

Approved: 4-1-91
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 7:30 a.m. on March 6, 1991 in room 514-S of the Capitol.

All members were present except: Representatives Turnquist and Hensley (both excused)

Committee staff present:

Ellen Piekalkiewicz, Legislative Research Department
Debra Duncan, Legislative Research Department
Jim Wilson, Revisor of Statutes
Susan Miller, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: see attached list.

Representative Helgerson moved approval of the minutes for February 22, 25, and 26, 1991, as presented. Representative Chronister seconded. Motion carried.

The Committee continued from the previous meeting consideration of subcommittee reports on HB 2086--Regents Institutions.

PITTSBURG STATE UNIVERSITY

Representative Wisdom presented the subcommittee reports on Pittsburg State University (Attachment 1). Representative Wisdom moved adoption of the FY91 subcommittee report on Pittsburg State University. Representative Hamm seconded. Motion carried. In response to a question, staff advised that each university did submit a table summarizing computer equipment acquisitions proposed in the FY92 budget and this information would be available through the Board of Regents, along with an inventory report of computer equipment. Representative Wisdom moved adoption of the FY92 subcommittee report on Pittsburg State. Representative Chronister seconded. Motion carried.

UNIVERSITY OF KANSAS

Representative Wisdom reviewed the FY91 and FY92 subcommittee reports on the University of Kansas (KU) (Attachment 2). Representative Wisdom moved adoption of the FY91 subcommittee report on KU. Representative Chronister seconded. Motion carried. In response to a question, Representative Wisdom indicated the Research landfill near DeSoto in item #14 of the FY92 subcommittee report is owned by the state. Representative Helgerson suggested, since the state has a number of possible clean-up sites, that the state consider consolidating them in terms of policy, and on the basis of potential cost savings and availability of federal dollars. Representative Helgerson moved to delete item #14 in the FY92 subcommittee report for the University of Kansas and to add wording to the report that this matter should be reviewed and addressed in Omnibus. Representative Chronister seconded. Motion carried. Representative Wisdom moved adoption of the FY92 subcommittee report, as amended, on the University of Kansas. Representative Chronister seconded. Motion carried.

Representative Helgerson moved to reconsider committee action on the FY91 subcommittee report on the University of Kansas. Representative Wisdom seconded. Motion carried. Back on the motion to adopt the FY91 subcommittee report, Representative Chronister made a substitute motion to delete \$30,000 for the pre-design investigation on the DeSoto landfill and add wording that the question of disposal sites will be studied and addressed in Omnibus and to approve the FY91 subcommittee report, as amended, on the University of Kansas. Representative Wisdom seconded. Substitute motion carried.

Chairman Teagarden appointed a subcommittee of Representatives Helgerson, chairman, Goossen, Pottorff, Blumenthal and Hochhauser to study the matter of state disposal sites and make recommendations to the full Committee. Representative Gatlin informed the subcommittee of a site to be included in the study at the Lansing Correctional Facility.

EMPORIA STATE UNIVERSITY

Representative Wisdom presented the subcommittee reports on Emporia State University (Attachment 3). Representative Wisdom moved adoption of the FY91 and FY92 subcommittee reports on Emporia State University. Representative Chronister seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 7:30 a.m.
on March 6, 1991.

FORT HAYS STATE UNIVERSITY

Representative Chronister presented the subcommittee reports on Fort Hays State University (Attachment 4). It was noted the new physical sciences classroom building is a \$12 million project to be financed with one-third federal funds. Representative Helgerson asked if the Regents have a comprehensive capital improvements plan and Representative Kline indicated they do have a five-year plan in which this project is priority 3. He stated priorities 1 and 2 have been fully-funded. Representative Kline suggested that staff could provide the members a spreadsheet of all the Regents' requests for new buildings and remodeling and their priorities for the projects.

Representative Chronister moved adoption of the FY91 and FY92 subcommittee reports on Fort Hays State University. Representative Wisdom seconded. Motion carried.

KANSAS STATE UNIVERSITY

Representative Hamm reviewed the subcommittee reports on Kansas State University (KSU) (Attachment 5). Representative Helgerson questioned if Extension could be strictly a federal and county program, noting the state contribution for FY92 will be \$12.9 million. Representative Helgerson stated he will be looking at ways to modify the Extension program for next year in an effort to free some state dollars for other priorities.

In response to a question, Representative Hamm stated that the funding requested for the Farm Bureau building was \$240,000 and the subcommittee did not recommend this expenditure. Representative Hochhauser pointed out the University hoped to use the building for library storage and this would be an economical way to add needed library space. Representative Chronister stated the Legislature needs a mechanism, perhaps through the Joint Committee on State Building Construction, to monitor the acceptance of buildings by the universities which require state match funds. Representative Hamm moved adoption of the FY91 and FY92 subcommittee reports on KSU. Representative Wisdom seconded. Motion carried. Representatives Helgerson and Hochhauser are recorded as voting no.

KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

Representative Hamm reviewed the subcommittee reports on KSU Veterinary Medical Center (Attachment 6). Representative Hamm moved adoption of the FY91 and FY92 subcommittee reports on KSU Veterinary Medical Center. Representative Wisdom seconded. Motion carried.

UNIVERSITY OF KANSAS MEDICAL CENTER

Representative Vancrum presented the subcommittee reports on KUMC (Attachment 7). Representative Vancrum moved adoption of the FY91 subcommittee report on KUMC. Representative Wisdom seconded. Motion carried.

In response to a question on item #15 in the FY92 subcommittee report, Representative Vancrum stated that last session the Legislature gave the Medical Center the authority to expend all the funds in the Hospital Revenue Fund, and item #15 is a reminder that they must determine if the Hospital Revenue Fund can support the \$1,250,000 project, as the Legislature will not put additional State General Fund dollars into the project. Representative Patrick moved to amend item #15 in the FY92 subcommittee report on KUMC to state that the Chancellor will certify to the Director of Accounts and Reports that fees will be sufficient to support the cost prior to starting this capital improvement project. Representative Dean seconded. Motion carried.

Representative Vancrum moved adoption of the FY92 subcommittee report, as amended, on KUMC. Representative Chronister seconded. Motion carried. Representative Chronister moved that HB 2086, as amended, be recommended favorably for passage. Representative Wisdom seconded. Motion carried.

The meeting was adjourned at 9:00 a.m. The next meeting of the Committee is scheduled for 1:30 p.m. today in 514-S.

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2456

Bill Sec. 32

Analyst: Conroy

Analysis Pg. No. 877

Budget Page No. 454

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 22,178,820	\$ 21,845,243	\$ --
General Fees Fund	6,418,587	6,552,424	--
Subtotal--General Use Funds	<u>\$ 28,597,407</u>	<u>\$ 28,397,667</u>	<u>\$ --</u>
Other Funds	7,452,314	7,452,314	--
Subtotal--Operating Expend.	<u>\$ 36,049,721</u>	<u>\$ 35,849,981</u>	<u>\$ --</u>
Capital Improvements:			
Educational Bldg. Fund	\$ 981,064	\$ 1,348,214	\$ --
Other Funds	340,000	340,000	--
Subtotal--Capital Impr.	<u>\$ 1,321,064</u>	<u>\$ 1,688,214</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 37,370,785</u></u>	<u><u>\$ 37,538,195</u></u>	<u><u>\$ --</u></u>
FTE Positions			
Classified	286.4	284.7	1.7
Unclassified	378.6	367.0	11.6
Total	<u>665.0</u>	<u>651.7</u>	<u>13.3</u>

Agency Request/Governor's Recommendation

FY 1991. The University's general use base budget for FY 1991 totals \$28,597,407, which is 4.9 percent greater than actual general use expenditures for FY 1990. The amount is the currently authorized level for the agency. The University does request a technical adjustment of 13.3 additional restricted use funded FTE positions in the current year.

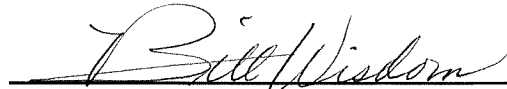
The Governor recommends a general use budget of \$28,397,667 or \$200,740 less than the agency requested and less than the approved amount. The Governor does not recommend the additional restricted use FTE positions in FY 1991. In addition, the Governor adjusts employee and dependent health insurance downward by \$201,544. The Governor recommends that \$333,581 in current year State General Fund savings be reappropriated to finance budget year expenditures. The Governor also offsets the demand on the State General Fund in the current year by \$133,837 by increasing expenditures from the General Fees Fund by a like amount.

House Subcommittee Recommendation

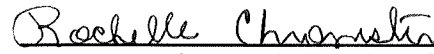
The House Subcommittee concurs with the Governor's recommendations, with the following adjustment:

*HA
3-6-91 (a)
Attachment 1*

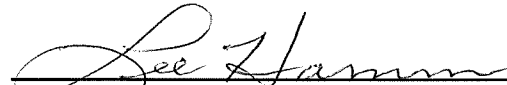
1. Add 13.3 FTE positions (1.7 classified and 11.6 unclassified) financed entirely from restricted use funds.



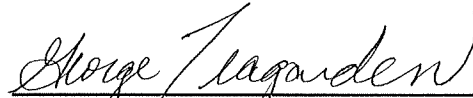
Representative Bill Wisdom
Subcommittee Chair



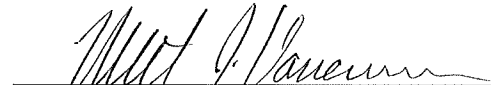
Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2086

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 877

Budget Page No. 454

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 24,946,723	\$ 23,705,965	\$ (2,015,282)
General Fees Fund	6,788,694	6,752,694	275,288
Subtotal--General Use Funds	<u>\$ 31,735,417</u>	<u>\$ 30,458,659</u>	<u>\$ (1,739,994)</u>
Other Funds	7,410,340	7,410,340	--
Subtotal--Operating Expend.	<u>\$ 39,145,757</u>	<u>\$ 37,868,999</u>	<u>\$ (1,739,994)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ 486,000	\$ --	\$ --
Other Funds	540,600	540,600	--
Subtotal--Capital Impr.	<u>\$ 1,026,600</u>	<u>\$ 540,600</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 40,172,357</u></u>	<u><u>\$ 38,409,599</u></u>	<u><u>\$ (1,739,994)</u></u>
 FTE Positions			
Classified	290.9	289.7	(4.1)
Unclassified	385.4	372.8	6.6
Total	<u>676.3</u>	<u>662.5</u>	<u>2.5</u>

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. Pittsburg State University requests a total of \$31,735,417 in general use expenditures for the FY 1992 budget, an increase of 11.0 percent over the revised FY 1991 budget. The request includes increases of \$1,313,307 which provide a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, a 16 percent increase for student salaries, and classified staff plan improvements (step movement and longevity). The University also requests \$377,138 for an enrollment adjustment and \$758,722 for the Margin of Excellence.

In FY 1992, the Governor's budget totals \$30,458,659 or 7.3 percent above the revised amount. The Governor's recommendations include a separate salary reserve for all state employees, funding for step movement (2.5 percent) and longevity for classified employees, a 2.5 percent base increase for unclassified employees, and for both employee groups a 1.5 percent cost-of-living increase for the second half of FY 1992. The Governor's recommendation includes the requested 16 percent student salary increase in the budget year, a 4 percent increase for other operating expenditures, the Margin of Excellence (\$758,722), and an enrollment adjustment (\$377,138).

House Subcommittee Recommendation

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

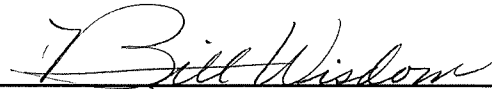
1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$117,599 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$120,141, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in non-instructional areas.
3. **Systemwide Recommendation - Other Operating Expenditures.** The Subcommittee does not recommend the 4 percent base increase for other operating expenditures in FY 1992. The action would reduce state General Fund support for the agency by \$143,020 in the budget year.
4. **Systemwide Recommendation - Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation - Enrollment Adjustment.** The Subcommittee does not recommend the enrollment adjustment funding in the budget year. The Subcommittee action will delete \$377,138 in State General Fund financing and 10.8 FTE positions (5.8 classified and 5.0 unclassified) in FY 1992.
6. **Systemwide Recommendation - Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$31,096 and offsets the demand on the State General Fund by the same amount (\$31,096).
7. **Systemwide Recommendation - Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deletes \$758,722 in State General Fund support in the budget year.
8. **Systemwide Recommendation - Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the

Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that non-resident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$244,192 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$244,192).

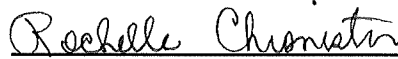
9. **Systemwide Recommendation - One Percent Across the Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$223,374. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
10. **Systemwide Recommendation - Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 student in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
11. **Systemwide Recommendation - FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council since the agencies can now utilize the negotiated procurement statute.
12. **Systemwide Recommendation - Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The Subcommittee requests that the House Computers, Communications, and Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.
13. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major

study be done on the possible duplication of educational programs within the Regents institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same type of educational credit hour at the Regents' institutions. The Subcommittee would request that the Board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.

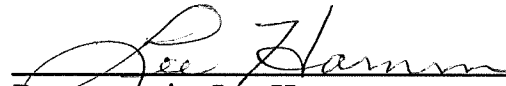
14. Add 13.3 FTE positions (1.7 classified and 11.6 unclassified) financed entirely from restricted use funds.
15. The Subcommittee recommends a technical adjustment in the bill to include expenditure of \$20,000 from parking fees for routine parking lot maintenance. The action reflects the Governor's intent and concurs with the Joint Committee on State Building Construction.



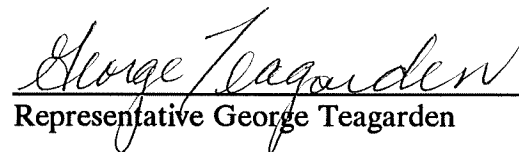
Representative Bill Wisdom
Subcommittee Chair



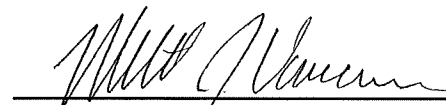
Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2456

Bill Sec. 33

Analyst: Conroy

Analysis Pg. No. 906

Budget Page No. 582

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 101,969,964	\$ 100,988,204	\$ --
General Fees Fund	46,096,390	46,096,390	--
Endowment Interest	25,000	25,000	--
Subtotal -- General Use Funds	\$ 148,091,354	\$ 147,109,594	\$ --
Restricted Use Funds	89,541,295	89,818,100	--
Subtotal -- Operating Expenditures	\$ 237,632,649	\$ 236,927,694	\$ --
Capital Improvements:			
State General Fund	\$ 1,124,960	\$ 1,124,960	\$ 30,000
Educational Building Fund	3,569,223	3,568,073	--
Other Funds	7,773,613	8,672,116	--
Subtotal -- Cap. Impr.	\$ 12,467,796	\$ 13,365,149	\$ 30,000
GRAND TOTAL	\$ 250,100,445	\$ 250,292,843	\$ 30,000
FTE Positions:			
Classified	2,017.0	2,017.0	--
Unclassified	2,416.8	2,416.8	--
TOTAL	4,433.8	4,433.8	--

Agency Request/Governor's Recommendation

FY 1991. The University's general use base budget for FY 1991 totals \$148,091,354 which is 5.7 percent greater than actual general use expenditures for FY 1990. The University requests a general fee release of \$149,500 during the current fiscal year based on higher than anticipated enrollment.

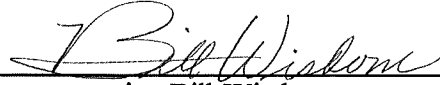
The Governor recommends a general use budget of \$147,109,594 or \$981,760 less than the agency requested. The Governor does not recommend the release of additional general fees in the current year. The Governor also adjusts employee and dependent health insurance downward by \$1,004,766. The Governor also adjusts other employee fringe benefit rates to reflect the latest rates.

House Subcommittee Recommendations

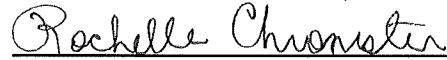
The House Subcommittee concurs with the Governor's recommendations with the following adjustment:

HA
3-6-91 (a)
Attachment 2

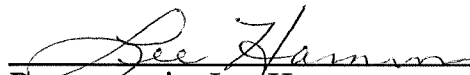
1. Add \$30,000 (State General Fund) for predesign investigation planning for remediation activities at the Sunflower Research Landfill near DeSoto, Kansas. A consent order is in process which will require the agency to begin investigation, analysis, and design of the scope of clean-up work required at the site.



Representative Bill Wisdom
Subcommittee Chair



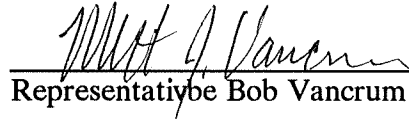
Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2086

Bill Sec. 7

Analyst: Conroy

Analysis Pg. No. 906

Budget Page No. 582

Expenditure Summary	Agency Req. FY 92	Gov. Rec. FY 92*	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 113,137,453	\$ 105,786,073	\$ (11,764,704)
General Fees Fund	48,527,308	49,372,666	3,882,119
Endowment Interest	25,000	25,000	--
Subtotal -- Gen. Use Funds	<u>\$ 161,689,761</u>	<u>\$ 155,183,739</u>	<u>\$ (7,882,585)</u>
Restricted Use Funds	94,544,513	94,544,513	--
Subtotal -- Oper. Expend.	<u>\$ 256,234,274</u>	<u>\$ 249,728,252</u>	<u>\$ (7,882,585)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ 535,000
Educational Bldg. Fund	1,351,627	901,627	(490,000)
Other Funds	8,512,000	12,362,000	--
Subtotal -- Cap. Impr.	<u>\$ 9,863,627</u>	<u>\$ 13,263,627</u>	<u>\$ 45,000</u>
	<u>\$ 266,097,901</u>	<u>\$ 263,351,879</u>	<u>\$ (7,837,585)</u>
FTE Positions:			
Classified	2,006.5	2,002.9	(1.5)
Unclassified	2,462.7	2,448.8	(17.0)
TOTAL	<u>4,469.2</u>	<u>4,451.7</u>	<u>(18.5)</u>

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The University of Kansas requests a total of \$161,689,761 in general use expenditures for FY 1992, an increase of 9.2 percent over the FY 1991 level. The request includes increases of 46,480,309 which provides a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, a 16 percent increase for student salaries and classified staff pay plan (step movement and longevity). The University also requests \$1,272,157 for an enrollment adjustment and \$3,956,028 for the Margin of Excellence. Other requests for FY 1992 include \$123,930 for restoration of funds to the other operating expenditures base for an increased salary and wage shrinkage rate in FY 1991, \$55,688 for servicing new buildings, and \$123,930 for a reduced salary and wage shrinkage amount in FY 1992.

In FY 1992 the Governor's budget totals \$155,183,739 or 5.5 percent above the revised FY 1991 amount. The Governor's recommendations include a separate salary reserve for all state employees, funding step movement (2.5 percent) and longevity pay for classified employees, a 2.5

percent base increase for unclassified employees, and for both employee groups a 1.5 percent cost-of-living increase for the second half of FY 1992. The Governor's recommendation includes the requested 16 percent student salary increase in the budget year, a 4 percent increase for other operating expenditures, the Margin of Excellence (\$3,956,028), and an enrollment adjustment (\$1,272,157).

House Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$275,047 in State General Fund financing for the agency.
2. **Systemwide Recommendation -- Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$672,865, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in noninstructional areas.
3. **Systemwide Recommendation -- Other Operating Expenditures.** The Subcommittee does not recommend the 4 percent base increase for other operating expenditures in FY 1992. The action would reduce State General Fund support for the agency by \$711,986 in the budget year.
4. **Systemwide Recommendation -- Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation -- Enrollment Adjustment.** The Subcommittee does not recommend the enrollment adjustment funding in the budget year. The Subcommittee action will delete \$1,272,157 in State General Fund financing and 18.5 FTE positions (1.5 classified and 17.0 unclassified) in FY 1992.
6. **Systemwide Recommendation -- Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$242,510 and offsets the demand on the State General Fund by the same amount (\$242,510).
7. **Systemwide Recommendation -- Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deleted \$3,956,100 in State General Fund support in the budget year.

8. **Systemwide Recommendation -- Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that nonresident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$3,639,609 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$3,639,609).
9. **Systemwide Recommendation -- 1 Percent Across-the-Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$994,430. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle, and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
10. **Systemwide Recommendation -- Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 students in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
11. **Systemwide Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council since the agencies can now utilize the negotiated procurement statute.
12. **Systemwide Recommendation - Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The Subcommittee

requests that the House Computers, Communications, and Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.

- 13. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major study be done on the possible duplication of educational programs within the Regents' institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same type of educational credit hour at the Regents' institutions. The Subcommittee would request that the board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.
- 14. Add \$535,000 (State General Fund) for predesign investigation for remediation activities at the Sunflower Research Landfill near DeSoto, Kansas. A consent order is in process which will require the agency to begin investigation, analysis, and design of the scope of clean-up work required at the site.
- 15. Concur with the Joint Committee on State Building Construction to not recommend the \$490,000 (Educational Building Fund) for the Marvin hall bridge addition project.



Representative Bill Wisdom
Subcommittee Chair



Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2456

Bill Sec. 31

Analyst: Conroy

Analysis Pg. No. 867

Budget Page No. 206

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 20,723,214	\$ 20,505,820	\$ --
General Fees Fund	5,726,376	5,766,358	--
Endowment Interest	24,000	24,000	--
Subtotal--General Use Funds	<u>\$ 26,473,590</u>	<u>\$ 26,296,178</u>	<u>\$ --</u>
Other Funds	9,316,093	9,316,093	--
Subtotal--Operating Expend.	<u>\$ 35,789,683</u>	<u>\$ 35,612,271</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 1,484	\$ 1,484	\$ --
Educational Bldg. Fund	2,677,074	2,676,483	--
Other Funds	344,565	344,565	--
Subtotal--Capital Impr.	<u>\$ 3,023,123</u>	<u>\$ 3,022,532</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 38,812,806</u></u>	<u><u>\$ 38,634,803</u></u>	<u><u>\$ --</u></u>
FTE Positions			
Classified	293.5	293.5	--
Unclassified	363.5	363.5	--
Total	<u><u>656.7</u></u>	<u><u>656.7</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

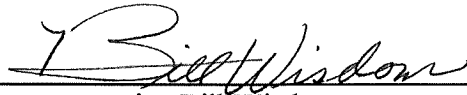
FY 1991. The University's general use base budget for FY 1991 totals \$26,473,590 which is 4.4 percent greater than actual general use expenditures for FY 1990. The University requests a general fees release of \$36,671 because of higher than anticipated enrollment in the current year. The request reflects a release of 75 percent of the additional general fees.

The Governor recommends a general use budget of \$26,296,178 or \$177,412 less than requested and currently authorized. In particular, the Governor adjusts employee and dependent health insurance downward by \$192,575 to reflect the latest employer rates. The Governor also adjusts other employer fringe benefit rates to reflect the latest rates. The Governor does not recommend the requested release of general fees in FY 1991 and instead utilizes the additional receipts to offset the demand on the State General Fund. The Governor recommends that \$217,394 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1992.

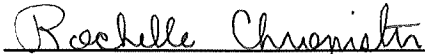
HA
3-6-91 (a)
Attachment 3

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.



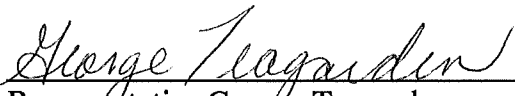
Representative Bill Wisdom
Subcommittee Chair




Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2086

Bill Sec. 5

Analyst: Conroy

Analysis Pg. No. 867

Budget Page No. 206

Expenditure Summary	Agency Req. FY 92	Gov. Rec. FY 92*	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 23,545,825	\$ 22,352,992	\$ (2,101,823)
General Fees Fund	5,871,571	5,862,402	144,313
Endowment Interest	24,000	24,000	--
Subtotal--General Use Funds	<u>\$ 29,441,396</u>	<u>\$ 28,239,394</u>	<u>\$ (1,957,510)</u>
Other Funds	9,534,879	9,534,879	--
Subtotal--Operating Expend.	<u>\$ 38,976,275</u>	<u>\$ 37,774,273</u>	<u>\$ (1,957,510)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ 2,885,252	\$ 2,885,252	\$ --
Other Funds	60,000	60,000	--
Subtotal--Capital Impr.	<u>\$ 2,945,252</u>	<u>\$ 2,945,252</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 41,921,527</u></u>	<u><u>\$ 40,719,525</u></u>	<u><u>\$ (1,957,510)</u></u>
FTE Positions			
Classified	299.2	296.8	(3.3)
Unclassified	374.7	374.6	(11.3)
Total	<u>673.9</u>	<u>671.4</u>	<u>(14.6)</u>

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The University requests a total of \$29,441,396 in general use funds for the FY 1992 budget, an increase of 11.2 percent over the FY 1991 budget. The request includes increases of \$1,175,257 which provides a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, a 16 percent increase for student salaries, and classified staff pay plan. The University also requests a reduction in the approved salary and wage shrinkage rate (\$55,784), restoration of funds to the other operating expenditures base for increased salary and wage shrinkage in FY 1991 (\$78,501), a shift in funding of the computer center, and an enrollment adjustment (\$631,530). The agency also requests a total of \$706,760 for the Margin of Excellence, \$402,760 for unclassified salary parity and \$304,000 for mission related program enhancements.

The Governor's recommendation in FY 1992 provides a general use base budget of \$26,639,404 or a 6.0 percent increase above the revised FY 1991 recommendation. The Governor's recommendation includes a separate salary reserve for all state employees for step movement (2.5 percent) and longevity pay for classified employees, a 2.5 percent base increase for unclassified employees, and for both classified and unclassified employees a 1.5 percent cost-of-living increase for the second half of FY 1992. The Governor recommends the requested 16 percent student salary

increase in the budget year. The Governor also recommends a 4 percent increase in other operating expenditures (\$141,037), enrollment adjustment funding (\$631,530), and a 100 percent graduate teaching assistant fee waiver (from 75 percent).

House Subcommittee Recommendation

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

1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$136,039 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$135,020, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in non-instructional areas.
3. **Systemwide Recommendation - Other Operating Expenditures.** The Subcommittee does not recommend the 4 percent base increase for other operating expenditures in FY 1992. The action would reduce state General Fund support for the agency by \$141,037 in the budget year.
4. **Systemwide Recommendation - Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation - Enrollment Adjustment.** The Subcommittee does not recommend the enrollment adjustment funding in the budget year. The Subcommittee action will delete \$631,530 in State General Fund financing and 14.6 FTE positions (3.3 classified and 11.3 unclassified) in FY 1992.
6. **Systemwide Recommendation - Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$66,230 and offsets the demand on the State General Fund by the same amount (\$66,230).
7. **Systemwide Recommendation - Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deletes \$706,760 in State General Fund support in the budget year.

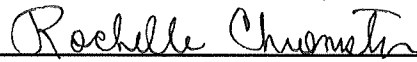
8. **Systemwide Recommendation - Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that non-resident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$78,083 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$78,083).
9. **Systemwide Recommendation - One Percent Across the Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$207,124. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
10. **Systemwide Recommendation - Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 student in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
11. **Systemwide Recommendation - FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council since the agencies can now utilize the negotiated procurement statute.
12. **Systemwide Recommendation - Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The

Subcommittee requests that the House Computers, Communications, and Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.

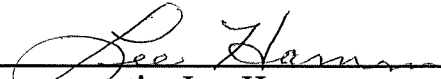
13. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major study be done on the possible duplication of educational programs within the Regents institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same type of educational credit hour at the Regents' institutions. The Subcommittee would request that the Board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.
14. The Subcommittee recommends a technical adjustment in the bill to include expenditure of \$60,000 from parking fees for routine parking lot maintenance. The action reflects the Governor's intent and concurs with the Joint Committee on State Building Construction.
15. Add \$150,000 from the Educational Building Fund in FY 1993 for asbestos removal on the Plumb Hall renovation project. The action concurs with the recommendation of the Joint Committee on State Building Construction.



Representative Bill Wisdom
Subcommittee Chair



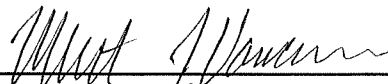
Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 2456

Bill Sec. 28

Analyst: Conroy

Analysis Pg. No. 834

Budget Page No. 222

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 20,719,805	\$ 20,268,926	\$ --
General Fees Fund	4,749,149	5,114,356	--
Subtotal--General Use Funds	<u>\$ 25,468,954</u>	<u>\$ 25,383,282</u>	<u>\$ --</u>
Other Funds	9,343,768	9,343,768	--
Total--Operating Expend.	<u>\$ 34,812,722</u>	<u>\$ 34,727,050</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 18,909	\$ 18,909	\$ --
Educational Bldg. Fund	1,561,407	1,561,407	--
Other Funds	853,491	853,491	--
Subtotal--Capital Impr.	<u>\$ 2,433,807</u>	<u>\$ 2,433,807</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 37,246,529</u></u>	<u><u>\$ 37,160,857</u></u>	<u><u>\$ --</u></u>
FTE Positions			
Classified	299.0	299.0	--
Unclassified	331.9	331.9	--
Total	<u>630.9</u>	<u>630.9</u>	<u>--</u>

Agency Request/Governor's Recommendation

FY 1991. The University's general use base budget for FY 1991 totals \$25,468,954 or 4.6 percent greater than actual FY 1990 general use expenditures. The University requests a release of \$345,840 in additional General Fees Fund expenditure authority in the current year. The additional fees were generated by higher than anticipated enrollment for Fall, 1990.

The Governor recommends a general use budget of \$25,383,283 or \$98,711 less than currently authorized. The Governor does not recommend the release of additional general fees and instead utilizes the additional receipts (\$365,207) to offset the demand on the State General Fund. In addition, the Governor adjusts employee and dependent health insurance downward by \$138,316 to reflect the latest rates.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

*H/A
3-6-91 (a)
Attachment 4*

Bill Wisdom

Representative Bill Wisdom
Subcommittee Chair

Rochelle Chronister

Representative Rochelle Chronister

Lee Hamm

Representative Lee Hamm

George Teagarden

Representative George Teagarden

Bob Vancrum

Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Fort Hays State
University

Bill No. 2086

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 834

Budget Page No. 222

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 23,041,288	\$ 21,374,911	\$ (1,370,233)
General Fees Fund	4,904,235	5,381,535	100,990
Subtotal--General Use Funds	<u>\$ 27,945,523</u>	<u>\$ 26,756,446</u>	<u>\$ (1,269,243)</u>
Other Funds	9,695,369	9,698,369	--
Total--Operating Expend.	<u>\$ 37,640,892</u>	<u>\$ 36,454,815</u>	<u>\$ (1,269,243)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ 325,000	\$ --	\$ --
Other Funds	490,000	490,000	250,000
Subtotal--Capital Impr.	<u>\$ 815,000</u>	<u>\$ 490,000</u>	<u>\$ 250,000</u>
GRAND TOTAL	<u>\$ 38,455,892</u>	<u>\$ 36,944,815</u>	<u>\$ (1,019,243)</u>
FTE Positions			
Classified	302.0	302.0	(3.0)
Unclassified	347.5	334.4	(2.5)
Total	<u>649.5</u>	<u>636.4</u>	<u>(5.5)</u>

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. Fort Hays State University requests a total of \$27,945,523 in general use expenditures for the FY 1992 budget, an increase of 9.7 percent over the FY 1991 revised budget. The request includes increases of \$1,170,219 which provides a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, and a 16 percent increase for student salaries and classified staff pay plan enhancements (step movement and longevity). The University also requests \$127,334 for an enrollment adjustment and \$558,045 for the Margin of Excellence.

In FY 1992, the Governor's recommended budget totals \$26,756,446, or 5.4 percent, above the revised FY 1991 level. The Governor's recommendations include a separate salary reserve for all state employees, funding for step movement (2.5 percent) and longevity pay for classified employees, a 1.5 percent base increase for unclassified employees, and for both employee groups a 1.5 percent cost-of-living increase for the second half of FY 1992. The Governor's budget includes the 16 percent student salary increase in the budget year, a 4 percent increase for other operating expenditures, the Margin of Excellence (\$558,045), and an enrollment adjustment (\$127,334).

House Subcommittee Recommendation

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

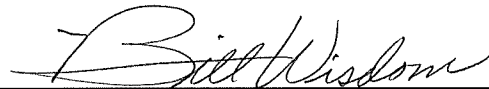
1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$148,352 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$111,987, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in non-instructional areas.
3. **Systemwide Recommendation - Other Operating Expenditures.** The Subcommittee does not recommend the 4 percent base increase for other operating expenditures in FY 1992. The action would reduce state General Fund support for the agency by \$119,320 in the budget year.
4. **Systemwide Recommendation - Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation - Enrollment Adjustment.** The Subcommittee does not recommend the enrollment adjustment funding in the budget year. The Subcommittee action will delete \$127,334 in State General Fund financing and 5.5 FTE positions (3.0 classified and 2.5 unclassified) in FY 1992.
6. **Systemwide Recommendation - Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$15,511 and offsets the demand on the State General Fund by the same amount (\$15,511).
7. **Systemwide Recommendation - Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deletes \$558,045 in State General Fund support in the budget year.
8. **Systemwide Recommendation - Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the

Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that non-resident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$85,479 which would be used to offset the demand on the State General Fund at the institution in the budget year in the same amount (\$85,479).

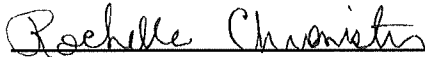
9. **Systemwide Recommendation - One Percent Across the Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$204,205. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
10. **Systemwide Recommendation - Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 student in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
11. **Systemwide Recommendation - FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council, since the agencies can now utilize the negotiated procurement statute.
12. **Systemwide Recommendation -- Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The Subcommittee requests that the House Computers, Communications, and Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.
13. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major

study be done on the possible duplication of educational programs within the Regents institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same type of educational credit hour at the Regents institutions. The Subcommittee would request that the Board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.

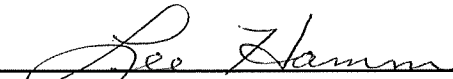
14. The Subcommittee concurs with the Joint Committee on State Building Construction and recommends that the agency be authorized to expend \$250,000 in available federal funds for preliminary planning of a new physical sciences classroom building.
15. The Subcommittee recommends a technical adjustment in the bill to include expenditure of \$175,000 from parking fees for routine parking lot maintenance. The action reflects the Governor's intent and concurs with the Joint Committee on State Building Construction.



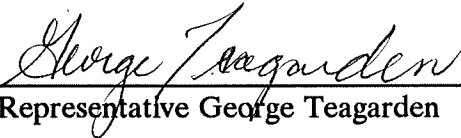
Representative Bill Wisdom
Subcommittee Chair



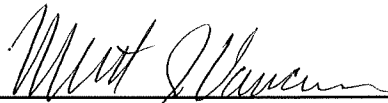
Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 2456

Bill Sec. 29

Analyst: Conroy

Analysis Pg. No. 845

Budget Page No. 390

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 105,218,030	\$ 103,744,592	\$ --
General Fees Fund	26,968,332	27,476,159	--
Federal Land Grant Funds	6,757,023	6,757,023	--
Endowment Interest	125,000	125,000	--
Subtotal--General Use Funds	<u>\$ 139,068,385</u>	<u>\$ 138,102,774</u>	<u>\$ --</u>
Other Funds	67,552,683	67,552,683	--
Total--Operating Expend.	<u>\$ 206,621,068</u>	<u>\$ 205,655,457</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 13,319	\$ 7,060	\$ --
Educational Bldg. Fund	2,857,602	2,843,647	--
Other Funds	11,941,420	11,941,420	--
Subtotal--Capital Impr.	<u>\$ 14,812,341</u>	<u>\$ 14,792,127</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 221,433,409</u></u>	<u><u>\$ 220,447,584</u></u>	<u><u>\$ --</u></u>
FTE Positions			
Classified	1,943.5	1,943.5	--
Unclassified	2,316.9	2,316.9	--
Total	<u>4,260.4</u>	<u>4,260.4</u>	<u>--</u>

Agency Request/Governor's Recommendation

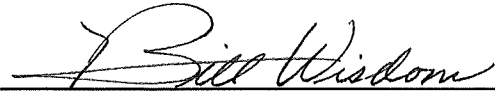
FY 1991. The University's general use base budget for FY 1991 totals \$139,068,385 which is 5.1 percent greater than actual general use expenditures for FY 1990. The University requests a release of \$507,827 in additional General Fees Fund expenditure authority in the current year. The additional fees were generated by higher than anticipated enrollment for Fall, 1990.

The Governor recommends a general use budget of \$138,102,774 or \$965,611 less than the agency requested and \$1,063,861 less than the approved amount. The Governor does not recommend the release of additional general fees and instead utilizes the additional receipts to offset the demand on the State General Fund. In addition, the Governor adjusts employee and dependent health insurance downward by \$1,019,539. The Governor also adjusts other employer fringe benefit rates to reflect the latest rates.

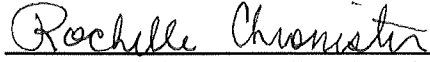
House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

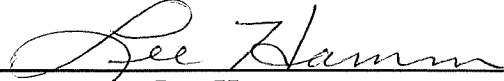
*HA
3-6-91 (a)
Attachment 5*



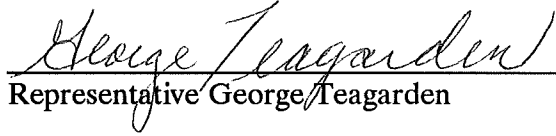
Representative Bill Wisdom
Subcommittee Chair



Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 2086

Bill Sec. 3

Analyst: Conroy

Analysis Pg. No. 845

Budget Page No. 390

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 118,397,835	\$ 112,152,882	\$ (10,085,202)
General Fees Fund	27,848,245	28,219,614	1,900,276
Federal Land Grant Funds	6,847,423	6,855,822	--
Endowment Interest	100,000	100,000	--
Subtotal--General Use Funds	<u>\$ 153,193,503</u>	<u>\$ 147,328,318</u>	<u>\$ (8,184,926)</u>
Other Funds	69,652,313	69,282,020	--
Total--Operating Expend.	<u>\$ 222,845,816</u>	<u>\$ 216,610,338</u>	<u>\$ (8,184,926)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ 4,635,000	\$ --	\$ 100,000
Other Funds	14,696,477	14,696,477	265,000
Subtotal--Capital Impr.	<u>\$ 19,331,477</u>	<u>\$ 14,696,477</u>	<u>\$ 365,000</u>
GRAND TOTAL	<u><u>\$ 242,177,293</u></u>	<u><u>\$ 231,306,815</u></u>	<u><u>\$ (7,819,926)</u></u>
FTE Positions			
Classified	1,918.5	1,918.5	(9.0)
Unclassified	2,336.9	2,325.9	(12.0)
Total	<u>4,255.4</u>	<u>4,244.4</u>	<u>(21.0)</u>

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. Kansas State University requests a total of \$153,193,503 in general use expenditures for the FY 1992 budget, an increase of 10.2 percent over the FY 1991 revised budget. The request includes increases of \$5,008,375 which provides a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, a 16 percent increase for student salaries and classified staff pay plan (step movement and longevity). The University also requests \$1,919,066 for an enrollment adjustment and \$3,669,005 for the Margin of Excellence. Other requests for FY 1992 include \$108,500 for a Cooperative Extension Service forest inventory project, \$563,036 for restoration of funds for an increased salary and wage shrinkage rate in FY 1991, \$240,007 for servicing new buildings (Farm Bureau gift), and \$130,904 for eight additional county extension agent positions and a shift in funding for the Agricultural Experiment Station from the State Water Plan Fund to the State General Fund. Finally, the agency requests legislative approval for a merger with the Kansas College of Technology in Salina. The proposed merger, according to the agency, would not require additional resources for Kansas State in FY 1992.

In FY 1992, the Governor's recommended budget totals \$147,328,318 or 6.7 percent above the revised FY 1991 amount. The Governor's recommendations include a separate salary reserve for all state employees, funding for step movement (2.5 percent) and longevity pay for classified employees, a 2.5 percent base increase for unclassified employees, and for both employee groups a 1.5 percent cost-of-living increase for the second half of FY 1992. The Governor's recommendation includes the requested 16 percent student salary increase in the budget year, a 4 percent increase for other operating expenditures, the Margin of Excellence (\$3,669,005), an enrollment adjustment (\$1,919,066), and a shift of \$100,000 of funding from the State Water Plan to the State General Fund. The Governor does recommend the merger of this agency with the Kansas College of Technology.

House Subcommittee Recommendation

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

1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$267,764 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$597,002, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in non-instructional areas.
3. **Systemwide Recommendation - Other Operating Expenditures.** The Subcommittee does not recommend the 4 percent base increase for other operating expenditures in FY 1992. The action would reduce state General Fund support for the agency by \$677,375 in the budget year.
4. **Systemwide Recommendation - Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation - Enrollment Adjustment.** The Subcommittee does not recommend the enrollment adjustment funding in the budget year. The Subcommittee action will delete \$1,919,066 in State General Fund financing and 21.0 FTE positions (9.0 classified and 12.0 unclassified) in FY 1992.
6. **Systemwide Recommendation - Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$81,993 and offsets the demand on the State General Fund by the same amount (\$81,993).

7. **Systemwide Recommendation - Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deletes \$3,669,005 in State General Fund support.
8. **Systemwide Recommendation - Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that non-resident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$1,818,283 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$1,818,283).
9. **Systemwide Recommendation - One Percent Across the Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$1,054,714. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
10. **Systemwide Recommendation - Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 student in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
11. **Systemwide Recommendation - FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council, since the agencies can now utilize the negotiated procurement statute.

12. **Systemwide Recommendation – Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The Subcommittee requests that the House Computers, Communications, and Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.
13. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major study be done on the possible duplication of educational programs within the Regents' institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same type of educational credit hour at the Regents institutions. The Subcommittee would request that the Board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.
14. Make a technical adjustment to accurately reflect the employer health insurance savings in the proper State General Fund line items.
15. Make two technical adjustments to reflect the Governor's intent on interest on the endowment fund and the federal extension fund limit.
16. The Subcommittee concurs with the Joint Committee on State Building Construction on the following projects:
- a. Construction of five steel buildings at a total cost of \$165,000 financed entirely from restricted use funds for equipment or pesticide storage. Two of the buildings would be constructed at the Northwest Research-Extension Center at Colby; two would be constructed at the Fort Hays Branch Experiment Station; and
 - b. Construction of two major additions to the plant sciences facility at a total cost of \$24,371,560 financed as follows:

	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Educational Bldg.				
Fund	\$ 100,000	\$ 100,000	\$ 115,648	\$ 6,682,912
Federal Funds	100,000	6,136,500	6,136,500	--
Gift/Private Funds	--	2,500,000	2,500,000	--
TOTAL	<u>\$ 200,000</u>	<u>\$ 8,736,500</u>	<u>\$ 8,752,148</u>	<u>\$ 6,682,912</u>

The private funds would be achieved in part through debt financing.

Bill Wisdom

Representative Bill Wisdom
Subcommittee Chair

Rochelle Chronister

Representative Rochelle Chronister

Lee Hamm

Representative Lee Hamm

George Teagarden

Representative George Teagarden

Bob Vancrum

Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Kansas State University Veterinary Medical Center Bill No. 2456

Bill Sec. 30

Analyst: Conroy

Analysis Pg. No. 859

Budget Page No. 394

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 7,876,819	\$ 7,790,043	\$ --
General Fees Fund	3,413,760	3,413,760	--
Hospital Revenue Fund	1,460,000	1,660,000	--
Subtotal -- Gen. Use Funds	<u>\$ 12,750,579</u>	<u>\$ 12,863,803</u>	<u>\$ --</u>
Restricted Use Funds	707,305	707,305	--
Total -- Oper. Expend.	<u>\$ 13,457,884</u>	<u>\$ 13,571,108</u>	<u>\$ --</u>
Capital Improvements:			
Educational Bldg. Fund	\$ 145,300	\$ 145,300	\$ --
GRAND TOTAL	<u><u>\$ 13,603,184</u></u>	<u><u>\$ 13,716,408</u></u>	<u><u>\$ --</u></u>
FTE Positions:			
Classified	153.4	153.4	--
Unclassified	89.4	89.4	--
TOTAL	<u><u>242.8</u></u>	<u><u>242.8</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

FY 1991. The University's general use base budget for FY 1991 totals \$12,750,579 which is 5.2 percent greater than actual general use expenditures for FY 1990. The University requests additional expenditure authority of \$200,000 for the Hospital and Diagnostic Laboratory Fee Fund in the current year.

The Governor recommends a general use budget of \$12,863,803 or \$113,224 above currently authorized amounts. In particular, the Governor adjusts employee and dependent health insurance downward by \$81,655 to reflect the latest employer rates. The Governor also adjusts other employer fringe benefit rates to reflect the latest rates. The Governor does recommend an expenditure limitation increase of \$200,000 for the Hospital and Diagnostic Laboratory Fee Fund in the current year.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

*HA
3-6-91 (a)
Attachment 6*

Bill Wisdom

Representative Bill Wisdom
Subcommittee Chair

Rochelle Chronister

Representative Rochelle Chronister

Lee Hamm

Representative Lee Hamm

George Teagarden

Representative George Teagarden

Bob Vancrum

Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: Kansas State University Veterinary Medical Center Bill No. 2086

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 859

Budget Page No. 394

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 9,479,877	\$ 8,790,989	\$ (973,499)
General Fees Fund	3,434,746	3,434,746	96,906
Hospital Revenue Fund	1,100,000	1,650,000	--
Subtotal -- Gen. Use Funds	<u>\$ 14,014,623</u>	<u>\$ 13,875,735</u>	<u>\$ (876,593)</u>
Restricted Use Funds	736,761	736,761	--
Total -- Oper. Expend.	<u>\$ 14,751,384</u>	<u>\$ 14,612,496</u>	<u>\$ (876,593)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ --	\$ --	\$ --
GRAND TOTAL	<u><u>\$ 14,751,384</u></u>	<u><u>\$ 14,612,496</u></u>	<u><u>\$ (876,593)</u></u>
FTE Positions:			
Classified	153.4	153.4	(1.0)
Unclassified	89.4	89.4	1.0
TOTAL	<u><u>242.8</u></u>	<u><u>242.8</u></u>	<u><u>0.0</u></u>

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The Medical Center requests a total of \$14,014,623 in general use expenditures for the FY 1992 budget, an increase of 9.9 percent over the FY 1991 budget. The request includes increases of \$122,383 which provides a 5 percent increase for unclassified salaries, 4 percent for other operating expenditures, a 16 percent increase for student salaries, and classified staff pay plan. The Medical Center also requests that the Hospital Diagnostic Laboratory Fee Fund in the budget year not have a limitation placed on the fund and that authorization be granted to transfer receipts of the fund to restricted fee accounts to purchase hospital supplies.

In FY 1992, the Governor's recommendation totals \$13,875,735 or an increase of 7.9 percent above the revised FY 1991 amount. The Governor's recommendations include a separate salary reserve for all state employees, funding for step movement (2.5 percent) and longevity pay for classified employees, a 2.5 percent base increase for unclassified employees, and for both employee groups a 1.5 percent cost-of-living increasing for the second half of FY 1992. The Governor's recommendation includes the requested 16 percent student salary increase, a 4 percent increase for other operating expenditures (\$104,580) and the Margin of Excellence (\$625,000). The Governor

recommends the Medical Center be allowed to establish a restricted account for the purchase of consumable items made on behalf of patients. The recommendation would allow the agency to purchase items such as pharmaceutical and surgical supplies at levels necessary to serve the patients outside the expenditure limits of the Hospital and Diagnostic Laboratory Revenue Fund. The Governor recommends \$300,000 be transferred in FY 1992 to restricted fees for consumable hospital supplies.

House Subcommittee Recommendation

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

1. **Systemwide Recommendation – Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$17,803 in State General Fund financing for the agency.
2. **Systemwide Recommendation – Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$48,252, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in noninstructional areas.
3. **Systemwide Recommendation – Other Operating Expenditures.** The Subcommittee does not recommend the 4 percent base increase for other operating expenditures in FY 1992. The action would reduce State General Fund support for the agency by \$104,580 in the budget year.
4. **Systemwide Recommendation – Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation – Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deleted \$625,000 in State General Fund support.
6. **Systemwide Recommendation – Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that nonresident tuition be

increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$96,906 which would be used to offset the demand on the State General Fund at the institution in the budget year.

7. **Systemwide Recommendation -- 1 Percent Across-the-Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$80,958. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle, and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
8. **Systemwide Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid process for natural gas be approved by the State Finance Council, since the agencies can now utilize the neogitated procurement statute.
9. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major study be done on the possible duplication of educational programs within the Regents' institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same type of educational credit hour at the Regents' institutions. The Subcommittee would request that the board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.
10. Make a technical adjustment to decrease the position limitation on classified FTE by 1.0 and increase the position limitation on unclassified FTE by 1.0.

Bill Wisdom

Representative Bill Wisdom
Subcommittee Chair

Rochelle Chronister

Representative Rochelle Chronister

Lee Hamm

Representative Lee Hamm

George Teagarden

Representative George Teagarden

Bob Vancrum

Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: University of Kansas
Medical Center

Bill No. 2456

Bill Sec. 34

Analyst: Conroy

Analysis Pg. No. 919

Budget Page No. 584

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 67,751,731	\$ 67,067,041	\$ --
General Fees Fund	6,162,612	6,162,612	--
Hospital Revenue Fund	101,394,497	100,648,368	--
Other Funds	1,632,529	1,632,529	--
Subtotal--General Use Funds	\$ 176,941,369	\$ 175,510,550	\$ --
Other Funds	53,255,838	53,255,838	--
Subtotal--Operating	\$ 230,197,207	\$ 228,766,388	\$ --
Capital Improvements:			
State General Fund	\$ 219,108	\$ 165,274	\$ --
Hospital Fund	929,244	929,244	--
Educational Bldg. Fund	2,269,692	2,269,692	--
Other Funds	1,010,841	1,010,841	--
Subtotal--Capital Impr.	\$ 4,428,885	\$ 4,375,051	\$ --
GRAND TOTAL	\$ 234,626,092	\$ 233,141,439	\$ --
FTE Positions			
Classified	3,087.9	3,087.9	--
Unclassified	1,661.2	1,661.2	--
Total	4,749.1	4,749.1	--

Agency Request/Governor's Recommendation

FY 1991. The University of Kansas Medical Center requests a total operating budget of \$230,197,207, an increase of 4.7 percent above the FY 1990 actual amount. The total revised general use operating budget is requested at \$176,941,369, or \$2,499,999 above the current approved amount. The 1990 Legislature removed the expenditure limitation on the Hospital Revenue Fund. The approved budget for FY 1991 contained hospital revenue of \$98,894,497, while the revised budget contains \$101,394,497, or an increase of \$2,500,000. The agency proposes utilizing the increased revenue on nursing salaries (\$1.0 million) and other operating expenditures support (\$1.5 million).

The Governor recommends a total general use operating budget of \$175,510,550, or \$1,430,819 less than the agency requested. In particular, the Governor adjusts employee and dependent health insurance downward by \$1,497,388 to reflect the latest estimated rates. The Governor's revised FY 1991 general use total is \$1,753,871 more than approved by the previous Legislature. The Governor does concur with the additional Hospital Revenue Fund expenditures for nursing salaries and other operating expenditures.

HA
3-6-91 (a)
Attachment 7

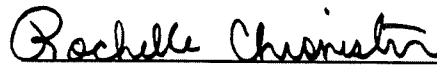
House Subcommittee Recommendation

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

1. Concur with the recommendation of the Joint Committee on Building Construction to retitle an existing project from "renovation of the cardiothoracic intensive care unit" to "renovation of the post-operative and cardiothoracic intensive care units." In the FY 1992 report, the Subcommittee recommends the authorization for the additional costs associated with the enlarged renovation project.
2. The Subcommittee also recommends that another capital improvement project entitled "renovate hospital -- phase I" be changed to "comprehensive planning for health care delivery." This will enable the institution to conduct a comprehensive study on the current and future space needs of the hospital.



Representative Bill Wisdom
Subcommittee Chair



Representative Rochelle Chronister



Representative Lee Hamm



Representative George Teagarden



Representative Bob Vancrum

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center Bill No. 2086

Bill Sec. 8

Analyst: Conroy

Analysis Pg. No. 919

Budget Page No. 584

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 75,351,643	\$ 68,546,979	\$ (5,084,241)
General Fees Fund	6,498,509	6,694,472	326,980
Hospital Revenue Fund	107,364,116	106,263,147	--
Other Funds	723,926	2,090,992	500,000
Subtotal -- General Use	\$ 189,938,194	\$ 183,595,590	\$ (4,257,261)
Other Funds	56,201,751	56,445,671	--
Subtotal -- Operating	\$ 246,139,945	\$ 240,041,261	\$ (4,257,261)
Capital Improvements:			
Hospital Fund	\$ 368,888	\$ 328,888	\$ 1,250,000
Educational Building Fund	7,720,000	--	400,000
Other Funds	1,686,562	1,686,562	--
Subtotal -- Capital Impr.	\$ 9,775,450	\$ 2,015,450	\$ 1,650,000
GRAND TOTAL	\$ 255,915,395	\$ 242,056,711	\$ (2,607,261)
FTE Positions:			
Classified	3,087.9	3,087.9	--
Unclassified	1,674.7	1,661.2	--
TOTAL	4,762.6	4,749.1	--

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The Medical Center requests an operating budget of \$246,139,945 in FY 1992, a 6.9 percent increase over the FY 1991 operating budget. The Medical Center's total general use operating budget exceeds the revised FY 1991 request by \$12,996,825 or 7.3 percent. The University requests \$7,357,404 for a 5 percent increase for unclassified personnel, including hospital residents, a 6.5 percent increase for unclassified health care workers, a 16 percent increase for student salaries, classified step movement (2.5 percent) and longevity pay, and a 4 percent increase for other operating expenditures (5 percent for the hospital program). The Medical Center requests \$2,200,259 in FY 1992 for the Margin of Excellence. The request includes 13.5 FTE positions and is entirely allocated to the educational program at the institution. The request includes retention incentives for faculty, operating support for the academic programs, additional faculty positions, library resource development, enhancement of the graduate program, and establishment of an animal disease laboratory. The Medical Center's request reflects an increase of \$7,599,912 in State General Fund support, \$335,897 in general fees support \$5,969,619 in hospital revenues, and a decrease of \$908,603 in support from the Medical Scholarship Repayment Fund.

The Governor recommends a general use budget of \$183,595,590, or 4.6 percent above the FY 1991 level. The Governor's recommendations include a separate salary reserve for all state employees, funding step movement (2.5 percent) and longevity pay for classified employees, a 2.5 percent base increase for unclassified employees, and for both employee groups a 1.5 percent cost-of-living increase for the second half of FY 1992. The Governor's recommendation includes a 6.5 percent increase for unclassified health care workers, a 16 percent increase for student salaries, a 4 percent increase for other operating expenditures (5 percent for the hospital program), and the full Margin of Excellence request. However the Governor does not recommend any additional FTE positions and instead shifts the salary and wage resources to libraries, equipment, and computers.

House Subcommittee Recommendation

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

1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$117,079 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$784,306, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in non-instructional areas.
3. **Systemwide Recommendation - Other Operating Expenditures.** The Subcommittee does not recommend the four percent base increase for other operating expenditures in FY 1992. The action would reduce state General Fund support for the agency by \$537,673 in the budget year. The action reduces the other operating expenditures amount for the non-hospital programs. The Subcommittee concurs with the Governor's recommendation for a 5 percent base increase for the hospital program (\$1,308,567) other operating expenditures.
4. **Systemwide Recommendation - Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation - Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$14,064 and offsets the demand on the State General Fund by the same amount (\$14,064).
6. **Systemwide Recommendation - Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deletes \$2,200,259 in State General Fund support in the budget year.

7. **Systemwide Recommendation - Additional Tuition Increase.** The Subcommittee after extensive review and analysis recommends that tuition receipts in FY 1992 be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the three percent as recommended by the Board. The Subcommittee further recommends that non-resident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$312,916 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$312,916).
8. **Systemwide Recommendation - One Percent Across the Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$617,944. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this one percent reduction.
9. **Systemwide Recommendation - Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 student in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
10. **Systemwide Recommendation - FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council, since the agencies can now utilize the negotiated procurement statute.
11. **Systemwide Recommendation - Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The Subcommittee requests that the House Computers, Communications and Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.

12. The Subcommittee requests three different topics be pursued by interim committees this next interim period. The Subcommittee requests that a major study be done on the possible duplication of educational programs within the Regents institutions. The Subcommittee also requests an interim study to review the differences in the cost per credit hour for the same educational credit hour at the Regents institutions. The Subcommittee would request that the Board of Regents also internally review the issue of why there is such a variance in the cost per credit hour for the same type of educational credit hour at the institutions. The third interim topic requested by the Subcommittee is to review the level of graduate and professional tuition at Kansas institutions in relationship to other institutions.
13. Increase expenditures by \$500,000 from the Medical Scholarship Repayment Fund for operating support of the institutions. The Subcommittee recommends that a similar amount of State General Fund support (\$500,000) be offset by the increased special revenue funds.
14. The Subcommittee concurs with the Joint Committee on State Building Construction on building a new research facility that would be financed as follows:

	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Educational Bldg. Fund	\$400,000	\$1,600,777	\$6,700,000	\$ 399,223
Gift/Private Funds	--	2,260,000	2,260,000	--
Total	<u>\$400,000</u>	<u>\$3,860,777</u>	<u>\$8,960,000</u>	<u>\$ 399,223</u>

15. The Subcommittee concurs with the Joint Committee on State Building Construction and recommends the authorization of \$1,250,000 from the Hospital Fund for the renovation of the post operative and cardiothoracic intensive care units at the hospital. The Subcommittee recommends that the agency decide if receipts are at a sufficient level in the Hospital Revenue Fund to support the project.
16. The Subcommittee notes with concern that the state employees health care contract has providers that primarily utilize health care institutions outside the state boundaries. The Subcommittee would hope that state employees have access to health care institutions within the state.

Bill Wisdom
Representative Bill Wisdom
Subcommittee Chair

Rochelle Chronister
Representative Rochelle Chronister

Lee Hamm
Representative Lee Hamm

George Teagarden
Representative George Teagarden

Bob Vancrum
Representative Bob Vancrum