

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./p.m. on MARCH 2, 1990 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:

Chairman Bogina announced that the hearing on SB 454 would continue, and that Senator Winter's substitute motion was still before the Committee. Senators Winter and Salisbury withdrew the substitute motion and second. Senator Winter offered a new substitute motion to amend the subcommittee report by deleting \$409,793 of the salary and wage shrinkage, and by making the following additions as illustrated on page 2 of Attachment 1: GTA fee release as recommended by the Governor, 5% student salary increase and student minimum wage adjustment, 1.5% increase for OOE, and .5% unclassified salary increase. Senator Rock seconded the motion. Senator Winter explained that adoption of this substitute motion would result in a net cost of \$13,988,310 over a 2 year period above the Governor's recommendation. The proposal made by the Kansas Board of Regents, Attachment 2, is for only FY 91, and does not include the \$2.2 million one time fee release in FY 90. The Regent's proposal does contain servicing for new buildings and 1% salary increase for unclassified personnel.

Chairman Bogina distributed and reviewed copies of Attachment 3, which illustrated the State General Fund's increasing level of support of Regents' institutions. Discussion was held regarding the declining balances in the State General Fund, and the tendency make appropriations before tax bills have been enacted. It was noted that other priorities such as care for the elderly and SDEA.

The substitute motion failed.

The Committee returned to the primary motion which was to amend the subcommittee report by adjusting the salary and wage shrinkage at WSU to 3.2%. Senator Winter offered a substitute motion that would include the primary motion and add 1.5% for OOE for all Regents' institutions except KUMC. Senator Salisbury seconded the motion. Senator Winter told the Committee that adoption of this proposal would result in additional appropriations of \$865,000 over the subcommittee report. The substitute motion carried.

Chairman Bogina suggested that an interim study look at the problem of the OOE situation.

Senator Doyen moved, Senator Hayden seconded that item 9 of the FY 91 subcommittee report be amended to read IRS rather than SRS. The motion carried.

EMPORIA STATE UNIVERSITY

Senator Winter reviewed the FY 90 and FY 91 subcommittee report, Attachment 4.

PITTSBURG STATE UNIVERSITY

Senator Winter reviewed the FY 90 and FY 91 subcommittee report, Attachment

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 MARCH 2 90
 room _____, Statehouse, at _____ a.m./p.m. on _____, 19__

5.

UNIVERSITY OF KANSAS

Senator Harder reviewed the FY 90 and FY 91 subcommittee report, Attachment 6. Senator Harder moved, Senator Allen seconded, that item 7 of the FY 91 subcommittee report be amended to include a recommendation that the second House review funding for the servicing for new buildings in greater depth. The motion carried. It was noted that not all institutions had been treated the same in the servicing of new buildings. Staff was directed to monitor the custodial positions, and, if necessary, something could be done in the Omnibus bill.

KANSAS COLLEGE OF TECHNOLOGY

Senator Allen reviewed the FY 90 and FY 91 subcommittee report, Attachment 7.

It was noted that the House removed the money for the next phase of the job rate study for LPN's from the Department of Administration's budget. Senator Johnston moved, Senator Feleciano seconded, that the appropriation for LPN salary enhancement be included in the KUMC appropriations.

Senator Doyen moved, Senator Kerr seconded, that the \$50,000 appropriation for meritorious faculty salary increases be deleted from each of the institution's budgets as it was in the University of Kansas subcommittee report.

Senator Winter offered a substitute motion to transfer the \$50,000 appropriation for meritorious faculty salary increases from each of the institution's budgets to student salaries. Senator Feleciano seconded the substitute motion, which failed.

Question was called on the primary motion. The motion failed on a show of hands.

Senator Allen moved, Senator Salisbury seconded, that the FY 91 subcommittee report be amended to include \$50,000 for meritorious faculty salary increases at KUMC. The motion carried.

Senator Winter moved, Senator Johnston seconded, that SB 558 be amended to include Legislative approval for the relocation of the All Sports Hall of Fame if requests for proposals are published in the Kansas Register. The motion carried.

Senator Doyen moved, Senator Gaines seconded, adoption of the amended subcommittee report on SB 454. The motion carried.

Senator Johnston moved, Senator Feleciano seconded, that SB 454 as amended be recommended favorable for passage.

Senator Doyen moved that SB 558 as amended be recommended favorable for passage. Senator Harder seconded, and the motion carried.

Senator Harder moved, Senator Allen seconded, the introduction of bill draft 9 RS 2714 - an act concerning assessments against corn. The motion carried.

Chairman Bogina noted that SB 443 would be heard on Monday, March 5, 1990.

The meeting was adjourned.

OPTION ~~A~~ 3

FY 1990 AND FY 1991 REGENTS INSTITUTIONS
GENERAL USE BUDGET ADJUSTMENTS

SENATE WAYS AND MEANS COMMITTEE

SWAM
March 2, 1990
Attachment 1

Institution	FY 1990		FY 1991		Total FY 1990 and FY 1991 Additions	Proposed Additions (See Attached Table)	GRAND TOTAL
	Fee Release	Other	Systemwide Additions	Modified Subcommittee Recommendations ^a			
KU	\$ 351,716	\$ 298,612	\$ 38,394	\$ 306,675	\$ 995,397	\$ 1,069,015	\$ 1,622,336
KSU	752,635	--	2,375,299	30,753	3,158,687	942,286	3,699,681
WSU	90,744	103,050	660,167	628,384 ^a	1,482,345	522,742	1,921,443
ESU	142,785	--	368,186	--	510,971	274,112	785,083
PSU	249,035	--	460,257	--	709,292	243,938	953,230
FHSU	--	--	32,148	398,338	430,486	283,685	714,171
KUMC	--	95,893	32,410	1,963,471	2,091,774	710,445	2,804,910
KSUVMC	--	100,000	1,613	--	101,613	87,010	188,623
KCT	--	--	266,762	74,407	341,169	30,760	371,929
TOTAL	\$ 1,586,915	\$ 597,555	\$ 4,235,236	\$ 3,402,028^a	\$ 9,821,734	\$ 4,166,576	\$ 12,488,490
GRAND TOTAL	\$2,184,470		\$7,225,588^a	(WSU Shrinkage Adjustment)		\$ -409,793	
				Net Cost of Option A 3		\$ 1,956,963	\$ 3,756,783 ✓ ✓

a) Removes one-half or \$409,793 of the salary and wage shrinkage adjustment of \$819,585 as recommended by the WSU Subcommittee.

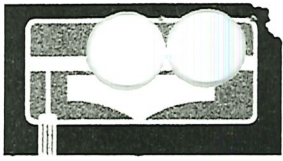
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TABLE A1

REGENTS' INSTITUTIONS ADDITIONAL GENERAL
USE BUDGET ADJUSTMENTS

	80% GTA Fee Waiver	5% Student Salary Increase	Student Minimum Wage Adjustment	1.5% Increase for OOE	0.5% Unclassified Salary Increase	Total
University of Kansas	\$ 41,400	\$ 80,467	\$ 189,895	\$ 315,177	\$ 442,076	\$ 1,069,015
Kansas State University	15,921	71,544	168,832	284,697	401,292	942,286
Wichita State University	11,800	59,036	139,481	128,781	183,671	522,769
Emporia State University	6,494	42,142	99,489	50,758	75,235	274,118
Pittsburg State University	3,008	33,194	78,309	56,453	72,974	243,938
Fort Hays State University	7,611	44,216	104,345	54,980	72,533	283,685
University of Kansas Medical Center	--	35,611	84,043	333,482 ^a	259,859	712,995
Kansas State University Veterinary Medical Center	--	5,426	12,805	40,025	28,754	87,010
Kansas College of Technology	--	3,367	2,789	11,178	13,426	30,760
TOTAL	\$ 86,234	\$ 375,003	\$ 879,988	\$ 1,275,531	\$ 1,549,820	\$ 4,166,576

* The KUMC Subcommittee report includes funding for a base increase for hospital other operating expenditures (\$248,278).



KANSAS BOARD OF REGENTS

SUITE 609 • CAPITOL TOWER • 400 SW EIGHTH • TOPEKA, KANSAS 66603-3911 • (913) 296-3421

March 1, 1990

The Honorable August Bogina
Senator of the State of Kansas
Statehouse Room 123
Topeka, Kansas 66612

Dear Gus:

Upon reflecting on discussion during Senate Ways and Means Committee on March 1, 1990, I feel it necessary to offer several observations and comments which I believe could be helpful to further Committee deliberations.

I support the technical adjustments and FY 1991 shrinkage adjustments in Subcommittee reports adopted thus far. Obviously, shrinkage in WSU's budget remains a point of discussion, since action on that report is not yet complete. Two universities have significant base budget deletions, the result of shrinkage adjustments, WSU and KSU. Coincidentally those two universities also receive considerable increases, the result of full financing the enrollment adjustment formula. Therefore, the Subcommittee's action in not restoring KSU shrinkage appears manageable. In the case of WSU it would appear reasonable to adopt the amendment offered before the full Committee, which would set WSU shrinkage at 3.2 percent and restore approximately \$410,000 rather than \$819,000 to the WSU budget.

Given these decisions of the Committee in relationship to the shrinkage issue, I believe it most appropriate to move to the remaining items on the Regents priority list. The next grouping of base budget improvements, which the Regents believe to be most important are as follows: (1) Student wages (\$1.25 million); (2) an additional 2.0 percent for other operating expenditures (\$2.03 million); (3) staffing and OOE for new buildings (\$.66 million); and (4) an additional 1.0 percent for unclassified salaries (\$3.19 million). The attached list enumerates these items.

These are the items of greatest importance to the Regents and Presidents for FY 1991. I am hopeful that your Committee will give these items favorable consideration, when you meet on March 2, 1990. If these key measures are provided, your Committee will have financed 74 percent of the Regents priority listing for base

SWAM
March 2, 1990
Attachment 2

The Honorable August Bogina

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March 1, 1990

budget improvements. This would be a very significant statement of support for higher education in a difficult budget year.

I appreciate your support and assistance on these issues. Thank you.

Sincerely,

Stanley Z. Koplik
Executive Director

Enclosure

cc: Members, Senate Ways and Means Committee

ADJUSTED PRIORITIES FOR FISCAL YEAR 1991 RESTORATION

1.	Technical Adjustments		\$.67 million
2.	Shrinkage Adjustments		2.26
	Ft. Hays	\$ 324,338	
	KUMC	1,449,266	
	WSU	410,000	
	KCT	74,407	
3.	Student wages (allowance for minimum wage adjustment)		1.25
4.	Other operating expenditures (2 percent)		2.03
5.	Servicing New Buildings (staffing and OOE)		.66
6.	Unclassified salaries (1 percent)		3.19
7.	Enrollment adjustment		4.07
	Total		14.13

REGENTS SYSTEMWIDE SUMMARY
FY 1989 -- FY 1991

	<u>Actual FY 1989</u>	<u>Gov. Rec. FY 1990</u>	<u>Senate Ways and Means Subc. Rec. FY 1990</u>	<u>Gov. Rec. FY 1991</u>	<u>Senate Ways and Means Subc. Rec. FY 1991</u>	<u>FY 89-FY 91 (Senate Ways and Means Subc. Rec.) Change</u>
Total General Fund Operating	\$ 339,610,970	\$ 375,239,214	\$ 377,323,684	\$ 402,650,896	\$ 410,482,324	\$ --
Total General Use Operating	544,463,977	595,290,260	597,474,730	624,492,203	632,537,646	--
Total Operating Expenditures	786,619,827	847,982,219	850,188,379	888,097,915	896,275,577	--
<u>Percentage Change</u>						
State General Fund	5.6%	10.5%	11.1%	7.3%	8.8%	20.9%
General Use Funds	10.3	9.3	9.7	4.9	5.9	16.2
All Funds	10.8	7.8	8.1	4.7	5.4	13.9
<u>Dollar Change</u>						
State General Fund	\$ 18,001,407	\$ 35,628,244	\$ 37,712,714	\$ 27,411,682	\$ 33,158,640	\$ 70,871,354
General Use Funds	50,688,971	50,826,283	53,010,753	29,201,943	35,062,916	88,073,669
All Funds	76,288,145	61,362,392	63,568,552	40,115,696	46,087,198	109,655,750

*March 2, 1990
Attachment 3*

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	25,000	25,000	--
Subtotal--General Use Funds	<u>\$ 25,616,501</u>	<u>\$ 25,123,502</u>	<u>\$ 142,785</u>
Restricted Use Funds	5,929,087	5,929,087	--
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>646.8</u>	<u>646.8</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. 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

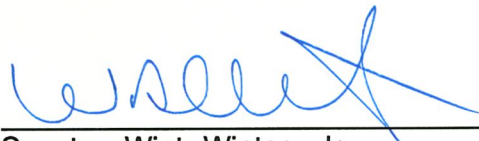
*SWAM
 March 2, 1990
 Attachment 4*

\$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.

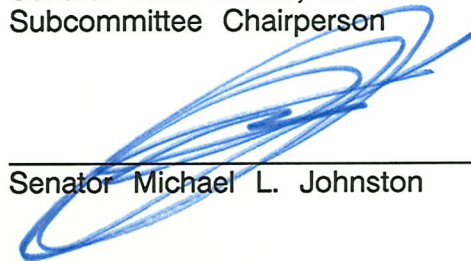
Senate Subcommittee Recommendation

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.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Michael L. Johnston

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 454

Bill Sec. 5

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>	--
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>	--
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>	--
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.

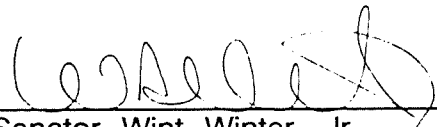
Senate Subcommittee Recommendations

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

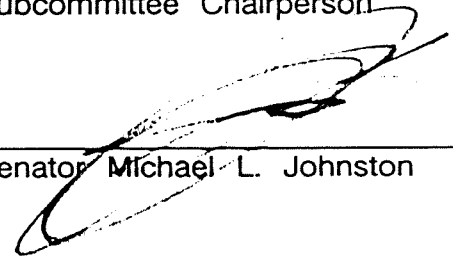
1. **Systemwide Recommendation – Appropriation Language.** The Subcommittee recommends that the State General Fund line items currently in use for FY 1990 be continued in FY 1991. The Subcommittee supports the separate State General Fund line items to maintain agency accountability of expending funds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



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Michael L. Johnston

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>	--
TOTAL	<u>641.2</u>	<u>641.2</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

*SWAM
 March 2, 1990
 Attachment 5*

recommends that \$838,921 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 \$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.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Michael L. Johnston

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	\$ 35,493,284	\$ 33,916,872	\$ 460,257
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.	\$ 1,839,178	\$ 1,802,597	\$ --
Total General Use Funds	\$ 30,443,500	\$ 28,830,507	\$ 460,257
Total Operating Expenditures	\$ 37,332,462	\$ 35,719,469	\$ 460,257
Capital Improvements:			
Educational Building Fund	\$ 1,281,300	\$ --	\$ --
Other Funds	<u>226,500</u>	<u>226,500</u>	<u>--</u>
Subtotal -- Capital Improvements	\$ 1,507,800	\$ 226,500	\$ --
GRAND TOTAL	<u>\$ 38,840,262</u>	<u>\$ 35,945,969</u>	<u>\$ 460,257</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>660.2</u>	<u>650.9</u>	<u>9.5</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.



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Michael L. Johnston

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

* 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

*SWAM
March 2, 1990
Attachment 6*

\$143,314 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.

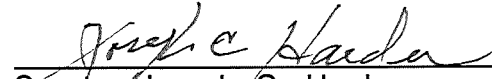
The Governor recommends a general use base budget of \$141,148,426, or \$2,893,812 less than the agency requested and \$2,950,498 less than currently authorized. In particular, the Governor increases the shrinkage amount for unclassified positions in the current year and revises employer health insurance 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

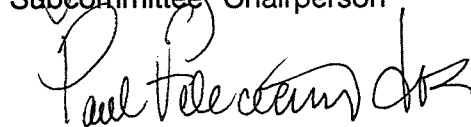
The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment:

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.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 454

Bill Sec. 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>
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.

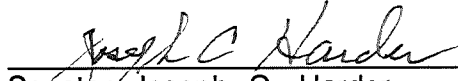
The Governor recommends an FY 1991 general use base budget of \$149,011,459, a 5.6 percent increase above the revised FY 1990 recommendation. The Governor's recommendations include funding to provide a 4 percent increase for unclassified faculty and staff salaries, a 4 percent increase for classified 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

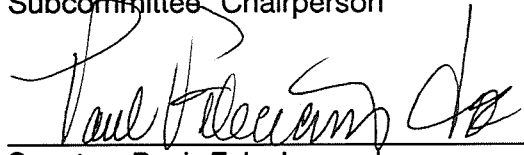
The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

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.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

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><u>\$ 4,867,376</u></u>	<u><u>\$ 4,876,335</u></u>	<u><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><u>96.3</u></u>	<u><u>96.3</u></u>	<u><u>15.0</u></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


*SWAM
March 2, 1990
Attachment 7*

General Fees Fund expenditure limitation be increased by \$46,000. The Governor also recommends that \$34,900 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1991.

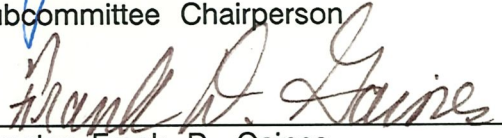
Senate Subcommittee Recommendations

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.



Senator Jim Allen
Subcommittee Chairperson



Senator Frank D. Gaines

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 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

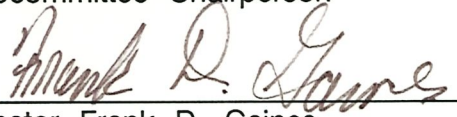
The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

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.



Senator Jim Allen
Subcommittee Chairperson



Senator Frank D. Gaines