

Approved March 19, 1990  
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at  
Chairperson

11:10 a.m./~~PM~~ on FEBRUARY 28, 1990 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Diane Duffy, Leah Robinson  
Revisor: Norm Furse, Gordon Self  
Committee Staff: Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

### INTRODUCTION OF BILLS

Senator Johnston moved, Senator Hayden seconded, the introduction of bill draft 9 RS 2591 - AN ACT concerning the Kansas criminal code; defining and classifying the crimes of interference with the legislative process and possession of a loaded firearm within the state capitol building. The motion carried.

### SB 454 - Appropriations for FY 91, state board of regents and higher education institutions

#### KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

Senator Kerr reviewed the subcommittee report for FY 90 and FY 91, Attachment 1.

#### KANSAS STATE UNIVERSITY

Senator Kerr reviewed the subcommittee report for FY 90 and FY 91, Attachment 2. In explaining item 5 of the FY 91 report, Senator Kerr noted that the Governor's recommendations are above the institution's request. The agency stated that the estimate was based on year to date through October, and the figures are still accurate. However, the Subcommittee believed that, due to the shortness of time considered, the House Appropriations Committee will need to determine if any adjustments are warranted.

Senator Kerr explained that the subcommittee did not support the Regents' formula, item 7 of the FY 91 report, because much of the equipment is under warranty and because the subcommittee was attempting to hold down costs per square foot. Senator Feleciano noted his concern regarding the tendency of the institutions to pick up full time positions using the formula umbrella for the servicing of new buildings, and stated that the policy needs to be reevaluated.

#### FORT HAYS STATE UNIVERSITY

Senator Gaines reviewed the subcommittee report for FY 90 and FY 91, Attachment 3. There was discussion regarding salary and wage shrinkage, item 8 of the report, with the Committee concluding that an artificially high shrinkage rate was applied to Fort Hays.

Senator Gaines stated that the subcommittee did not consider utility cost adjustments for Sheridan Coliseum, but would recommend that the University talk to the House if adjustments are warranted. It was noted that each university will need to justify its request for custodial personnel campuswide.

### BOARD OF REGENTS

Senator Hayden reviewed the subcommittee report for FY 90 and FY 91, Attachment 4. In answer to a question regarding the number of nursing scholarships which were applied for (item 1 of the FY 90 report), Senator

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS  
 123-S 11:10 XX FEBRUARY 28 90  
 room \_\_\_\_\_, Statehouse, at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_, 19\_\_

Salisbury stated that the lower than anticipated number of applicants was due to the fact that this was the first year of the program, and noted that the subcommittee recommended 250 scholarships for FY 91.

Discussion was held regarding the recommendations made for the various scholarship programs. It was stated that the House had not yet passed legislation regarding the Teachers' Scholarship Program, which is the basis of the recommendation contained in item 9 of the FY 91 report. It was noted that appropriations for the FY 91 Minority Scholars Program, in spite of item number 5 of the FY 91 report, are above the FY 90 level. Concern was expressed that the program was not fully funded last year, and that the subcommittee recommended \$20,000 less than the Governor for FY 91. Senator Feleciano moved, Senator Parrish seconded, that the FY 91 subcommittee report be amended by adding \$20,000 to the Minority Scholars Program. It was stated that in FY 91, \$1,250,000 is appropriated for the general scholarship program and \$5.4 million is appropriated for the Tuition Grant. The motion carried. In answer to a question, it was stated that the State Scholarship Discontinued Attendance Fund consists of payments from scholars who are repaying the state and of awards that were granted but not used.

Senator Hayden stated that some western Kansas schools are not able to take advantage of the Youth Education Service Program, item 6 of the FY 91 report, because of commuting distance from major schools.

UNIVERSITY OF KANSAS MEDICAL CENTER

Senator Hayden reviewed the subcommittee report for FY 90 and FY 91, Attachment 5. Chairman Bogina noted that the subcommittee recommended deletion of the \$50,000 appropriation for meritorious faculty salary increases, item 8 of the FY 91 report, because it was viewed as an insult to some professors at the regents' institutions.

Senator Johnston requested information that would indicate whether the state's assistance with private malpractice has increased compensation of doctors who practice in a corporation, but have an appointment at the Medical Center.

In answer to a question, Chairman Bogina stated that when the Committee heard SB 464, it was decided to reduce the shrinkage rather than determine salary increases for nurses.

Senator Gaines noted that he felt accounts receivable at KUMC should be handled by an in-house counsel. Senator Bogina noted that his intern was studying that issue.

The meeting was adjourned.



**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>	100,000
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:

*SWAM  
 February 28, 1990  
 Attachment 1*

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.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

**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>\$ 14,247,401</u>	 <u>\$ 13,511,705</u>	 <u>\$ 1,613</u>
 FTE Positions			
Classified	150.4	148.4	5.0
Unclassified	<u>96.9</u>	<u>89.4</u>	<u>--</u>
TOTAL	<u>247.3</u>	<u>237.8</u>	<u>5.0</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.

## 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.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

**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>
<b>State Operations:</b>			
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>
<b>Aid to Local Units:</b>			
Restricted Use Fund	<u>\$ 146,754</u>	<u>\$ 146,754</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
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>
<b>Capital Improvement</b>			
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>
<b>GRAND TOTAL</b>	<u><u>\$ 207,469,800</u></u>	<u><u>\$ 206,135,209</u></u>	<u><u>\$ 752,635</u></u>
<b>FTE Positions:</b>			
Classified	1,913.4	1,913.4	--
Unclassified	<u>2,290.8</u>	<u>2,290.8</u>	=
TOTAL	<u><u>4,204.2</u></u>	<u><u>4,204.2</u></u>	<u><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

*SWAM  
February 28, 1990  
Attachment 2*



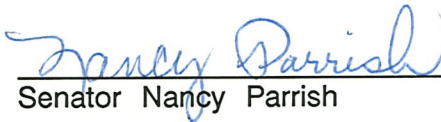
expenditures in FY 1989. The University requests State General Fund supplemental funding in FY 1990 totaling \$1,066,489. Of the requested amount, \$579,377 is for classified salary plan revisions approved by the 1989 Legislature and employer health insurance adjustments and the other component is \$487,112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

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.

  
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Senator Dave Kerr  
Subcommittee Chairperson

  
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Senator Nancy Parrish

**SUBCOMMITTEE REPORT**

**Agency:** Kansas State University

**Bill No.** 454

**Bill Sec.** 3

**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>
<b>State Operations:</b>			
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>
<b>Aid to Local Units:</b>			
Restricted Use Funds	<u>\$ 152,624</u>	<u>\$ 152,624</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
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>
<b>Capital Improvements:</b>			
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>
<b>GRAND TOTAL</b>	<u><u>\$ 224,992,998</u></u>	<u><u>\$ 212,807,769</u></u>	<u><u>\$ 2,406,052</u></u>
<b>FTE Positions:</b>			
Classified	1,958.1	1,934.1	16.0
Unclassified	<u>2,352.1</u>	<u>2,316.0</u>	<u>32.2</u>
<b>TOTAL</b>	<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:

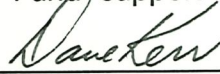
1. **Systemwide Recommendation – Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds 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 expendi-

tures 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.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

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

**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 in the current year be reappropriated to finance expenditures in FY 1991. In

*SWAM  
February 28, 1990  
Attachment 3*

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.

  
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Senator Jim Allen  
Subcommittee Chairperson

  
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Senator Frank D. Gaines

**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>
<b>State Operations:</b>			
State General Fund	\$ 22,150,010	\$ 20,673,691	\$ 422,875
General Fees Fund	4,648,689	4,698,901	7,611
Subtotal -- General Use Funds	\$ 26,798,699	\$ 25,372,592	\$ 430,486
Other Funds	6,364,495	6,285,428	25,000
Subtotal -- State Operations	<u>\$ 33,163,194</u>	<u>\$ 31,658,020</u>	<u>\$ 455,486</u>
<b>Other Assistance:</b>			
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>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	325,000	--	--
Other Funds	75,000	100,000	--
Subtotal -- Capital Improvements	<u>\$ 400,000</u>	<u>\$ 100,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 35,972,112</u></u>	<u><u>\$ 34,166,938</u></u>	<u><u>\$ 455,486</u></u>
<b>FTE Positions</b>			
Classified	299.0	297.5	--
Unclassified	<u>332.9</u>	<u>331.9</u>	<u>--</u>
TOTAL	<u><u>631.9</u></u>	<u><u>629.4</u></u>	<u><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.

  
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Senator Jim Allen  
Subcommittee Chairperson

  
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Senator Frank D. Gaines

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.

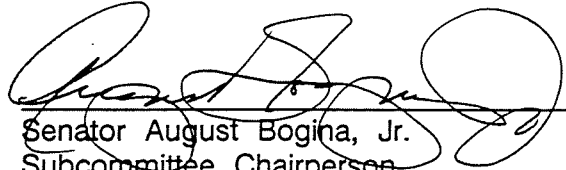
**Senate Subcommittee Recommendations**

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

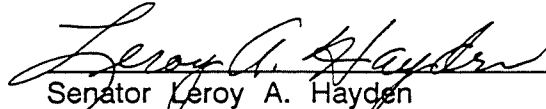
*SWAM  
February 28, 1990  
Attachment 4*

scholarships will be awarded out of a possible 250. The Subcommittee further recommends that the State General Fund savings be reappropriated to FY 1991.



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Senator August Bogina, Jr.  
Subcommittee Chairperson



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Senator Leroy A. Hayden



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Senator Alicia L. Salisbury

**SUBCOMMITTEE REPORT**

**Agency:** Board of Regents

**Bill No.** 454

**Bill Sec.** 10

**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>
<b>State Operations:</b>			
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>
<b>Other Assistance:</b>			
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>
<b>TOTAL -- Operating Expenditures</b>	<u>\$ 11,208,429</u>	<u>\$ 11,513,568</u>	<u>\$ (299,617)</u>
<b>Capital Improvements:</b>			
Educational Building Fund	<u>\$ 8,000,000</u>	<u>\$ 8,000,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u>\$ 19,208,429</u>	<u>\$ 19,513,568</u>	<u>\$ (299,617)</u>
<b>FTE Positions</b>	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.

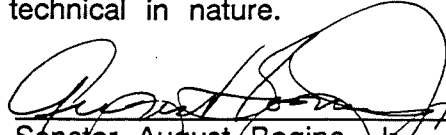
**Senate Subcommittee Recommendations**

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

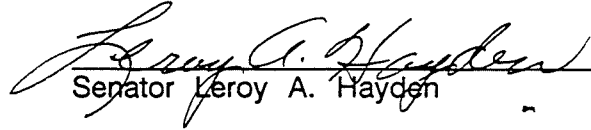
1. **Systemwide Recommendation – Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds 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.

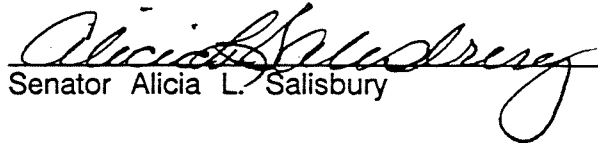
11. Add a special no-limit revenue fund for the Nursing Student Scholarship Program Fund. The action is technical in nature.



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Senator August Bogina, Jr.  
Subcommittee Chairperson



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Senator Leroy A. Hayden



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Senator Alicia L. Salisbury

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>392,429,019</u>	\$ <u>386,303,458</u>	\$ <u>--</u>
GRAND TOTAL	\$ <u>395,552,312</u>	\$ <u>389,426,751</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.

SWAM  
February 28, 1990  
Attachment 5



## 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

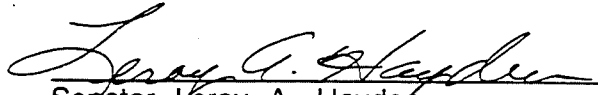
The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments:

1. Increase the position limitation by 70 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.



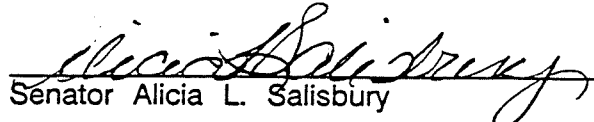
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Senator August Bogina, Jr.  
Subcommittee Chairperson



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Senator Leroy A. Hayden



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Senator Alicia L. Salisbury

SUBCOMMITTEE REPORT

Agency: University of Kansas  
Medical Center

Bill No. 454

Bill Sec. 8

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.

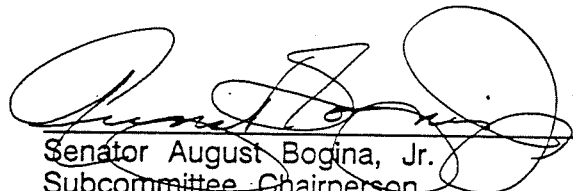
### Senate Subcommittee Recommendations

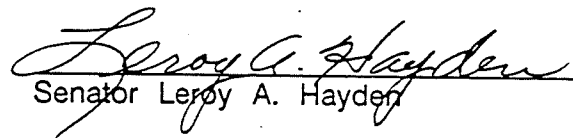
The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments:

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.

  
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Senator August Bogina, Jr.  
Subcommittee Chairperson

  
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Senator Leroy A. Hayden

  
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Senator Alicia L. Salisbury