

Approved March 21, 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 MARCH 1, 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 Allen moved that bill draft 9 RS 2710 be introduced. Senator Harder seconded, and the motion carried.

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

WICHITA STATE UNIVERSITY

Senator Doyen continued the hearing on SB 454 by reviewing the subcommittee report for FY 90 and FY 91, Attachment 1. Discussion was held regarding salary and wage shrinkage, item 8 of the FY 91 report, and Senator Doyen moved, Senator Kerr seconded, that item 8 of the FY 91 subcommittee report be amended to 3.2 %. In answer to a question, it was stated that adoption of this motion would add \$410,000 to the budget of Wichita State University. It was noted that it was left to the subcommittees not to recommend any changes in shrinkage except in the case of FHSU and KUMC, and that a recommendation for a reduction in shrinkage at WSU necessitates a reevaluation of shrinkage at all Regents' institutions. Chairman Bogina noted that he had witnessed concern from legislators of both parties during an interim study regarding the practice of transferring monies from salaries and wages to OOE. There was general agreement that the OOE should be budgeted in a more straightforward manner or there should not be the flexibility within shrinkage to transfer monies to OOE.

Senator Winter offered a substitute motion to delete item 8 from the FY 91 subcommittee report. Senator Salisbury seconded. Senator Winter distributed and reviewed Attachment 2, which illustrated the effects of his substitute motion. He noted that he would be proposing an additional motion to accommodate WSU. It was requested that Senator Winter propose his second motion first. Consequently, Senators Winter and Salisbury withdrew the substitute motion and second. Senator Winter offered a new substitute motion to delete the \$819,585 for salary and wage shrinkage from the WSU subcommittee report, and add the following items as detailed on Attachment 3: GTA fee waivers as recommended by the Governor, a 5% student salary increase, student minimum wage adjustment, and a 1.5% increase for OOE (which is an amendment to the 2% increase for OOE as shown on Attachment 3). Senator Salisbury seconded the motion. Senator Winter told the Committee that adoption of this substitute motion would result in a net increase of \$2,201,384 over the Governor's recommendation. Chairman Bogina noted his objection to the substitute motion because it opens up all the issues already agreed upon by the systemwide subcommittee and the Senate Ways and Means Committee.

Chairman Bogina announced that he would adjourn the meeting, giving Senator Winter time to gather information on the effects of his substitute motion.

The meeting was adjourned.

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.

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>\$ 97,077,204</u>	<u>\$ 91,978,426</u>	<u>\$ 193,794</u>
FTE Positions:			
Classified	634.6	633.6	--
Unclassified	<u>990.3</u>	<u>991.3</u>	<u> --</u>
Total	<u>1,624.9</u>	<u>1,624.9</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

*SWAM
March 1, 1990
Attachment 1*

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 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.

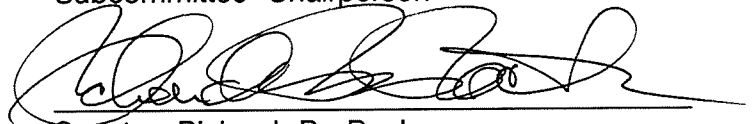
Senate Subcommittee Recommendation

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.



Senator Ross O. Doyen
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 454

Bill Sec. 9

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>\$ 107,569,645</u>	<u>\$ 100,542,120</u>	<u>\$ 1,803,343</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>1,701.7</u>	<u>1,645.9</u>	<u>29.3</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.

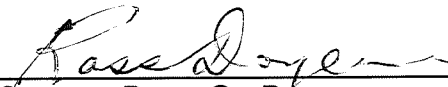
Senate Subcommittee Recommendations

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

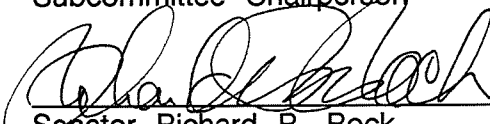
1. **Systemwide Recommendation – Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds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



Senator Ross O. Doyen
Subcommittee Chairperson



Senator Richard R. Rock

FY 1990 AND FY 1991 REGENTS INSTITUTIONS GENERAL USE BUDGET ADJUSTMENTS

1-6

SENATE WAYS AND MEANS COMMITTEE

Institution	FY 1990		FY 1991		FY 1991	
	Fee Release	Other	Systemwide Additions	Subcommittee Recommendations	Salary & Wage Shrinkage Adjustments	Servicing New Buildings Adjustments
KU	\$ 351,716	\$ 298,612	\$ 38,394	\$ 306,675	\$ --	\$ --
KSU	752,635	--	2,375,299	30,753	--	30,753
WSU	90,744	103,050	660,167	1,038,176	819,585	168,460
ESU	142,785	--	368,186	--	--	No Req.
PSU	249,035	--	460,257	--	--	No Req.
FHSU	--	--	32,148	398,338	324,338	--
KUMC	--	95,893	32,410	1,963,471	1,449,266	30,034
KSUVMC	--	100,000	1,613	--	--	No Req.
KCT	--	--	266,762	74,407	74,407	No Req.
TOTAL	<u>\$ 1,586,915</u>	<u>\$ 597,555</u>	<u>\$ 4,235,236</u>	<u>\$ 3,811,820</u>	<u>\$ 2,667,596</u>	<u>\$ 229,247</u>
GRAND TOTAL	<u>\$2,184,470</u>		<u>\$8,045,443</u>			

FY'90 and FY'91 REGENTS INSTITUTIONS GENERAL USE BUDGET ADJUSTMENTS

Senate Ways & Means Committee

INSTITUTION	FEE RELEASE	OTHER	SYSTEMWIDE ADDITIONS	SUB-COMM RECOMM. <i>w/o WSU</i>	SUB-TOTAL	PROPOSED ADDITIONS	GRAND TOT.
KU	351,716	298,612	38,394	306,675	995,397	731,998	1,727,395
KSU	752,635	--	2,375,299	30,753	3,158,687	635,893	3,794,580
WSU	90,744	103,050	660,167	4,038,176 <i>218,591</i>	1,072,552 <i>1,072,552</i>	382,025	2,274,162 <i>1,072,137</i>
ESU	142,785	--	368,186	--	510,971	215,802	726,773
PSU	249,035	--	460,257	--	709,292	189,781	899,073
FHSU	--	--	32,148	398,338	430,486	229,479	659,965
KUMC	--	95,893	32,410	1,963,471	2,091,774	895,334	2,987,108
KSUVMC	--	100,000	1,613	--	101,613	71,597	173,210
KCJ	--	--	266,762	74,407	341,169	21,060	362,229
TOTAL	<u>1,586,915</u>	<u>597,555</u>	<u>4,235,236</u>	<u>3,811,820</u>	<u>10,231,526</u>	<u>3,372,969</u>	<u>\$ 2,784,839</u> 12,604,495

*SWAM
March 1, 1990
Attachment 2*

TABLE A

REGENTS' INSTITUTIONS ADDITIONAL GENERAL
USE BUDGET ADJUSTMENTS

	<u>80% GTA Fee Waiver</u>	<u>5% Student Salary Increase</u>	<u>Student Minimum Wage Adjustment</u>	<u>2% Increase for QOE</u>	<u>Total</u>
University of Kansas	\$ 41,400	\$ 80,467	\$ 189,895	\$ 420,236	\$ 731,998
Kansas State University	15,921	71,544	168,832	379,596	635,893
Wichita State University	11,800	59,036	139,481	171,708	382,025
Emporia State University	6,494	42,142	99,489	67,677	215,802
Pittsburg State University	3,008	33,194	78,309	75,270	189,781
Fort Hays State University	7,611	44,216	104,345	73,307	229,479
University of Kansas Medical Center	--	35,611	84,043	775,680	895,334
Kansas State University Veterinary Medical Center	--	5,426	12,805	53,366	71,597
Kansas College of Technology	--	3,367	2,789	14,904	21,060
TOTAL	<u>\$ 86,234</u>	<u>\$ 375,003</u>	<u>\$ 879,988</u>	<u>\$ 2,031,744</u>	<u>\$ 3,372,969</u>

SWAM
March 1, 1990
Attachment 3