

Approved April 12, 1991

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson at 11:05 a.m. on March 25, 1991, in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Leah Robinson, Kansas Legislative Research Department
Norm Furse, Revisors' Office
Judy Bromich, Administrative Assistant
Patti Beasley, Substitute Committee Secretary

Conferees appearing before the committee:

None

SUBCOMMITTEE REPORT ON SB 2046 - Appropriations for FY92, Department of Transportation

Senator Harder reviewed Attachment 1 the FY91 and FY92 subcommittee report on the Department of Transportation. In answer to a question regarding recommendation 2 concerning administrative cost reductions, it was stated that the whole KDOT State operations budget totals \$192 million.

Senator Harder moved, Senator Salisbury seconded, adoption of the subcommittee report as amended. The motion carried on a voice vote.

It was moved by Senator Harder and seconded by Senator Salisbury that HB 2046 as amended be recommended favorable for passage. The motion carried on a roll call vote.

SUBCOMMITTEE REPORT ON HB 2086 - Appropriations for FY92, State Board of Regents and Higher Education Institutions

REGENTS SYSTEMWIDE

Chairman Bogina reviewed Attachment 2 the FY91 and FY92 subcommittee report for the Regents Systemwide Issues.

UTILITIES

In answer to Senator Feleciano's question regarding the policy of using energy savings for conservation projects, Chairman Bogina answered that it had not been used in the last few years.

KUMC HOSPITAL REVENUE

Senator Feleciano requested the Hospital Revenue Fund Balances. Alan Conroy stated that in FY91 the balances were \$1.6 million and in FY92 the balances were \$2.2 million. He also stated that there was \$2.6 million in additional revenue.

KSU EXTENSION BUDGET

Senator Bogina requested the subcommittee on the KSU budget make a recommendation to the full committee regarding SB 362 - Kansas State University, extension and agricultural research programs, budgeted as a separate agency.

SERVICING OF NEW BUILDINGS

Senator Bogina noted that storage space had been removed from the formula for servicing new buildings and the balance of the space was funded.

TUITION INCREASE

After reading the tuition increase recommendation Chairman Bogina added that

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

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, March 25, 1991.

the House recommended a tuition increase of \$7 million. The Senate subcommittee believes that the Board of Regents has the authority and the ability to raise tuition, therefore the subcommittee will not mandate it. The Chairman also stated that if they Board of Regents raised tuition the Ways and Means Committee would have to grant them the authority to spend the increase. He also stated that the Board had raised tuition and would again in FY93. Senator Kerr expressed concern that this action might be interpreted by the Board of Regents as being restrictive and he did not want to send that message.

Chairman Bogina stated that when Kansas Tuition was compared to the United States national average, Kansas tuition rates are lower in every regard. He stated that resident fee/cost ratios average 21.4% systemwide and non-residents average ratio is 56.3% and further added that Regents recommendation concerning percentage of support by tuition stays basically the same.

Senator Winter expressed concern that our actions might be misinterpreted as a directive or a statement to the Board of Regents. Senator Kerr stated that he felt there would be a greater risk of misunderstanding if the subcommittee recommendation is left in place. Senator Kerr moved, Senator Salisbury seconded, to restore the spending limitations of the House without mandating the tuition increase.

Alan Conroy noted that any amount that is raised above the \$7 million expenditure limitation could be spent with special authority granted by the Finance Council.

Senator Kerr withdrew his motion and Senator Salisbury withdrew the second to the motion.

Senator Kerr moved, Senator Salisbury seconded, to amend the subcommittee report to encourage the Board of Regents to carefully review the issue of any additional tuition increases. The motion carried on a voice vote.

Senator Winter read the Minority Report. Chairman Bogina responded by stating that the subcommittee recommendations were very reasonable. They looked at each individual institution and made modifications accordingly.

Senator Doyen moved, Senator Gaines seconded, adoption of the subcommittee report as amended.

Senator Winter offered a substitute motion, Senator Hayden seconded, to amend the subcommittee report to essentially adopt the minority report. Chairman Bogina stated that the General Fund report for Regents Institutions has increased 39.17% over the last four years but that the CPIU has increased only 15.74%. He added that the \$12,590,566 reduction in SGF amounts to 2.5% which is about the same as the General Education budget. The substitute motion failed on a show of hands.

Senator Hayden moved to table the Subcommittee Report until time certain for March 26, 1991 at 11:00 a.m. Senator Hayden expressed concern that more time was needed to examine the Minority Report. After further discussion regarding the need for more time, the motion failed on a voice vote.

The primary motion for adoption of the Subcommittee Report by Senator Doyen carried on a voice vote. It was moved by Senator Doyen and seconded by Senator Gaines that HB 2046 as amended be recommended favorable for passage. The motion carried on a roll call vote.

INTRODUCTION OF BILLS

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, March 25, 1991.

Senator Kerr moved, Senator Doyen seconded, the introduction of bill draft 1 RS 1457 - AN ACT concerning the State Conservation Commission; relating to the officers and employees thereof. The motion carried on a voice vote.

Senator Gaines moved, Senator Salisbury seconded, the introduction of bill draft 1 RS 1444 - AN ACT concerning the scheduling of public concerts and public ceremonies in the State Capital. The motion carried on a voice vote.

Senator Doyen moved, Senator Kerr seconded, the introduction of bill draft 1 RS 1380 - AN ACT relating to property taxation; concerning valuation of vacant lots. The motion carried on a voice vote.

Senator Harder moved, Senator Gaines seconded, the introduction of bill draft 1 RS 1272 - AN ACT concerning the Kansas State University Veterinary Medical Center; making certain peer review information confidential. The motion carried on a voice vote.

Senator Allen moved, Senator Doyen seconded, the introduction of bill draft 1 RS 1451 - AN ACT concerning self supported municipal improvement districts; relating to municipal improvement district bonds. The motion carried on a voice vote.

Chairman Bogina and Senator Salisbury suggested to the Board of Regents Subcommittee that a proviso be added to the Board of Regents budget providing our support of a systemwide effort to reallocate.

A handout regarding SB 22 - Kansas College of Technology, merger with Kansas State University, Attachment 3, was distributed to members of the committee.

The meeting was adjourned at 12:05 p.m.

SUBCOMMITTEE REPORT

Agency: Department of Transportation

Bill No. 2456

Bill Sec. 19

Analyst: Rothe

Analysis Pg. No. 67

Budget Page No. 564

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 194,840,986	\$ 192,560,530	\$ --
Aid to Local Units	115,711,383	115,338,383	--
Other Assistance	200,000	200,000	--
Operating Expenditures	<u>\$ 310,752,369</u>	<u>\$ 308,098,913</u>	<u>\$ --</u>
Capital Improvements	340,646,703	338,969,869	--
TOTAL	<u><u>\$ 651,399,072</u></u>	<u><u>\$ 647,068,782</u></u>	<u><u>\$ --</u></u>
State General Fund	\$ 83,575,000	\$ 83,595,000	\$ --
FTE Positions	3,311.0	3,293.0	--

Agency Request/Governor's Recommendation

KDOT's revised FY 1991 state operations budget estimate is \$194,840,986, a reduction of \$747,555 from the approved budget of \$195,588,541. The revised estimate includes a reduction in contracted substantial maintenance of \$1,769,000, an increase in regular maintenance of \$1,318,561, \$30,414 for the salaries of 3.0 FTE new positions to begin on February 18, 1991, \$456,084 for a vehicle fuel price adjustment, and a reduction of \$783,614 for other state operating costs. The Governor recommends \$192,560,530 in FY 1991 for state operations, a reduction of \$2,280,456 from the agency's revised estimate. The recommendation includes a reduction of \$70,427 from data processing services, \$78,500 from capital outlay, and \$2,131,529 from salaries due to fringe benefit and shrinkage adjustments and the deletion of 3.0 FTE new positions.

The local aid estimate of \$115,711,383 is \$2,214,355 above the approved amount due to an increase in available federal urban mass transit funds (\$1,037,354), railroad assistance (\$109,992), Metropolitan Planning Aid funds (\$83,289), federal highway safety funds (\$640,165) elderly and handicapped transportation assistance (\$122,057), and other sources (\$221,498). The FY 1991 estimate of \$200,000 for other assistance is the same as the amount approved. The Governor's recommendation for local aid of \$115,338,383 is a reduction of \$373,000 from the agency's revised estimate to reflect November consensus estimates of motor carrier property tax receipts.

The agency's revised estimate of \$340,646,703 for capital improvements is a reduction of \$4,316,966 from the amount approved. Significant changes to the amount approved for FY 1991 include an increase of \$11,200,000 for federally-funded local construction projects, a reduction of \$16,225,074 from State Highway Fund expenditures due mostly to the advancement or delay of construction projects to other fiscal years, and an increase of \$708,108 from other funding sources. The agency requests \$175,359 for the salaries of 15.0 FTE Engineering Technicians V to begin on February 18, 1991, for construction supervision duties, \$343,800 for an additional 30 pickup trucks

*March 25, 1991
SWAM
Attachment 1*

(half for the new construction inspectors), and \$565,000 for supplemental design and inspection equipment. The Governor recommends \$338,969,869 for capital improvements, a reduction of \$1,676,834 from the agency's revised estimate. The recommendation includes a reduction of \$1,239,534 to reflect salary benefit and shrinkage adjustments and the deletion of 15.0 FTE new positions, a reduction of \$830,300 from the supplemental capital outlay request, and an increase of \$393,000 from the State General Fund (reflecting the November consensus estimate on sales tax receipts).

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendation.

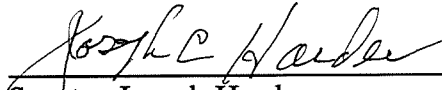
<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 192,560,530	\$ --
Aid to Local Units	--	115,338,383	--
Other Assistance	--	200,000	--
Operating Expenditures	\$ --	\$ 308,098,913	\$ --
Capital Improvements	--	338,969,869	(497,533)
TOTAL	\$ --	\$ 647,068,782	\$ (497,533)
State General Fund	\$ --	\$ 83,595,000	\$ --
FTE Positions	--	3,293.0	--

Senate Subcommittee Recommendation

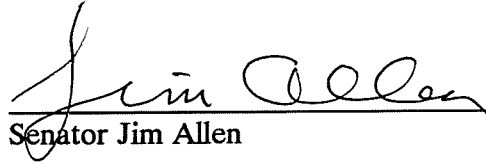
FY 1991. The Senate Subcommittee concurs with the recommendation of the House with the following adjustment:

1. Concur with Governor's Budget Amendment No. 1, which includes a technical adjustment to reduce capital improvements for buildings by \$497,533 for FY 1991. Capital improvements for buildings in FY 1991 intended by the Governor

and approved by the Joint Committee on State Building Construction include \$2.6 million approved for FY 1991 and \$4,925,061 reappropriated from FY 1990.



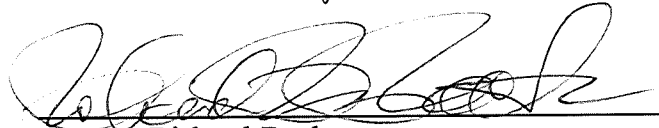
Senator Joseph Harder
Subcommittee Chair



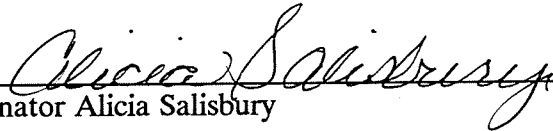
Senator Jim Allen



Senator William Brady



Senator Richard Rock



Senator Alicia Salisbury

SUBCOMMITTEE REPORT

Agency: Department of Transportation Bill No. 2046 Bill Sec. 2
 Analyst: Rothe Analysis Pg. No. 67 Budget Page No. 564

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>House Adjustments</u>
All Funds:			
State Operations	\$ 211,062,049	\$ 198,641,952	\$ --
Aid to Local Units	120,889,683	120,889,683	--
Other Assistance	200,000	200,000	--
Operating Expenditures	<u>\$ 332,151,732</u>	<u>\$ 319,731,635</u>	\$ --
Capital Improvements	430,696,444	417,516,561	--
TOTAL	<u><u>\$ 762,848,176</u></u>	<u><u>\$ 737,248,196</u></u>	<u><u>\$ --</u></u>
State General Fund	\$ 87,621,000	\$ 87,600,000	\$ --
FTE Positions	3,326.0	3,293.0	--

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

KDOT's operating budget request for FY 1992 totals \$211,062,049 from the State Highway Fund, an increase of \$16,221,063 above the revised FY 1991 estimate. The request includes \$92,996 for the full-year salaries of 3.0 FTE new positions requested for FY 1991 and \$659,575 for the salaries of an additional 15.0 FTE positions for computer systems development (9.0), public relations (2.0), traffic safety (3.0), and traffic engineering assistance (1.0). The increase also includes \$2,760,286 for other salary adjustments, \$8,324,000 for additional substantial maintenance contracts, \$1,425,264 for contracted repair of roadsides and rest areas, \$1,008,218 for maintenance materials, \$969,315 for capital outlay, \$727,050 for the consolidation of personnel in a proposed new agency headquarters building, and \$284,773 for other operating budget increases. The Governor recommends \$198,641,952 for state operations in FY 1992, a reduction of \$12,420,097 from the agency's request. The reduction includes \$4,545,006 from salaries, \$727,050 for costs associated with the requested consolidation of personnel, \$1,135,111 from repairs, \$4,568,000 from computer system development, \$1,388,304 from capital outlay, and \$56,626 for various other reductions. No new positions are recommended by the Governor.

The agency requests \$121,089,683 for Aid to Local Units and other assistance for FY 1992, an increase of \$5,178,300 above the revised FY 1991 estimate. The Governor concurs with the agency's request.

The agency requests \$430,696,444 for capital improvements in FY 1992, an increase of \$90,049,741 above the revised FY 1991 estimate. The request includes increases of \$96,011,000 for highway construction and improvement projects and \$1,836,780 for contracted inspection services, and a reduction of \$11,546,000 for design and appraisal contracts. The request includes \$536,431 to continue the salaries of 15.0 FTE new positions requested for FY 1991. The agency also requests

an increase of \$2,450,392 for overtime pay to maintain with existing personnel an adequate quality control and assurance program of all construction and maintenance materials for certification of construction projects. The Governor recommends a total of \$417,516,561 for capital improvements, a reduction of \$13,179,883 from the amount requested. The reduction includes \$3,857,320 from salaries to reflect benefit and shrinkage adjustments and the deletion of requested new positions, \$1,292,876 from contract inspections, \$189,092 from travel, a deletion in construction financing from the Oil Overcharge Fund (\$3,500,000), \$2,324,000 from capital outlay, \$1,993,871 from capital improvements to KDOT buildings, and \$22,724 from other adjustments.

House Subcommittee Recommendations

FY 1991. The House Subcommittee concurs with the recommendations of the Governor.

FY 1992. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Make technical adjustments in the agency's FY 1992 appropriation bill (H.B. 2046) to conform with the Governor's intent.
2. Concur with the Governor's recommendation to provide \$2,723,096 from State Highway Fund expenditures for capital improvements -- buildings. The Joint Committee on State Building Construction concurred with the Governor's recommendation, which is a reduction of \$1,993,871 from the amount requested.
3. Concur with the Governor's recommendation not to add 18.0 FTE positions in FY 1991 and an additional 15.0 FTE positions in FY 1992. The Subcommittee reviewed the agency's personnel vacancy rate, which has declined from 252.0 FTE on July 1, 1989 to 79.0 FTE on February 11, 1991. The Subcommittee recognizes the difficulty in filling certain technical engineering positions and is satisfied with the progress the agency has made in its attempts to fill positions (vacancies totaled 164.0 FTE when the budget was reviewed in January, 1990). The Subcommittee notes that the percent of FTE positions filled so far in FY 1991 totals 97.4 percent compared to the Governor's recommended shrinkage rate of 4.5 percent for both FY 1991 and FY 1992. The Subcommittee recommends that the shrinkage rate be monitored in case adjustments are needed in the Omnibus Bill.
4. The Subcommittee reviewed the agency's request for vehicle fuel expenditures in FY 1991 and FY 1992 averaging \$1.08 and \$1.12 per gallon for gasoline and \$0.99 and \$1.04 per gallon for diesel fuel. State gasoline purchases do not include state or federal fuel taxes, but diesel purchases include the state diesel tax of \$0.18 in FY 1991 and \$0.19 in FY 1992. Due to the current instability of fuel prices, the Subcommittee recommends no adjustments to the agency's estimate of needed fuel expenditures.
5. The Department has requested 64,305 additional square feet to locate all of its operations into one location. The Subcommittee toured the cramped offices in the Docking State Office Building. The Subcommittee does not recommend any

additional space, but asks the Department of Administration, Division of Facilities Management, to review the KDOT request and forward its analysis to the Subcommittee. The House Subcommittee made the same request in 1990, but received no response.

6. The Subcommittee reviewed the agency's six-year plan (FY 1990 to FY 1995) to enhance its computer capabilities. The agency has identified 11 computer system projects to be requested within that timeframe for a total six-year estimated cost of \$29.5 million. The first project approved for FY 1990 (an Executive Information System, \$384,000) has been completed. A second project approved for FY 1990 (a Comprehensive Program Management System, \$1,636,000) has been contracted. The third and fourth projects approved for FY 1991 (a Construction Management System for \$2,503,915, and an Integrated Design and Environment/Right-of-Way System for \$3,232,132) are in the "requirements definition phase". The fifth system requested for FY 1992 (a Financial Management System, \$4,909,985) was not recommended by the Governor. The Subcommittee notes that the completion of new computer systems is progressing within budget, an unusual phenomenon in state government. By splitting the multiyear enhancement of its computer capabilities into smaller pieces, the Department has found that implementation times and costs are much more manageable.
7. The Subcommittee notes that the Governor's current resource budget for FY 1992 includes a freeze on the demand transfer of motor carrier property tax receipts made from the State General Fund. In addition to the current resources budget the Governor recommends the full demand transfer from the State General Fund to the Special City and County Highway Fund, thus restoring \$373,000 to the budget.
8. The Subcommittee discussed the impact of the sales tax demand transfer to the State Highway Fund on the Comprehensive Highway Program. The current transfer of 10 percent of the four percent sales tax rate is estimated to total \$78,100,000 in FY 1992 (approximately 9.6 percent of sales tax collections in Kansas is attributable to the retail sale of new and used vehicles). The Department informed the Subcommittee that a reduction in receipts to the State Highway Fund would have a rippling effect on earnings, and could force the sale of bonds earlier and in larger amounts with more interest costs than currently projected. KDOT is reviewing which specific projects, if any, would be affected by a reduction in revenues.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee with the following adjustment:

1. Transfer \$30.0 million from the State Highway Fund to the State General Fund.

House Committee of the Whole Recommendation

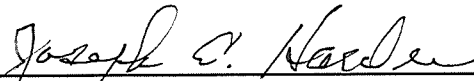
The House Committee of the Whole concurs with the recommendation of the Subcommittee and deletes the \$30.0 million transfer from the State Highway Fund to the State General Fund that was recommended by the Committee.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 198,641,952	\$ 41,410
Aid to Local Units	--	120,889,683	--
Other Assistance	--	200,000	--
Operating Expenditures	\$ --	\$ 319,731,635	\$ 41,410
Capital Improvements	--	417,516,561	--
TOTAL	\$ --	\$ 737,248,196	\$ 41,410
State General Fund	\$ --	\$ 87,600,000	\$ --
FTE Positions	--	3,293.0	--

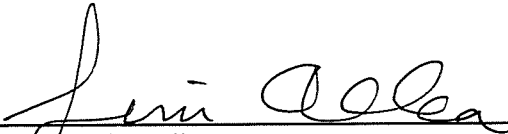
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House Committee of the Whole with the following adjustments:

1. The Subcommittee concurs with two items contained in Governor's Budget Amendment No. 1. The first item is a technical adjustment to shift a reduction of \$1,292,876 from one line item to another. The second item increases rent expenditures by \$41,410. The GBA notes that the Governor's recommendation of \$2,002,898 in FY 1992 for rents in the Administration Program was understated by \$41,410.
2. Transfer \$1,796,300 from the State Highway Fund to the State General Fund. The amount is the equivalent of 2.3 percent of the \$78,100,000 demand transfer from the State General Fund. The Subcommittee recommends a proviso that limits the reduction from the State Highway Fund balance to administrative costs and not to capital improvements.




Senator Joseph Harder
Subcommittee Chair




Senator Jim Allen

Senator William Brady



Senator Richard Rock



Senator Alicia Salisbury

276-92/sr

**SENATE SUBCOMMITTEE RECOMMENDATIONS ON
REGENTS' SYSTEMWIDE ISSUES
HOUSE BILL NO. 2086**

The Senate Ways and Means Subcommittee on Regent's systemwide issues held hearings and received testimony concerning issues affecting all the state higher education institutions. The Chairperson and the Executive Secretary of the Board of Regents, along with most of the university presidents, including the Chancellor, appeared before the Subcommittee to present information concerning the budget requests for FY 1992. Based on the available information, the Subcommittee makes the following recommendations concerning the Regents' systemwide issues. The net reduction for the institutions in FY 1992 is \$12,590,566 from the State General Fund from the House recommendation, and a general use reduction of \$19,918,376 below the House recommendation.

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

1. FY 1991 General Fees Fund Adjustments
(Systemwide Memo pages 2-13)

The Subcommittee recommends the requested general fee release (\$1,039,838) in the current year for KU, KSU, ESU, and FHSU. The Subcommittee notes that the additional fees are from higher than anticipated enrollment for the Fall, 1990. The Subcommittee also notes that the Legislature has allowed since FY 1987 the release of 75 percent of the additional unanticipated general fees to the institutions to meet the expenses associated with the additional students. The Subcommittee notes that the fee release is a one-time expenditure and not built into the base budgets of the institutions. The Subcommittee also recommends \$123,951 in State General Fund supplemental support for WSU and the KSUVMC. The supplemental funds are a result of a shortfall in fees in the current year. The Governor and the House had not recommended the fee release or the supplemental funding in the current year.

3-25-91
SWAM
Attachment 2

FY 1991 General Fees Adjustments

<u>Institution</u>	<u>General Fees Fund Requested Adjustment</u>	<u>State General Fund Supplemental Adjustment</u>	<u>Governor's Fee Release/ Supplemental Recommendation</u>	<u>General Use Fund Subcommittee Recommendation</u>
KU	\$ 149,500	\$ --	\$ --	\$ 149,500
KSU	507,827	--	--	507,827
WSU	--	96,128	--	96,128
ESU	36,671	--	--	36,671
PSU	--	--	--	--
FHSU	345,840	--	--	345,840
KUMC	--	--	--	--
KSUVMC	--	27,823	--	27,823
KCT	--	--	--	--
TOTAL	\$ 1,039,838	\$ 123,951	\$ --	\$ 1,163,789

2. FY 1991 Utilities

The Subcommittee reviewed expenditures to date for utilities at the institutions. The Subcommittee concurs with the recommendation of the Board of Regents and recommends a net State General Fund supplemental of \$148,983 for utilities in the current year. The Subcommittee identifies two institutions that will have a surplus of utility funding (\$424,078) and recommends that those amounts be lapsed.

Additional FY 1992 Utility Funding

<u>Institution</u>	<u>Supplemental Funding</u>	<u>Amount Lapsed</u>
KU	\$ --	\$ (233,843)
KSU	--	(190,235)
WSU	311,497	--
PSU	--	--
ESU	22,712	--
FHSU	54,680	--
KUMC	132,116	--
KSUVMC	1,727	--
KCT	50,329	--
TOTAL	<u>\$ 573,061</u>	<u>\$ (424,078)</u>

3. FY 1991 KUMC Hospital Revenue

The Subcommittee recommends that \$1,163,789 in additional Hospital Revenue Fund receipts in the current year be shifted to offset the demand on the State General Fund. The Subcommittee action will still permit KUMC to expend \$836,211 in additional Hospital Revenue Fund receipts in the current year to meet hospital related salary and wage expenses. The House had recommended that the hospital program be permitted to expended the full \$2,000,000 in the current year.

4. FY 1992 State General Fund Appropriation Language

The Subcommittee recommends that the State General Fund line item for utilities be a separate line item and not part of a new general line item of "other operating expenditures" as recommended by the House in FY 1992 which would generally include salaries and wages, other operating expenditures and utilities. The Subcommittee supports keeping and accounting for utility expenditures separately.

5. KSU Extension Budget

The Systemwide Subcommittee recommends that the KSU Subcommittee review closely and make recommendations on the feasibility and practicality of a separate budget for the extension and research programs at KSU.

6. FY 1992 Servicing New Buildings

The Subcommittee recommends that \$267,325 and 5.6 FTE positions be added to support the servicing of new buildings. The Subcommittee notes that the Governor and House provided FY 1992 servicing building funds at WSU, FHSU and partial funding at ESU. However, no funding was granted at KU and KSU. The Subcommittee does not recommend the servicing personnel of other operating expenditures support for any storage space at KSU or ESU. The following table reflects the additional servicing building funding.

<u>Institution</u>	<u>Amount</u>	<u>Additional FTE Positions</u>
KU	\$ 55,688	--
KSU	189,716	4.2
ESU	21,921	1.4
TOTAL	<u>\$ 267,325</u>	<u>5.6</u>

7. FY 1992 Tuition Increase

The Subcommittee does not recommend the increased tuition that the House would levy in FY 1992. The House has recommended additional tuition receipts in the budget year of \$7,327,810. The House had recommended 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 House further recommended 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 the Board of Regents has tentatively approved tuition increases in FY 1993 of 10 percent for residents at the research institutions, 8 percent for residents at the regional institutions, and 12.5 percent for all nonresidents. The Subcommittee action deletes \$7,327,810 in general fee funding for the institutions in FY 1992.

<u>Institution</u>	<u>General Fees Reduction from House Rec.</u>
KU	\$ (3,639,609)
KSU	(1,818,283)
WSU	(1,049,656)
KUMC	(312,916)
KSUVMC	(96,906)
ESU	(78,083)
PSU	(244,192)
FHSU	(85,479)
KCT	(2,686)
TOTAL	<u>\$ (7,327,810)</u>

8. FY 1992 State General Fund Reduction

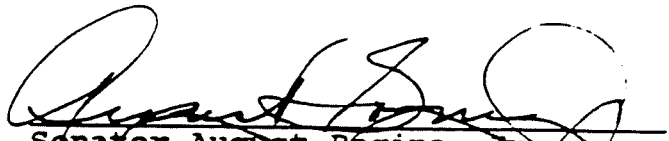
The Subcommittee reduces State General Fund support in FY 1992 by \$12,590,566. The Subcommittee proposes allocating the reduction proportionally at the institutions based on their percentage of State General Fund support of all Regents institutions.


<u>Institution</u>	<u>Amount of State General Fund Reduction</u>
KU	\$ (1,427,473)
KSU	(3,404,282)
WSU	(1,487,811)
PSU	(911,576)
ESU	(891,786)
FHSU	(842,429)
KUMC	(2,817,905)
KSUVMC	(420,677)
KCT	(386,627)
TOTAL	<u>\$ (12,590,566)</u>

9. FY 1992 - Kansas Commission on Veterans Affairs; Department of Social and Rehabilitation Services

The Subcommittee recommends that the sections relating to the Kansas Commission on Veterans Affairs and the Department of Social and Rehabilitation Services be removed from the

bill. The Subcommittee notes that these sections were amended on the bill by House floor action and do not relate to the Regents system.


 Senator August Bogina, Jr.
 Subcommittee Chairman


 Senator Ross O. Doyen


 Senator Frank D. Gaines

 Senator Leroy A. Hayden

 Senator Wint Winter, Jr.

MINORITY REPORT

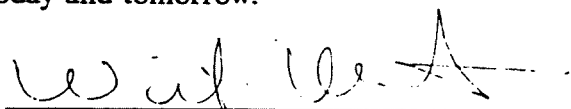
The following minority report is reluctantly offered on the Regents' systemwide Subcommittee report. However, the consequences of the Subcommittee's recommendations on higher education in Kansas cannot and should not be over looked.

The Subcommittee recommends in FY 1992 the reduction of almost \$20 million dollars in general use funding, including \$12.6 million in State General Fund support from the House position. When KUMC is excluded from the general use amounts the other institutions suffer a reduction over \$2.5 million in general use funds. However, the general use funds include a \$7.5 increase in tuition to be borne on the backs of students and their parents. It is very important to note that none of the increased tuition is going to support the Margin of Excellence or other enhancements that would improve the quality of education that these students receive. The only things they will receive different from the current school is a higher tuition bill, crowded classes, older classroom equipment, fewer library books and more difficult time in trying to find the necessary classes to be able to graduate.

The Subcommittee recommendation for State General Fund support is a reduction of \$12.6 million below the House position and a \$10.1 million reduction below the Subcommittee's FY 1991 recommended amount. However, the Regents institutions are facing an increase of approximately \$9.0 million just for employer health insurance costs alone. The institutions will be forced to cut other areas of the budget to finance the increased health insurance costs which will only compound the negative impact of the Subcommittee's recommendations.

It is time to recognize and face our State General Fund financing problem. The Senate Committee should not place that problem on the backs of Regents students. Kansas has always had a long tradition of supporting higher education, now is not the time to abandon the very sector of our economy that will provide the hope and direction for the future of our state. The Committee should acknowledge the key role of higher education and be willing to make the tough decisions and provide additional revenue.

The Committee should consider restoring the funds to return to the House position with the exception of the additional tuition increase. The restoration of funds would include a total of \$19.9 million in general use support, all of which would be financed from the State General Fund. This funding level would provide a 2.3 percent increase over the Subcommittee's FY 1991 recommendation. The funds would provide for modest base incases and funding for new students who are already on the campuses, but still no funds for the Margin of Excellence. This action would send a strong signal to the full Senate that higher education needs and deserves additional funding if our state is going to address the problems of today and tomorrow.



Senator Wint Winter, Jr.

TENTATIVE SENATE SUBCOMMITTEE RECOMMENDATIONS

**Regents FY 1991-FY 1992 General Use Fund
Operating Expenditures**

Institution	Column 1	Column 2	Column 3	Column 4 (Col. 2 - Col. 3)	Column 5	Column 6	Column 7	Column 8	Column 9 (Col. 7 - Col. 8)	Column 10 (% Change Col. 8/Col. 3)
	Gov. Rec. FY 1991	House Rec. FY 1991	Tentative Senate Subc. Rec. FY 1991	Difference House Rec./ Senate Subc. Rec. ⁽¹⁾	Agency Req. FY 1992	Gov. Rec. (Enhanced) FY 1992	House Rec. FY 1992	Tentative Senate Subc. Rec. FY 1992	Difference FY 1992 House Rec./ Senate Subc. Rec. ⁽²⁾	% Change From FY 1991 Senate Subc. Rec.
KU	\$ 147,109,594	\$ 147,109,594	\$ 147,025,251	\$ (84,343)	\$ 161,689,761	\$ 155,183,739	\$ 151,227,639	\$ 146,160,557	\$ (5,067,082)	(0.6)%
KSU	138,102,774	138,102,774	138,420,366	317,592	153,193,503	147,328,318	143,659,313	138,436,748	(5,222,565)	--
WSU	63,723,524	63,723,524	64,131,149	407,625	70,891,224	67,693,155	65,591,813	63,054,346	(2,537,467)	(1.7)
PSU	28,397,667	28,397,667	28,397,667	--	31,735,417	30,458,659	29,699,937	28,544,169	(1,155,768)	0.5
ESU	26,296,178	26,296,178	26,355,561	59,383	29,441,396	28,239,394	27,532,634	26,562,765	(969,869)	0.8
FHSU	25,383,282	25,383,282	25,783,802	400,520	27,945,523	26,756,446	26,198,401	25,270,493	(927,908)	(2.0)
KUMC	175,510,550	177,510,550	176,478,877	(1,031,673)	189,938,194	183,595,590	183,395,331	180,264,510	(3,130,821)	2.1
KSUVMC	12,863,803	12,863,803	12,893,353	29,550	14,014,623	13,875,735	13,250,736	12,733,153	(517,583)	(1.2)
KCT	4,455,221	4,455,221	4,505,550	50,329	5,033,206	4,816,852	4,639,166	4,249,853	(389,313)	(5.7)
TOTAL	\$ 621,842,593	\$ 623,842,593	\$ 623,991,576	\$ 148,983	\$ 683,882,847	\$ 657,947,888	\$ 645,194,970	\$ 625,276,594	\$ (19,918,376)	0.2

Governor's current resources total General Use Fund amount is \$632,843,613; the FY 1992 Committee recommendation is \$7,564,634 below the current resources amount or a 1.2 percent reduction.

- 1) Subcommittee adjustments in FY 1991 include utilities; fee release (KU, KSU, ESU, and FHSU) and fee shortfall funding (WSU and KSUVMC); and the KUMC funding shift to Hospital Revenue Fund.
- 2) Subcommittee reduces State General Fund support by \$12,590,566 below the House position and reduces General Fees Fund support by \$7,327,810 based on not increasing tuition as recommended by the House (resident tuition by an additional 5 percent at research institutions, plus an addition 10 percent for nonresidents at all institutions).

TENTATIVE SENATE SUBCOMMITTEE RECOMMENDATIONS

**Regents FY 1991-FY 1992 State General Fund ONLY
Operating Expenditures**

Institution	Column 1	Column 2	Column 3	Column 4 (Col. 2 - Col. 3)	Column 5	Column 6	Column 7	Column 8	Column 9 (Col. 7 - Col. 8)	Column 10 (% Change Col. 8/Col. 3)
	Gov. Rec. FY 1991	House Rec. FY 1991	Tentative Senate Subc. Rec. FY 1991	Difference House Rec./ Senate Subc. Rec. ⁽¹⁾	Agency Req. FY 1992	Gov. Rec. (Enhanced) FY 1992	House Rec. FY 1992	Tentative Senate Subc. Rec. FY 1992	Difference House Rec./ Senate Subc. Rec.	% Change From FY 1991 Senate Subc. Rec.
KU	\$ 100,988,204	\$ 100,988,204	\$ 100,754,361	\$ (233,843)	\$ 113,137,453	\$ 105,786,073	\$ 98,179,808	\$ 96,752,335	\$ (1,427,473)	(4.0)%
KSU	103,744,592	103,744,592	103,554,357	(190,235)	118,397,835	112,152,882	106,657,761	103,253,479	(3,404,282)	(0.3)
WSU	47,237,488	47,237,488	47,645,113	407,625	53,751,873	50,541,445	47,378,247	45,890,436	(1,487,811)	(3.7)
PSU	21,845,243	21,845,243	21,845,243	--	24,946,723	23,705,965	22,709,533	21,797,957	(911,576)	(0.2)
ESU	20,505,820	20,505,820	20,528,532	22,712	23,545,825	22,352,992	21,542,482	20,650,696	(891,786)	0.6
FHSU	20,268,926	20,268,926	20,323,606	54,680	23,041,288	21,374,911	20,728,284	19,885,855	(842,429)	(2.2)
KUMC	67,067,041	67,067,041	66,035,368	(1,031,673)	75,351,643	68,546,679	65,534,834	62,716,929	(2,817,905)	(5.0)
KSUVMC	7,790,043	7,790,043	7,819,593	29,550	9,479,877	8,790,989	8,069,083	7,648,406	(420,677)	(2.2)
KCT	3,987,745	3,987,745	4,038,074	50,329	4,617,902	4,388,516	4,210,830	3,824,203	(386,627)	(5.3)
TOTAL	\$ 393,435,102	\$ 393,435,102	\$ 392,544,247	\$ (890,855)	\$ 446,270,419	\$ 417,640,452	\$ 395,010,862	\$ 382,420,296	\$ (12,590,566)	(2.6)

Governor's current resources total State General Fund amount is \$389,922,089; the FY 1992 tentative Senate Subcommittee recommendation is \$7,501,793 below the current resources amount.

1) Subcommittee adjustments in FY 1991 include utilities; fee shortfall funding (WSU and KSUVMC), and the KUMC funding shift to Hospital Revenue Fund.

6-8

KANSAS STATE UNIVERSITY/KANSAS COLLEGE OF TECHNOLOGY
SENATE BILL #22 —PROPOSED MERGER BILL

STATEMENT: Students at Kansas College of Technology support the approval of the merger between KSU and KCT.

RE: Section 12. KSA 74-3229

This section defines specifically the establishment of the students' advisory committee to the state Board of Regents.

Student leaders at Kansas College of Technology recommend that the original definition of the students' advisory committee contained in KSA 74-3229 (a) not be amended to exclude the student body of our campus from representation by membership in full standing of the students' advisory committee. In other words, *we would like to retain direct student representation to the state Board of Regents.*

It is recommended that the first paragraph of Section 12. KSA 74-3229 be amended as follows:

Section 12. KSA 74-3229 is hereby amended to read as follows: 74-3229 (a) There is hereby established ~~and created~~ the students' advisory committee to the state Board of Regents. The students' advisory committee shall be composed of seven members who shall be the highest student executive officer elected by the entire student body at the University of Kansas, Kansas State University of Agriculture and Applied Science, Emporia State University, Pittsburg State University, Fort Hays State University, Wichita State University and Kansas College of Technology, Kansas State University-Salina College of Technology.

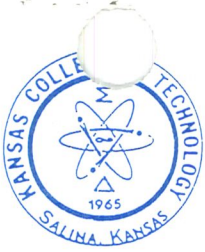
The consensus of student leaders on the Salina campus is that there are three important reasons for our highest student executive officer to remain active at the state level.

First, the active participation in Board of Regents meetings provides an excellent educational opportunity for the individual elected and through that individual to the student body; second, because the Salina campus will remain as a separate geographic entity and considerable growth is projected, fair representation of the student body will be best served to the interests of the State Board of Regents by direct representation.

Third, it has been made apparent to us that other university systems incorporate similar ideas by including their branch campuses in state level committees of representation. Such systems include the University of Minnesota which provides for a student representative from each campus (i.e., Duluth) to the state Board of Regents and Pennsylvania State University which provides a representative to the Board of Regents for all of its branch campuses combined.

Finally, with our special emphasis on a two-year program, with no athletic programs and with no student health care program or facilities---direct representation may prove to be invaluable.

3-25-91
SWAm
Attachment 3



KANSAS COLLEGE OF TECHNOLOGY

2409 Scanlan Avenue Salina, Kansas 67401-8196 (913) 825-0275 1-800-248-5782



RESOLUTION:

THE STUDENT GOVERNMENT ASSOCIATION OF KANSAS COLLEGE OF TECHNOLOGY RECOMMENDS THAT THE FIRST PARAGRAPH OF SECTION 12. KSA 74-3229 OF SENATE BILL # 22 BE AMENDED AS FOLLOWS:

Section 12. KSA 74-3229 is hereby amended to read as follows: 74-3229
(a) There is hereby established ~~and created~~ the students' advisory committee to the state Board of Regents. The students' advisory committee shall be composed of seven members who shall be the highest student executive officer elected by the entire student body at the University of Kansas, Kansas State University of Agriculture and Applied Science, Emporia State University, Pittsburg State University, Fort Hays State University, Wichita State University and Kansas College of Technology, Kansas State University-Salina College of Technology.

David King

Student Government President