>

House Subcommittee Recommendations

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

1. **Systemwide Recommendation -- General Fees Fund Release.** Delete \$142,785 (State General Fund) based on not releasing general fees in the current year. The action concurs with the Governor's recommendation. The Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result of the Senate recommendation was to finance the additional expenditures from the State General Fund. Therefore, the net result of the House systemwide recommendation is to reduce State General Fund demands.

2. Addition of language to permit the agency the flexibility to expend the utility supplemental appropriation (\$13,716) for other operating expenditures should the resources not be needed for utilities.



Representative Robert J. Vancrum
Subcommittee Chairperson



Representative John M. Solbach, III



Representative Larry F. Turnquist

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 454

Bill Sec. 5

Bill No. 443

Bill Sec. 11

Analyst: Conroy

Analysis Pg. No. 717

Budget Pg. No. 202

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 22,655,609	\$ 21,117,763	\$ 361,692
General Fees Fund	5,384,127	5,534,934	6,494
Endowment Interest	<u>24,000</u>	<u>24,000</u>	<u>--</u>
Subtotal--General Use Funds	\$ 28,063,736	\$ 26,676,697	\$ 368,186
Restricted Use Funds	<u>6,181,326</u>	<u>6,181,326</u>	<u>--</u>
Subtotal--State Operations	<u>\$ 34,245,062</u>	<u>\$ 32,858,023</u>	<u>\$ 368,186</u>
Other Assistance:			
Other Funds	<u>\$ 2,150,000</u>	<u>\$ 2,150,000</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 28,063,736</u>	<u>\$ 26,676,697</u>	<u>\$ 368,186</u>
Total Operating Expenditures	<u>\$ 36,395,062</u>	<u>\$ 35,008,023</u>	<u>\$ 368,186</u>
Capital Improvements:			
Educational Building Fund	\$ 2,354,000	\$ 1,679,000	\$ --
Other Funds	<u>41,500</u>	<u>41,500</u>	<u>--</u>
Subtotal--Capital Improvements	<u>\$ 2,395,500</u>	<u>\$ 1,720,500</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 38,790,562</u>	<u>\$ 36,728,523</u>	<u>\$ 368,186</u>
FTE Positions:			
Classified	296.9	293.1	3.9
Unclassified	<u>367.6</u>	<u>362.8</u>	<u>5.0</u>
TOTAL	<u>664.5</u>	<u>655.9</u>	<u>8.9</u>

Agency Request/Governor's Recommendations

FY 1991. The University requests a total of \$28,063,736 in general use funds for the FY 1991 budget, an increase of 9.6 percent over the FY 1990 budget. The request includes program maintenance increases of \$1,052,603 which provides 5 percent increases for unclassified salaries, 4 percent increases for other operating expenditures, 5 percent for student salaries, and classified staff pay plan step movement and longevity pay. The University also requests \$582,044 for adjustments to the FY 1990 base budget for fringe benefit increases and classified salary plan revisions, and \$707,046 for an enrollment adjustment for increased enrollment in FY 1989. For the Margin of Excellence program, the agency requests a total of \$408,995 all of which is for unclassified salary parity. The agency requests an additional 17.7 FTE positions in FY 1991, all associated with the requested enrollment adjustment for the agency.

The Governor recommends an FY 1991 general use base budget of \$26,676,697, a 6.2 percent increase above the revised FY 1990 recommendation. The

Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor recommends \$353,523 and 9.1 FTE positions for the enrollment adjustment, or 50 percent of what the agency requested. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. The Governor also increases salaries and wages shrinkage amounts for the agency, particularly for unclassified positions and student salaries. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than one line item for salaries and wages, one for other operating expenditures, and one for utilities.

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$14,637 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$14,637 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation -- Graduate Assistant Fee Waiver.** The Subcommittee recommends that the graduate assistant fee waiver in FY 1991 remain at the current level of 75 percent. The Governor had recommended an increase to an 80 percent fee waiver, while the Regents had requested a fee waiver of 100 percent in FY 1991. The Subcommittee's recommendation will increase general fees funds at the institution by \$6,494. The net result of the recommendation is to reduce State General Fund expenditures in FY 1991 by \$6,494 and increase general fees funds by a like amount.
4. **Systemwide Recommendation -- Enrollment Adjustment.** The Subcommittee recommends full funding of the requested enrollment adjustment in FY 1991 and adds \$353,523 in State General Fund support and 8.9 FTE positions. The Subcommittee notes that the current enrollment adjustment has been in place since 1987 and the institution has based a request on the current approved funding process. But most importantly, the requested enrollment adjustment reflects an additional 1,300 students systemwide who arrived at the institutions in FY 1989. The campuses have managed their resources to accommodate the

additional students for FY 1990 (the enrollment adjustment process intervening year) and have anticipated the increased resources being available in FY 1991. The Subcommittee also points out that the Governor's recommendation of abolishing the enrollment adjustment process in FY 1993 will have the effect of encouraging qualified admissions, not through legislation, but through budgetary appropriations. A major policy consideration such as qualified admissions should be addressed clearly by the Legislature prior to any significant changes. The Subcommittee recommends that the Legislature study the issue of modifying the enrollment adjustment process to determine if any changes are warranted, including the Governor's recommendation and the Board of Regents proposal. Finally, the Subcommittee notes that given the enrollment increases in the current academic year the institution will be requesting a similar enrollment adjustment for FY 1992 as requested in FY 1991.

5. The Subcommittee reviewed the Governor's recommended salary and wage shrinkage adjustment of 1.8 percent for FY 1991. The Subcommittee notes that the actual shrinkage rates for FY 1988 and FY 1989 were approximately 1.8 percent. Therefore, the Subcommittee does not recommend any further salary and wage shrinkage adjustment for FY 1991.
6. The Subcommittee notes that this institution continues to attract quality students and commends President Glennen, the faculty, and staff of Emporia State for all of their efforts to provide an exceptional educational opportunity at ESU. The Subcommittee had a productive meeting with faculty, staff, and students exchanging ideas and concerns about the institution.

Senate Committee Recommendations

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

1. Add \$50,758 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adj. FY 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 412,450	\$ 21,530,213	\$ (229,454)
General Fees Fund	6,494	5,541,428	--
Endowment Interest	--	24,000	--
Subtotal--General Use Funds	<u>\$ 418,944</u>	<u>\$ 27,095,641</u>	<u>\$ (229,454)</u>
Restricted Use Funds	--	6,181,326	--
Subtotal--State Operations	<u>\$ 418,944</u>	<u>\$ 33,276,967</u>	<u>\$ (229,454)</u>
Other Assistance:			
Other Funds	\$ --	\$ 2,150,000	\$ --
Total General Use Funds	<u>\$ 418,944</u>	<u>\$ 27,095,641</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 418,944</u>	<u>\$ 35,426,967</u>	<u>\$ (229,454)</u>
Capital Improvements:			
Educational Building Fund	\$ 450,000	\$ 2,129,000	\$ --
Other Funds	400,000	441,500	--
Subtotal--Capital Improvements	<u>\$ 850,000</u>	<u>\$ 2,570,500</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 1,268,944</u></u>	<u><u>\$ 37,997,467</u></u>	<u><u>\$ --</u></u>
FTE Positions:			
Classified	3.9	297.0	(2.8)
Unclassified	<u>5.0</u>	<u>367.8</u>	<u>(3.6)</u>
TOTAL	<u><u>8.9</u></u>	<u><u>664.8</u></u>	<u><u>(6.4)</u></u>

House Subcommittee Recommendations

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


1. **Systemwide Recommendation -- Salary and Wage Shrinkage.** Add \$91,181 (State General Fund) to reduce salary and wage shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. This systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions. The Subcommittee further notes ESU has historically had the lowest salary and wage shrinkage amount of the six universities. The Subcommittee notes concern about impact of the full Committee's salary and wage shrinkage adjustment on the institution.

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2. **Systemwide Recommendation -- Student Salaries.** Delete \$14,637 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$50,758 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. **Systemwide Recommendation -- Enrollment Adjustment.** Delete \$255,240 (State General Fund) and 6.4 FTE positions (3.6 unclassified and 2.8 classified) for the budget year enrollment adjustment. The action reflects the acceleration of the Board of Regents' FY 1992 proposal to modify the enrollment adjustment funding mechanism to FY 1991.

The Subcommittee is concerned about the equity of the Committee's recommendation for the enrollment adjustment at ESU. The Subcommittee notes that ESU has lost \$1,534,670 from enrollment adjustments for FY 1983 through FY 1987 and in particular the FY 1986 negative adjustment of \$1,119,823. The University base budget has never fully recovered from the impact of the negative adjustments. In fact the negative adjustments as a percent of ESU's base budget is the largest of any of the institutions. The Subcommittee believes that this item for ESU warrants further consideration prior to final adjournment by the Legislature.

5. Make a technical adjustment in the appropriation language for parking improvements so that the entire project of \$400,000 does not have to be bonded, but cash payment for part of the project would be permitted.



Representative Robert J. Vancrum
Subcommittee Chairperson



Representative John M. Solbach, III



Representative Larry F. Turnquist

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 558

Bill Sec. 18

Analyst: Conroy

Analysis Pg. No. 756

Budget Pg. No. 452

<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	\$ 21,368,868	\$ 20,472,871	\$ 249,035
General Fees Fund	<u>6,122,666</u>	<u>6,676,192</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 27,491,534	\$ 27,149,063	\$ 249,035
Restricted Use Funds	<u>5,061,912</u>	<u>5,061,533</u>	<u>--</u>
Subtotal -- State Operations	\$ 32,553,446	\$ 32,210,596	\$ 249,035
Other Assistance:			
State General Fund	\$ 166,560	\$ 166,560	\$ --
Other Funds	<u>1,538,516</u>	<u>1,538,516</u>	<u>--</u>
Subtotal -- Other Asst.	\$ 1,705,076	\$ 1,705,076	\$ --
Total General Use Funds	\$ 27,658,094	\$ 27,315,623	\$ 249,035
Total Operating Expenditures	\$ 34,258,522	\$ 33,915,672	\$ 249,035
Capital Improvements:			
Educational Building Fund	\$ 1,591,180	\$ 1,589,823	\$ --
GRAND TOTAL	<u>\$ 35,849,702</u>	<u>\$ 35,505,495</u>	<u>\$ 249,035</u>
FTE Positions:			
Classified	280.2	280.2	--
Unclassified	<u>361.0</u>	<u>361.0</u>	<u>--</u>
TOTAL	<u>641.2</u>	<u>641.2</u>	<u>--</u>

Agency Request/Governor's Recommendation

FY 1990. The University's general use base budget request for FY 1990 totals \$27,658,094. The FY 1990 general use base budget is 11.2 percent greater than actual general use expenditures for FY 1989. The University requests a State General Fund supplemental of \$77,237 for salaries and wages adjustments, including the classified pay plan revisions approved by the 1989 Legislature and health insurance rate revisions for employees and dependents.

The Governor recommends a general use base budget of \$27,315,623, or \$342,471 less than the agency requested and \$265,234 less than currently authorized. In particular, the Governor increases the shrinkage amount for unclassified positions in the current year. The Governor's recommendation does not include any supplemental salaries and wages State General Fund support for the agency. The Governor does recommend that the General Fees Fund expenditure limitation be increased by \$553,526. The amount does not include a general use fee release of \$249,035 as requested by the Board of Regents, based on increased student enrollment. The Governor recommends that \$838,921 in State General Fund resources in the

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current year be reappropriated to finance expenditures in FY 1991. The Governor recommends a State General Fund supplemental for utilities in the amount of \$20,161.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- General Fees Fund Release.** Concur with the agency request that \$249,035 in general fees be released in the current year. The additional funds reflect the current policy of releasing 75 percent of the general fee revenue generated by higher than anticipated enrollment in the fall of 1989. The Subcommittee notes the Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result is an additional \$249,035 in expenditures financed from the State General Fund.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendations

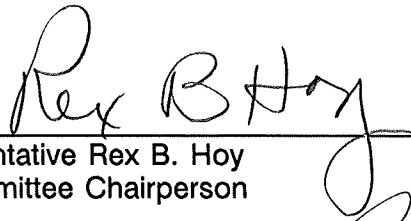
The Senate Committee of the Whole concurs with the Committee's recommendations.

<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	\$ 249,035	\$ 20,721,906	\$ (249,035)
General Fees Fund	--	<u>6,676,192</u>	--
Subtotal -- General Use Funds	\$ 249,035	\$ 27,398,098	\$ (249,035)
Restricted Use Funds	--	<u>5,061,533</u>	--
Subtotal -- State Operations	<u>\$ 249,035</u>	<u>\$ 32,459,631</u>	<u>\$ (249,035)</u>
Other Assistance:			
State General Fund	\$ --	\$ 166,560	\$ --
Other Funds	--	<u>1,538,516</u>	--
Subtotal -- Other Asst.	<u>\$ --</u>	<u>\$ 1,705,076</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 249,035</u>	<u>\$ 27,564,658</u>	<u>\$ (249,035)</u>
Total Operating Expend.	<u>\$ 249,035</u>	<u>\$ 34,164,707</u>	<u>\$ (249,035)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ --	<u>1,589,823</u>	\$ --
GRAND TOTAL	<u>\$ 249,035</u>	<u>\$ 35,754,530</u>	<u>\$ (249,035)</u>
FTE Positions			
Classified	--	280.2	--
Unclassified	<u>--</u>	<u>361.0</u>	<u>--</u>
TOTAL	<u>--</u>	<u>641.2</u>	<u>--</u>

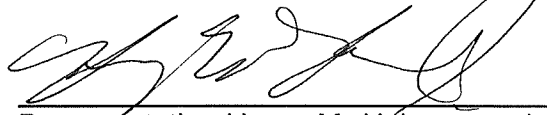
House Subcommittee Recommendations

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

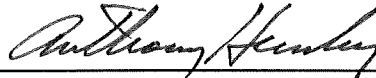
1. Systemwide Recommendation -- General Fees Fund Release. Delete \$249,035 (State General Fund) based on not releasing general fees in the current year. The action concurs with the Governor's recommendation. The Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result of the Senate recommendation was to finance the additional expenditures from the State General Fund. Therefore, the net result of Senate recommendation was to finance the additional expenditures from the State General Fund. Therefore, the net result of the House systemwide recommendation is to reduce State General Fund demands.



Representative Rex B. Hoy
Subcommittee Chairperson



Representative Henry M. Heigerson, Jr.



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 454

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 756

Budget Pg. No. 452

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 24,182,481	\$ 22,246,889	\$ 457,249
General Fees Fund	<u>6,021,297</u>	<u>6,380,477</u>	<u>3,008</u>
Subtotal -- General Use Funds	\$ 30,203,778	\$ 28,627,366	\$ 460,257
Restricted Use Funds	<u>5,289,506</u>	<u>5,289,506</u>	<u>--</u>
Subtotal -- State Operations	<u>\$ 35,493,284</u>	<u>\$ 33,916,872</u>	<u>\$ 460,257</u>
Other Assistance:			
State General Fund	\$ 239,722	\$ 203,141	\$ --
Other Funds	<u>1,599,456</u>	<u>1,599,456</u>	<u>--</u>
Subtotal -- Other Asst.	<u>\$ 1,839,178</u>	<u>\$ 1,802,597</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 30,443,500</u>	<u>\$ 28,830,507</u>	<u>\$ 460,257</u>
Total Operating Expenditures	<u>\$ 37,332,462</u>	<u>\$ 35,719,469</u>	<u>\$ 460,257</u>
Capital Improvements:			
Educational Building Fund	\$ 1,281,300	\$ --	\$ --
Other Funds	<u>226,500</u>	<u>226,500</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ 1,507,800</u>	<u>\$ 226,500</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 38,840,262</u></u>	<u><u>\$ 35,945,969</u></u>	<u><u>\$ 460,257</u></u>
FTE Positions:			
Classified	288.2	284.2	4.0
Unclassified	<u>372.0</u>	<u>366.7</u>	<u>5.5</u>
TOTAL	<u><u>660.2</u></u>	<u><u>650.9</u></u>	<u><u>9.5</u></u>

Agency Request/Governor's Recommendation

FY 1991. The University requests a total of \$30,443,500 in general use funds for the FY 1991 budget, an increase of 10.1 percent over the FY 1990 budget. The request includes program maintenance increases of \$1,047,771, which provides increases of 5 percent for unclassified salary increases, 4 percent for other operating expenditures, 5 percent for student salaries, and classified staff pay plan step movement and longevity pay. The University also requests \$314,346 for adjustments to the FY 1990 base budget for fringe benefit increases and classified salary plan revisions, \$922,671 for an enrollment adjustment for increased enrollment in FY 1989. For the Margin of Excellence program, the agency requests a total of \$577,855 of which \$371,553 is for unclassified salary parity, and \$206,302 is for mission related enhancements. The agency requests an additional 19.0 FTE positions in FY 1991.

The Governor recommends an FY 1991 general use base budget of \$28,830,507, a 5.5 percent increase above the revised FY 1990 recommendation. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor recommends \$461,336 and 9.5 FTE positions for an enrollment adjustment, or 50 percent of what the agency requested. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. Finally, the Governor recommends that the State General Fund appropriation be made in a single line item for operating expenditures, rather than one line item for salaries and wages, one for other operating expenditures, and one for utilities.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Delete \$1,078 (State General Fund) in FY 1991 for student salaries. The reduction of \$1,078 recommended in the budget year by the Subcommittee will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation -- Graduate Assistant Fee Waiver.** The Subcommittee recommends that the graduate assistant fee waiver in FY 1991 remain at the current level of 75 percent. The Governor had recommended an increase to an 80 percent fee waiver, while the Regents had requested a fee waiver of 100 percent in FY 1991. The Subcommittee's recommendation will increase general fees funds at the institution by \$3,008. The net result of the recommendation is to reduce State General Fund expenditures in FY 1991 by \$3,008 and increase general fees funds by a like amount.
4. **Systemwide Recommendation -- Enrollment Adjustment.** The Subcommittee recommends full funding of the requested enrollment adjustment in FY 1991 and adds \$461,335 in State General Fund support and 9.5 FTE positions. The Subcommittee notes that the current enrollment adjustment has been in place since 1987 and the institution has based a request on the current approved funding process. But most importantly, the requested enrollment adjustment reflects an additional 1,300 students systemwide who arrived at the institutions in FY 1989. The campuses have managed their resources to accommodate the additional students for FY 1990 (the enrollment adjustment process intervening year) and have anticipated the increased resources being available in FY 1991. The Subcommittee also points out that the

Governor's recommendation of abolishing the enrollment adjustment process in FY 1993 will have the effect of encouraging qualified admissions, not through legislation, but through budgetary appropriations. A major policy consideration such as qualified admissions should be addressed clearly by the Legislature prior to any significant changes. The Subcommittee recommends that the Legislature study the issue of modifying the enrollment adjustment process to determine if any changes are warranted, including the Governor's recommendation and the Board of Regents' proposal. Finally, the Subcommittee notes that given the enrollment increases in the current academic year the institution will be requesting a similar enrollment adjustment for FY 1992 as requested in FY 1991.

5. The Subcommittee reviewed the Governor's recommended salary and wage shrinkage adjustment of 1.8 percent for FY 1991. The Subcommittee notes that the actual shrinkage rates for FY 1988 and FY 1989 were 1.8 percent. Therefore, the Subcommittee does not recommend any further salary and wage shrinkage adjustment for FY 1991.
6. The Subcommittee recommends a technical adjustment in State General Fund support to fully reflect the Governor's FY 1991 recommendation. S.B. 454, as introduced, understates the Governor's intent by \$203,141 and the Subcommittee's recommendation corrects the oversight.
7. The Subcommittee notes that this institution continues to attract quality students and commends President Wilson, faculty, and staff of Pittsburg State for all of their efforts to provide an exceptional educational opportunity at PSU.

Senate Committee Recommendations

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

1. Add \$56,453 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adj. FY 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 513,702	\$ 22,760,591	\$ (362,398)
General Fees Fund	<u>3,008</u>	<u>6,383,485</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 516,710	\$ 29,144,076	\$ (362,398)
Restricted Use Funds	<u>--</u>	<u>5,289,506</u>	<u>--</u>
Subtotal -- State Operations	<u>\$ 516,710</u>	<u>\$ 34,433,582</u>	<u>\$ (362,398)</u>
Other Assistance:			
State General Fund	\$ --	\$ 203,141	\$ --
Other Funds	<u>--</u>	<u>1,599,456</u>	<u>--</u>
Subtotal -- Other Asst.	<u>\$ --</u>	<u>\$ 1,802,597</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 516,710</u>	<u>\$ 29,347,217</u>	<u>\$ (362,398)</u>
Total Operating Expenditures	<u>\$ 516,710</u>	<u>\$ 36,236,179</u>	<u>\$ (362,398)</u>
Capital Improvements:			
Educational Building Fund	\$ --	\$ --	\$ --
Other Funds	<u>--</u>	<u>226,500</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ --</u>	<u>\$ 226,500</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 516,710</u>	<u>\$ 36,462,679</u>	<u>\$ (362,398)</u>
FTE Positions:			
Classified	4.0	288.2	(3.3)
Unclassified	<u>5.5</u>	<u>372.2</u>	<u>(4.9)</u>
TOTAL	<u>9.5</u>	<u>660.4</u>	<u>(8.2)</u>

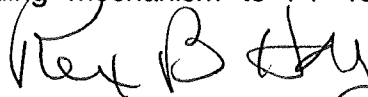
House Subcommittee Recommendations

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

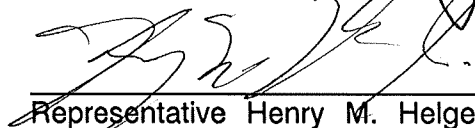
1. **Systemwide Recommendation -- Salary and Wage Shrinkage.** Add \$89,978 (State General Fund) to reduce salary and wage shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. The systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total of \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only four of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions.
2. **Systemwide Recommendation -- Student Salaries.** Add \$1,078 (State General Fund) in FY 1991 for student salaries. The adjustment

concurs with the Governor's recommendation for student salaries in the budget year.


3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$56,453 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. **Systemwide Recommendation -- Enrollment Adjustment.** Delete \$397,001 (State General Fund) and 8.2 FTE positions (4.9 unclassified and 3.3 classified) for the budget year enrollment adjustment. The action reflects the acceleration of the Board of Regents' FY 1992 proposal to modify the enrollment adjustment funding mechanism to FY 1991.



Representative Rex B. Hoy
Subcommittee Chairperson



Representative Henry M. Helgerson, Jr.



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 558

Bill Sec. 21

Analyst: Conroy

Analysis Pg. No. 732

Budget Pg. No. 592

<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	\$ 47,409,543	\$ 44,842,830	\$ 193,794
General Fees Fund	<u>15,135,371</u>	<u>15,973,307</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 62,544,914	\$ 60,816,137	\$ 193,794
Other Funds	<u>24,172,325</u>	<u>24,172,324</u>	<u>--</u>
Subtotal -- State Operations	<u>\$ 86,717,239</u>	<u>\$ 84,988,461</u>	<u>\$ 193,794</u>
Other Assistance:			
State General Fund	\$ 82,000	\$ 82,000	\$ --
General Fees Fund	49,440	49,440	--
Other Funds	<u>5,171,390</u>	<u>5,171,390</u>	<u>--</u>
Subtotal -- Other Assistance	<u>\$ 5,302,830</u>	<u>\$ 5,302,830</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 62,676,354</u>	<u>\$ 60,947,577</u>	<u>\$ 193,794</u>
Total Operating Expenditures	<u>\$ 92,020,069</u>	<u>\$ 90,291,291</u>	<u>\$ 193,794</u>
Capital Improvements:			
State General Fund	\$ 2,000,000	\$ --	\$ --
Educational Building Fund	<u>3,057,135</u>	<u>1,687,135</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ 5,057,135</u>	<u>\$ 1,687,135</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 97,077,204</u></u>	<u><u>\$ 91,978,426</u></u>	<u><u>\$ 193,794</u></u>
FTE Positions:			
Classified	634.6	633.6	--
Unclassified	<u>990.3</u>	<u>991.3</u>	<u>--</u>
Total	<u><u>1,624.9</u></u>	<u><u>1,624.9</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

The University's general use base budget for FY 1990 totals \$62,676,354, which is 13.1 percent greater than actual general use expenditures for FY 1989. The University requests a State General Fund supplemental of \$175,882 for salaries and wages adjustments, including the classified pay plan revisions approved by the 1989 Legislature and employer health insurance rate revisions for employees and dependents. The agency also requests the shift of one FTE position from the classified service to the unclassified service. In the current year, five unclassified FTE positions were

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appropriated for the Institute for Aviation Research. The agency has now requested that the staffing of the Institute be four unclassified and one classified position.

The Governor recommends a general use base budget of \$60,947,577, or \$1,728,777 less than the agency requested and \$1,552,895 less than currently authorized. In particular, the Governor increases the shrinkage amount for unclassified and classified positions in the current year and revises employer health insurance amounts to reflect the most current rates. The Governor does not recommend any State General Fund supplemental support for the agency in the current year. The Governor recommends that the General Fees Fund expenditure limitation be increased by \$718,960. However, the amount does not include a general fee release of \$90,744 as requested by the Board of Regents based on increased student enrollment. The Governor recommends that \$2,390,831 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- General Fees Fund Release.** Concur with the agency request that \$90,744 in general fees be released in the current year. The additional funds reflect the current policy of releasing 75 percent of the general fee revenue generated by higher than anticipated enrollment in the fall of 1989. The Subcommittee notes the Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result is an additional \$90,744 in expenditures financed from the State General Fund.
2. Add \$103,050 (State General Fund) for technical adjustments relating to the funding of the classified longevity pay and fringe benefit adjustments.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

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 Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 193,794	\$ 45,036,624	\$ (90,744)
General Fees Fund	-----	15,973,307	-----
Subtotal -- General			
Use Funds	\$ 193,794	\$ 61,009,931	\$ (90,744)
Other Funds	-----	24,172,324	-----
Subtotal -- State			
Operations	\$ 193,794	\$ 85,182,255	\$ (90,744)
Other Assistance:			
State General Fund	\$ --	\$ 82,000	\$ --
General Fees Fund	-----	49,440	-----
Other Funds	-----	5,171,390	-----
Subtotal -- Other			
Assistance	\$ --	\$ 5,302,830	\$ --
Total General Use Funds	\$ 193,794	\$ 61,141,371	\$ (90,744)
Total Operating Expenditures	\$ 193,794	\$ 90,485,085	\$ (90,744)
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	-----	1,687,135	-----
Subtotal -- Capital			
Improvements	\$ --	\$ 1,687,135	\$ --
GRAND TOTAL	\$ 193,794	\$ 92,172,220	\$ (90,744)
FTE Positions:			
Classified6	--	633.6	--
Unclassified	-----	991.3	-----
Total	-----	1,624.9	-----

House Subcommittee Recommendations


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

1. **Systemwide Recommendation -- General Fees Fund Release.** Delete \$90,744 (State General Fund) based on not releasing general fees in the current year. The action concurs with the Governor's recommendation. The Governor did not recommend the release of general fees funds for this purpose and maximized the expenditure of tuition income to reduce the demand on the State General Fund. The net result of the Senate recommendation was to finance the additional expenditures from the State General Fund. Therefore, the net result of the House systemwide recommendation is to reduce State General Fund demands.


2. The Subcommittee reviewed utility expenditures and does not recommend any adjustment from the Governor's recommendation.



Representative Max W. Moomaw
Subcommittee Chairperson



Representative William R. Brady



Representative Fred Gatlin

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 454
443

Bill Sec. 9
15

Analyst: Conroy

Analysis Pg. No. 732

Budget Pg. No. 592

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 52,815,973	\$ 47,626,407	\$ 1,686,543
General Fees Fund	<u>16,017,998</u>	<u>16,489,739</u>	<u>11,800</u>
Subtotal -- General Use Funds	\$ 68,833,971	\$ 64,116,146	\$ 1,698,343
Other Funds	<u>25,224,760</u>	<u>25,122,260</u>	<u>105,000</u>
Subtotal -- State Operations	<u>\$ 94,058,731</u>	<u>\$ 89,238,406</u>	<u>\$ 1,803,343</u>
Other Assistance:			
State General Fund	\$ 139,000	\$ 61,800	\$ --
General Fees Fund	49,440	49,440	--
Other Funds	<u>5,171,390</u>	<u>5,171,390</u>	<u>--</u>
Subtotal -- Other Assistance	<u>\$ 5,359,830</u>	<u>\$ 5,282,630</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 69,022,411</u>	<u>\$ 64,227,386</u>	<u>\$ 1,698,343</u>
Total Operating Expenditures	<u>\$ 99,418,561</u>	<u>\$ 94,521,036</u>	<u>\$ 1,803,343</u>
Capital Improvements:			
State General Fund	\$ 4,000,000	\$ --	\$ --
Educational Building Fund	<u>4,151,084</u>	<u>6,021,084</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ 8,151,084</u>	<u>\$ 6,021,084</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 107,569,645</u></u>	<u><u>\$ 100,542,120</u></u>	<u><u>\$ 1,803,343</u></u>
FTE Positions:			
Classified	647.9	639.6	7.8
Unclassified	<u>1,053.8</u>	<u>1,006.3</u>	<u>11.5</u>
Total	<u><u>1,701.7</u></u>	<u><u>1,645.9</u></u>	<u><u>19.3</u></u>

Agency Request/Governor's Recommendation

The University requests a total of \$69,022,411 in general use funds for the FY 1991 budget, an increase of 10.1 percent over the FY 1990 budget. The request includes increases of \$2,508,850, which provides a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, 5 percent increase for student salaries, and classified staff pay plan step movement and longevity pay. The University also requests \$885,232 for adjustments to the FY 1990 base budget for fringe benefit increases and classified salary plan revisions, \$1,297,003 for an enrollment adjustment,

and \$70,880 for servicing new buildings in FY 1991. For the Margin of Excellence program the agency requests a total of \$1,759,974, of which \$1,409,374 is for unclassified salary parity and \$350,600 is for mission related enhancements. The University also requests that the expenditure limitation on Sponsored Research Overhead be increased by \$500,000 from \$1,500,000 to \$2,000,000. Finally, the agency requests that the restricted use unclassified FTE position limitation be increased by 39.0 FTE.

The Governor recommends an FY 1991 general use base budget of \$64,227,386, a 5.4 percent increase above the revised FY 1990 recommendations. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified salaries plus longevity pay, no increase in student salaries, and a 2 percent increase for other operating expenditures. The Governor does not recommend servicing new building funding in FY 1991. The Governor recommends funding of 50 percent of the requested amounts for enrollment adjustment in FY 1991. The Governor does not recommend funding for the Margin of Excellence, but does recommend \$50,000 for meritorious faculty salary increases. The Governor concurs with the increase in the expenditure limitation of \$500,000 for Sponsored Research Overhead. Finally, the Governor recommends that the State General Fund appropriation be made as a single line item for operating expenditures, rather than several different line items.

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Student Salaries.** Add \$11,666 (State General Fund) in FY 1991 for student salaries. The Governor applied a salary and wage shrinkage amount to student salaries in FY 1991 for the first time. The Subcommittee does not believe that shrinkage should be applied against student salaries since it simply reduces the number of hours available for the employment of students. The additional \$11,666 recommended in the budget year will maintain the student salary base budget in FY 1991 at the FY 1990 level.
3. **Systemwide Recommendation -- Graduate Assistant Fee Waiver.** The Subcommittee recommends that the graduate assistant fee waiver in FY 1991 remain at the current level of 75 percent. The Governor had recommended an increase to an 80 percent fee waiver, while the Regents had requested a fee waiver of 100 percent in FY 1991. The Subcommittee's recommendation will increase general fees funds at the institution by \$11,800. The net result of the recommendation is to reduce State General Fund expenditures in FY 1991 by \$11,800 and increase general fees funds by a like amount.

4. **Systemwide Recommendation -- Enrollment Adjustment.** The Subcommittee recommends full funding of the requested enrollment adjustment in FY 1991 and adds \$648,501 in State General Fund support and 17.5 FTE positions. The Subcommittee notes that the current enrollment adjustment has been in place since 1987 and the institution has based a request on the current approved funding process. But most importantly, the requested enrollment adjustment reflects an additional 1,300 students systemwide who arrived at the institutions in FY 1989. The campuses have managed their resources to accommodate the additional students for FY 1990 (the enrollment adjustment process intervening year) and have anticipated the increased resources being available in FY 1991. The Subcommittee also points out that the Governor's recommendation of abolishing the enrollment adjustment process in FY 1993 will have the effect of encouraging qualified admissions, not through legislation, but through budgetary appropriations. A major policy consideration such as qualified admissions should be addressed clearly by the Legislature prior to any significant changes. Finally, the Subcommittee recommends that the Legislature study the issue of modifying the enrollment adjustment process to determine if any changes are warranted, including the Governor's recommendation and the Board of Regents' proposal.
5. Add \$50,131 (State General Fund) for a technical adjustment for fringe benefit calculations.
6. Add \$105,000 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. The 1989 Legislature approved \$100,000 to begin this program in FY 1990.
7. The Subcommittee feels strongly that the institution should receive the requested \$168,460 and 1.8 FTE positions to service the Institute for Aviation Research (full-year funding) and the new Child Development Center. Both facilities were constructed using nonstate sources and the state should accept the responsibility to properly maintain the new facilities.
8. Add \$819,585 (State General Fund) to reduce salary and wage shrinkage from 4.0 percent to 2.5 percent, which is the amount recommended by the Governor for the University of Kansas. This recommendation will provide equity between the research institution in Lawrence and the one in Wichita.
9. Shift \$150,000 (State General Fund) from student salary and wages to doctoral fellowships in the other operating expenditures line item. This shift will meet IRS requirements for the handling of the fellowship salaries.

Senate Committee Recommendations

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

1. Add \$128,781 (State General Fund) for an additional 1.5 percent base budget increase for other operating expenditures. The total base budget increase for other operating expenditures in FY 1991 is recommended at 3.5 percent.
2. Delete \$409,793 (State General Fund) for additional salary and wage shrinkage. The action would provide a composite shrinkage reduction factor of 3.2 percent for the institution.
3. The Committee urges the House Appropriations Committee to review the funding for servicing new buildings to insure funding equity between the institutions.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 91</u>	<u>House Rec. FY 91</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 1,405,531	\$ 49,031,938	\$ (285,985)
General Fees Fund	<u>11,800</u>	<u>16,501,539</u>	<u>--</u>
Subtotal -- General			
Use Funds	\$ 1,417,331	\$ 65,533,477	\$ (285,985)
Other Funds	<u>105,000</u>	<u>25,227,260</u>	<u>--</u>
Subtotal -- State			
Operations	<u>\$ 1,522,331</u>	<u>\$ 90,760,737</u>	<u>\$ (285,985)</u>
Other Assistance:			
State General Fund	\$ --	\$ 61,800	\$ --
General Fees Fund	--	49,440	--
Other Funds	<u>--</u>	<u>5,171,390</u>	<u>--</u>
Subtotal -- Other			
Assistance	<u>\$ --</u>	<u>\$ 5,282,630</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 1,417,331</u>	<u>\$ 65,644,717</u>	<u>\$ (285,985)</u>
Total Operating Expenditures	<u>\$ 1,522,331</u>	<u>\$ 96,043,367</u>	<u>\$ (285,985)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	<u>(146,701)</u>	<u>5,874,383</u>	<u>--</u>
Subtotal -- Capital			
Improvements	<u>\$ (146,701)</u>	<u>\$ 5,874,383</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 1,375,630</u>	<u>\$ 101,917,750</u>	<u>\$ (285,985)</u>
FTE Positions:			
Classified	7.8	647.4	(6.4)
Unclassified	<u>11.5</u>	<u>1,017.8</u>	<u>0.6</u>
Total	<u>19.3</u>	<u>1,665.2</u>	<u>(5.8)</u>

House Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Salary and Wage Shrinkage.** Add \$217,831 (State General Fund) to reduce salary and wage shrinkage. The amount of the adjustment is equal to one-half of the additional shrinkage recommended by the Governor in FY 1991. This systemwide adjustment reduces salary and wage shrinkage for all of the institutions by a total of \$3,037,541 from the Governor's recommendation and \$779,736 from the Senate recommendation. However, the Senate recommendation addressed only for of the nine institutions. The systemwide recommendation addresses salary and wage shrinkage in all nine institutions.
2. **Systemwide Recommendation -- Student Salaries.** Delete \$11,666 (State General Fund) in FY 1991 for student salaries. The adjustment concurs with the Governor's recommendation for student salaries in the budget year.
3. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$128,781 (State General Fund) for other operating expenditures. The recommendation will still provide a 2.0 percent base budget increase for other operating expenditures in FY 1991.
4. **Systemwide Recommendation -- Enrollment Adjustment.** Delete \$363,369 (State General Fund) and 9.8 FTE positions (6.4 unclassified and 3.4 classified) for the budget year enrollment adjustment. The action reflects the acceleration of the Board of Regents FY 1991 proposal to modify the enrollment adjustment funding mechanism to FY 1991.
5. The Subcommittee reviewed the Senate recommendation for utilities in the budget year. Based on the FY 1990 Subcommittee recommendation for utilities, the Subcommittee does not recommend any adjustment in FY 1991. The recommendation provides for a 2 percent increase in FY 1991 above FY 1990.
6. Add 4.0 FTE positions to assist in staffing the new child care facility on the campus. The facility will also provide services to children of KanWork clients. The positions will be funded with restricted-use funds and will not be a part of the general-use base budget of the institution.

Max Moomaw

Representative Max W. Moomaw
Subcommittee Chairperson

W^m R. Brady

Representative William R. Brady

Fred Gatlin

Representative Fred Gatlin

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 748

Budget Pg. No. 472

<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	\$ 2,170,102	\$ 2,062,832	\$ --
Other Funds	<u>4,182</u>	<u>4,182</u>	<u>--</u>
Subtotal - State Operations	<u>\$ 2,174,284</u>	<u>\$ 2,067,014</u>	<u>\$ --</u>
Other Assistance:			
State General Fund	\$ 6,352,765	\$ 6,352,765	\$ (38,525)
Other Funds	<u>1,656,281</u>	<u>1,646,613</u>	<u>(38,525)</u>
Subtotal - Other Assistance	<u>\$ 8,009,046</u>	<u>\$ 7,999,378</u>	<u>\$ (77,050)</u>
TOTAL -- Operating Expenditures	<u>\$ 10,183,330</u>	<u>\$ 10,066,392</u>	<u>\$ (77,050)</u>
Capital Improvements:			
Educational Building Fund	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 10,183,330</u>	<u>\$ 10,066,392</u>	<u>\$ (77,050)</u>
FTE Positions	18.0	18.0	--

Agency Request/Governor's Recommendations

FY 1990. The Board of Regents FY 1990 operating request totals \$10,183,330, an increase of 7.5 percent above FY 1989 expenditures. The agency request is financed with \$8,522,867 from the State General Fund and \$1,660,463 from other funds. The Governor recommends an operating budget of \$10,066,392 or \$116,938 less than the agency requested.

Senate Subcommittee Recommendations

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

1. Delete \$77,050 (\$38,525 from the State General Fund and \$38,525 from the Nursing Student Scholarship Program Fund) for the Nursing Student Scholarship Program. The recommendation anticipates that only 227 scholarships will be awarded out of a possible 250. The Subcommittee further recommends that the State General Fund savings be reappropriated to FY 1991.

*HA
3-26-90
Attachment 11*

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

Senate Committee of the Whole Recommendation

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	\$ --	\$ 2,062,832	\$ --
Other Funds	--	4,182	--
Subtotal - State Operations	\$ --	\$ 2,067,014	\$ --
Other Assistance:			
State General Fund	\$ (38,525)	\$ 6,314,240	\$ (28,475)
Other Funds	(38,525)	1,608,088	(28,475)
Subtotal - Other Assistance	\$ (77,050)	\$ 7,922,328	\$ (56,950)
TOTAL -- Operating Expenditures	\$ (77,050)	\$ 9,989,342	\$ (56,950)
Capital Improvements:			
Educational Building Fund	\$ --	\$ --	\$ --
GRAND TOTAL	\$ (77,050)	\$ 9,989,342	\$ (56,950)
FTE Positions	--	18.0	--

House Subcommittee Recommendations

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

1. Delete \$56,950 (\$28,475 from the State General Fund and \$28,475 from the Nursing Student Scholarship Program Fund) for the Nursing Student Scholarship Program. The recommendation anticipates that only 210 scholarships will be awarded out of a possible 250. The Subcommittee further recommends that the State General Fund savings be re-appropriated to FY 1991.

11-2

Max Moomaw
Representative Max W. Moomaw
Subcommittee Chairperson

Wm R. Brady
Representative William R. Brady

Fred Gatlin
Representative Fred Gatlin

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 454
443

Bill Sec. 10
16

Analyst: Conroy

Analysis Pg. No. 748

Budget Pg. No. 472

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,513,096	\$ 2,351,352	\$ 7,950
Other Funds	<u>3,500</u>	<u>3,500</u>	<u>--</u>
Subtotal - State Operations	<u>\$ 2,516,596</u>	<u>\$ 2,354,852</u>	<u>\$ 7,950</u>
Other Assistance:			
State General Fund	\$ 7,281,100	\$ 7,212,983	\$ (319,042)
Other Funds	<u>1,410,733</u>	<u>1,945,733</u>	<u>11,475</u>
Subtotal - Other Assistance	<u>\$ 8,691,833</u>	<u>\$ 9,158,716</u>	<u>\$ (307,567)</u>
TOTAL -- Operating Expenditures	<u>\$ 11,208,429</u>	<u>\$ 11,513,568</u>	<u>\$ (299,617)</u>
Capital Improvements:			
Educational Building Fund	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 19,208,429</u>	<u>\$ 19,513,568</u>	<u>\$ (299,617)</u>
FTE Positions	18.0	18.0	--

Agency Request/Governor's Recommendation

FY 1991. The Board of Regents requests a total budget of \$19,208,429 for FY 1991 of which \$11,208,429 is for operating expenditures and \$8,000,000 is for major maintenance projects on the campuses. Increases are requested for the Tuition Grant program, the State Scholarship program, and the Minority Scholarship program. The Board also requests financing of a new Kansas Serve program.

The Governor recommends an operating budget of \$11,513,568, of which \$2,354,852 is for state operations, and \$9,158,716 for other assistance programs. The Governor recommends expansion of the Nursing Scholarship program and creation of a new Teachers Scholarship program. The Governor recommends \$8,000,000 from the Educational Building Fund for major maintenance at the Regents' institutions.

Senate Subcommittee Recommendations

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

11-4

1. **Systemwide Recommendation -- Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds for the purpose for which they were received.
2. **Systemwide Recommendation -- Career Work Study Program.** The Subcommittee recommends a total of \$489,483 for the Kansas Career Work Study program in FY 1991 or \$10,517 less than the Governor recommended. The Subcommittee's recommendation maintains the total appropriation for the program in FY 1991 at the currently authorized amount in FY 1990. The actual appropriation for the work study program is made to the Board of Regents and then allocated to the institutions and Washburn University. The Subcommittee recommends that the program funds be allocated in the following manner: University of Kansas -- \$133,480; Kansas State University -- \$138,621; Wichita State University -- \$104,700; Emporia State University -- \$36,123; Fort Hays State University -- \$35,998; Pittsburg State University -- \$21,257; Kansas College of Technology -- \$3,859; and Washburn University -- \$15,629.
3. Add \$2,750 (State General Fund) for increased costs associated with a contract that provides on-line student financial aid processing through the University of Kansas.
4. Add \$5,200 (State General Fund) for administrative costs associated with the Nursing Student Scholarship Program and the Minority Scholars Program.
5. Delete \$20,000 (State General Fund) for the Kansas Minority Scholars Program. The Subcommittee notes the program will still be increased by \$30,000 in FY 1991 above the FY 1990 approved level of \$150,000.
6. Add \$20,000 (State General Fund) for the Youth Education Service program. The Subcommittee recommendation maintains the FY 1991 level for the program at the FY 1990 level of \$50,000.
7. Add \$30,000 (State General Fund) for three additional osteopathic scholarships. The recommendation will provide a total of 45 returning scholarships and 15 first-year student scholarships.
8. Shift \$50,000 in financing for the State Scholarship Program from the State General Fund to the State Scholarship Discontinued Attendance Fund. The action utilizes available resources in the State Discontinued Attendance Fund.
9. Delete \$250,000 (State General Fund) for a new Teacher's Scholarship Program pending passage of legislation to establish the program.
10. Delete \$77,050, of which \$38,525 is from the Nursing Student Scholarship Program Fund and \$38,525 is from the State General Fund for the Nursing Student Scholarship Program based on 477 awards

being made in FY 1991 instead of 500 as recommended by the Governor.

11. Add a special no-limit revenue fund for the Nursing Student Scholarship Program Fund. The action is technical in nature.

Senate Committee Recommendation

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

1. Add \$20,000 (State General Fund) for the Kansas Minority Scholars Program.

Senate Committee of the Whole Recommendations

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

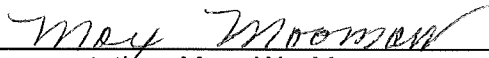
<u>Expenditure Summary</u>	<u>Senate Adj. FY 91</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,950	\$ 2,359,302	\$ (30,200)
Other Funds	---	3,500	---
Subtotal - State Operations	<u>\$ 7,950</u>	<u>\$ 2,362,802</u>	<u>\$ (30,200)</u>
Other Assistance:			
State General Fund	\$ (299,042)	\$ 6,913,941	\$ (83,475)
Other Funds	11,475	1,957,208	(3,475)
Subtotal - Other Assistance	<u>\$ (287,567)</u>	<u>\$ 8,871,149</u>	<u>\$ (86,950)</u>
TOTAL -- Operating Expenditures	<u>\$ (279,617)</u>	<u>\$ 11,233,951</u>	<u>\$ (117,250)</u>
Capital Improvements:			
Educational Building Fund	\$ ---	\$ 8,000,000	\$ ---
GRAND TOTAL	<u>\$ (279,617)</u>	<u>\$ 19,233,951</u>	<u>\$ (117,250)</u>
FTE Positions	--	18.0	--

House Subcommittee Recommendations


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

11-6

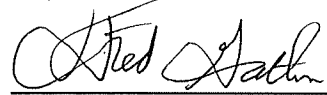
1. Delete \$5,200 (State General Fund) for administrative costs associated with the Nursing Student Scholarship Program and the Minority Scholars Program. However, the Subcommittee recommends that the agency be authorized to expend a total of \$5,200 from the State General Fund line items for the Nursing Student Scholarship Program and the Minority Scholars Program.
2. Delete \$20,000 (State General Fund) for the Youth Education Service Program. The action still provides \$30,000 for the program which concurs with the Governor's recommendation.
3. Shift \$25,000 in financing for the State Scholarship Program from the State General Fund to the State Scholarship Discontinued Attendance Fund. The action utilizes the latest estimate of resources in the State Discontinued Attendance Fund.
4. Delete \$10,000 (State General Fund) for one osteopathic scholarship. The Subcommittee still recommends a total of \$590,000 for the program which provides 59 scholarships.
5. Delete \$25,000 (State General Fund) for recruiting expenses to finance presidential or chief executive officer recruitment expenses. The Subcommittee notes that no vacancies are currently anticipated in FY 1991. However, should one occur, the Subcommittee would consider possible supplemental funding for any recruiting expenses during the 1991 Legislature.
6. Reestablish a no-limit clearing fund which was inadvertently omitted from the FY 1990 appropriation. The agency uses the fund as a vehicle for the allocation and payment of certain expenses which the agency incurs on behalf of the institutions.
7. Delete \$56,950 (\$28,475 from the State General Fund and \$28,475 from the Nursing Student Scholarship Program Fund) for the Nursing Student Scholarship Program. The recommendation is based on 460 awards being made in FY 1991 (210 second-year awards and 250 first-year awards).



Representative Max W. Moomaw
Subcommittee Chairperson



Representative William R. Brady



Representative Fred Gatlin