

Approved April 27, 1991

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by August "Gus" Bogina, Jr., Chairperson at 11:07 a.m. on April 3, 1991, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Leah Robinson, Legislative Research Analyst
Diane Duffy, Legislative Research Analyst
Alan Conroy, Legislative Research Analyst
Norman Furse, Revisors' Office
Judy Bromich, Administrative Assistant
Patti Beasley, Substitute Committee Secretary

Conferees appearing before the committee:

None

SUBCOMMITTEE REPORT ON HB 2048 - Appropriations for FY91 and FY92, KBI
Senator Harder reviewed the Attachment 1 subcommittee report on FY91 and FY92 for the KBI. There was a brief discussion regarding the forfeiture fund.

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

Senator Harder moved, Senator Allen seconded, that HB 2048 as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2486 - Recovery of state expenses for assistance provided to children

Senator Parrish moved, Senator Gaines seconded that HB 2486 be recommended favorable for passage. The motion carried on a roll call vote.

HB 2020 - Establishment of extension districts, educational programs, property tax levies

Senator Feleciano moved, Senator Parrish seconded, to strike the floor amendment on page 8, line 33 to the top of page 9, line 3. The motion carried on a voice vote. Senator Hayden opposed the motion.

Senator Feleciano moved, Senator Salisbury seconded, that HB 2020 as amended be recommended favorable for passage. The motion carried on a roll call vote.

SUBCOMMITTEE REPORT ON HB 2086 - Appropriations for FY91 and FY92, state board of regents and higher education institutions.

UNIVERSITY OF KANSAS MEDICAL CENTER

Senator Feleciano reviewed the Attachment 2 FY91 and FY92 subcommittee report on the University of Kansas Medical Center. There was discussion about the Medical Center's HMO that requires its employees to seek medical attention at a hospital in Missouri. The members of the committee felt that this practice should be investigated further. Senator Feleciano expressed concern over the fact that KUMC profits are being used to help support the SGF. There was also lengthy discussion concerning the expenditures of each budget (hospital and educational) as well as funding for salaries.

WICHITA STATE UNIVERSITY

Senator Kerr reviewed Attachment 2-13 the FY91 and FY92 subcommittee report for Wichita State University. Senator Doyen moved, Senator Feleciano seconded, to reinstate the \$105,000 EDIF funding for the engineering rehabilitation program. There was discussion concerning the merits of the program. Senator Winter opposed the motion. The motion failed on a show of hands.

UNIVERSITY OF KANSAS

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 April 3, 1991.

Senator Allen reviewed Attachment 2-23 the FY91 and FY92 subcommittee report for the University of Kansas. There was lengthy discussion concerning the Sunflower Research Landfill clean-up. There was a brief discussion about the \$123,016 (SGF) for annualization of step movement and longevity pay for classified employees. Senator Feleciano moved, Senator Kerr seconded, to strike Item #9, Page 7, Attachment 2-33 and study the matter in Omnibus. The motion carried on a voice vote.

KANSAS STATE UNIVERSITY

Senator Salisbury reviewed Attachment 2-35 the FY91 and FY92 subcommittee report for Kansas State University. A document titled "Preliminary Plan for Re-Configuring KCT as KSU-Salina, College of Technology" Attachment 3 was distributed to the committee. The committee briefly discussed the merger before Chairman Bogina announced that the issue would be discussed in greater detail at the next meeting.

The meeting was adjourned at 12:30 p.m.

SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation

Bill No. 2456

Bill Sec. 45

Analyst: Duffy

Analysis Pg. No. 171

Budget Page No. 356

| <u>Expenditure Summary</u> | <u>Agency Req. FY 91</u> | <u>Gov. Rec. FY 91</u> | <u>Subcommittee Adjustments</u> |
|----------------------------|------------------------------|----------------------------|-------------------------------------|
| State Operations: | | | |
| State General Fund | \$ 8,377,304 | \$ 8,045,845 | \$ -- |
| Special Revenue Funds | 1,721,729 | 1,637,398 | -- |
| Subtotal | <u>\$ 10,099,033</u> | <u>\$ 9,683,243</u> | <u>\$ --</u> |
| Capital Improvements: | | | |
| State General Fund | 80,000 | 80,000 | -- |
| TOTAL | <u>\$ 10,179,033</u> | <u>\$ 9,763,243</u> | <u>\$ --</u> |
| FTE Positions | 190.5 | 190.5 | -- |

Agency Request/Governor's Recommendation

The revised FY 1991 expenditure requests totals \$10,179,033, of which \$8,457,304 is from the State General fund and \$1,721,729 is from special revenue funds. The FY 1991 estimate includes \$10,099,033 for state operations and \$80,000 for capital improvements. The revised FY 1991 estimate of expenditures from the State General Fund exceeds the amount approved for FY 1991 by \$49,184. The difference is attributed to the KBI's request for a State General Fund supplemental appropriation of \$90,591. The supplemental request is greater than the difference between the amount approved by the 1990 Legislature and the KBI's revised request because the KBI expended \$41,407 in FY 1990 of an anticipated reappropriated balance. The agency indicates that the additional funds are necessary to help finance other operating expenditures for the new narcotics program. The agency's revised FY 1991 estimate includes a shrinkage rate of 2.9 percent (\$200,598).

The Governor recommends a total of \$9,763,243 for FY 1991, of which \$8,125,845 is from the State General Fund and \$1,637,398 is from special revenue funds. The Governor does not recommend supplemental funding from the State General Fund, as requested by the agency. The Governor's FY 1991 recommendation is a reduction of \$415,790 from the amount estimated by the agency. Of the amount reduced by the Governor from the agency's FY 1991 estimate, \$125,189 is from salaries and wages, due to revised employee health insurance rates and an increase in the shrinkage rate from 2.9 percent to 3.5 percent; and \$290,601 is from OOE. The reductions in OOE are reflected in printing and advertising (\$10,000), repairing and servicing (\$81,000), travel and subsistence (\$180,362), professional services (\$2,038), and commodities (\$17,201). The Governor concurs with the agency's estimate of \$314,757 from the State General Fund for the debt service payment on the Headquarters building.

4-3-91
SWAM
Attachment 1

House Subcommittee Recommendation

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

1. The KBI appealed OOE expenditures from the State General Fund totaling \$187,534 in FY 1991. It appears that there maybe salary savings that could be shifted to OOE to fund some of these items. The Subcommittee recommends that the KBI seek an Executive Directive from the Governor to shift funding between line-item accounts after the Legislative Session when there will be additional months of expenditure experience and the Bureau will be better prepared to identify those OOE expenditures absolutely necessary for the remainder of the fiscal year. The Subcommittee notes that any salary savings that are not transferred by Executive Directive will become a limited reappropriation and will be available to finance the FY 1993 budget, thereby reducing the amount of new General Fund dollars required for FY 1993.
2. The Subcommittee reviewed the Lottery and Racing Investigation Fee Fund and believe the level of expenditures in FY 1991 and FY 1992 are appropriate and balances in the fund are adequate. The Subcommittee notes that the FY 1991 balance (\$362,193) is substantially more than the FY 1992 balance (\$115,590) based on the transfer from the Racing Commission and the difficulty in predicting the number of investigations the KBI will conduct for the Lottery and Racing Commission.
3. The KBI requested that the Governor's recommendation to lapse \$45,142 from the State General Fund in the Narcotics Strike Force Account be reinstated. The amount of the lapse would match approximately \$135,426 in federal U.S. Bureau of Justice Assistance funds administered by the Law Enforcement and Drug Abuse Program within the Department of Administration. The Subcommittee understands that the KBI could use savings from the FY 1991 budget (if the savings are not from drug related activities of the Bureau) as the match for the federal funds. In any event, these federal funds are not lost to the State of Kansas but simply are returned to the fund pool and would be allocated through next year's grant process.

House Committee Recommendation

The House Committee concurs.

House Committee of the Whole Recommendation

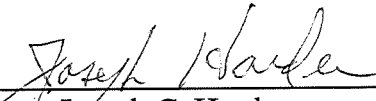
The House Committee of the Whole concurs.

| <u>Expenditure Summary</u> | <u>House Adj. FY 91</u> | <u>House Rec. FY 91</u> | <u>Senate Subcommittee Rec. FY 91</u> |
|----------------------------|-----------------------------|-----------------------------|---|
| State Operations: | | | |
| State General Fund | \$ -- | \$ 8,045,845 | \$ (50,000) |
| Special Revenue Funds | -- | 1,637,398 | 20,000 |
| Subtotal | <u>\$ --</u> | <u>\$ 9,683,243</u> | <u>\$ (30,000)</u> |
| Capital Improvements: | | | |
| State General Fund | -- | 80,000 | -- |
| TOTAL | <u>\$ --</u> | <u>\$ 9,763,243</u> | <u>\$ (30,000)</u> |
| FTE Positions | -- | 190.5 | -- |

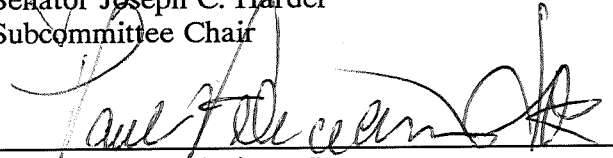
Senate Subcommittee Recommendations

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

1. Shift \$45,142 in salary savings (SGF) to OOE for the Narcotics Strike Force and eliminate the lapse of this sum contained in H.B. 2456. The Subcommittee notes that restoration of these funds lapsed in the Governor's recommendation would be used as the match (25 percent) for federal drug enforcement funds (75 percent). The addition of \$45,142 would result in additional federal grant funding of \$135,426 for additional funding above the Governor's recommendation for the Narcotics Strike Force of \$180,568.
2. Increase the expenditure limitation on the Lottery and Racing Investigation Fee Fund from \$422,813 to \$442,813. The increase of \$20,000 would provide additional funding for salaries in the current year for special agent upgrades and OOE for agents conducting background investigations.
3. The Senate Subcommittee identified salary savings in the current year of approximately \$157,000. The Subcommittee recommends expending \$95,142 of these savings in both FY 1991 and FY 1992. The Senate Subcommittee recommends that \$45,142 would be shifted from salaries to OOE for the Narcotics Strike Force in FY 1991 (item No. 1 of FY 1991 report), \$20,000 would be reappropriated to FY 1992 and expended to reallocate two clerical positions to Criminalist I positions for DNA and AFIS (item Nos. 1 and 2 of FY 1992 report), \$30,000 would be for supplies for the laboratory including DNA and AFIS supplies in FY 1992 (item No. 3 of FY 1992 report), and \$61,858 would be available for transfer, if absolutely necessary, by executive directive in the last few months of the fiscal year.



Senator Joseph C. Harder
Subcommittee Chair



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Kansas Bureau of Investigation

Bill No. 2048

Bill Sec. 6

Analyst: Duffy

Analysis Pg. No. 171

Budget Page No. 356

| <u>Expenditure Summary</u> | <u>Agency Req. FY 92</u> | <u>Gov. Rec. FY 92*</u> | <u>Subcommittee Adjustments</u> |
|------------------------------|------------------------------|-----------------------------|-------------------------------------|
| State Operations: | | | |
| State General Fund | \$ 11,747,618 | \$ 7,657,676 | \$ (233,005) |
| Special Revenue Funds | 1,711,681 | 1,868,690 | -- |
| Subtotal | <u>\$ 13,459,299</u> | <u>\$ 9,526,366</u> | <u>\$ (233,005)</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 2,931,415 | \$ 90,000 | \$ -- |
| Special Revenue Fund | 0 | 5,000 | (5,000) |
| Subtotal | <u>\$ 2,931,415</u> | <u>\$ 95,000</u> | <u>\$ (5,000)</u> |
| TOTAL | <u><u>\$ 16,390,714</u></u> | <u><u>\$ 9,621,366</u></u> | <u><u>\$ (238,005)</u></u> |
| FTE Positions | 190.5 | 190.5 | -- |

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

The agency's FY 1992 request totals \$16,390,714, of which \$14,679,033 is from the State General Fund and \$1,711,681 is from special revenue funds. The FY 1992 request includes funding for a warrant file system (\$118,745); 17.0 new Special Agent I positions and associated operating expenditures (\$655,289); laboratory equipment replacement (\$400,535); overtime payments (\$352,048); and a new initiative to provide standby pay which would provide \$1 per hour for all personnel who are required to be on standby call on weekends and holidays (\$51,254). The agency's FY 1992 request includes a shrinkage rate of 2.9 percent (\$253,936). The FY 1992 request includes \$2,931,415 for capital improvements, including \$2,700,000 for an addition to the headquarters building.

The Governor recommends a total of \$9,621,366, of which \$7,747,676 is from the State General Fund and \$1,873,690 is from special revenue funds. The Governor's FY 1992 recommendation for state operations of \$9,526,366 is \$3,932,933 less than the amount requested by the agency. The Governor does not include funding for the warrant file system, requested new positions, or standby pay. The Governor's FY 1992 recommendation includes revised employee health insurance rates, funding for the reclassification actions of \$93,201, and a shrinkage rate of 4.6 percent. The Governor does not recommend funding for the requested new addition to the Headquarters building. In addition to the amount recommended for the debt service payment on the Headquarters building, the Governor recommends \$5,000 from a special revenue fund for general maintenance of the building. The Governor recommends the establishment of a new fund to be financed by the dedication of 20 percent of gaming revenue receipts for certain capital improvement projects.

House Subcommittee Recommendation

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

1. Reduce \$213,005 from the State General Fund (S & W -- \$173,859 and OOE -- \$39,146) utilized as the match for federal funds for the Narcotics Strike Force and use state forfeiture funds to replace the State General Fund financing. The Subcommittee reviewed the 1990 legislation which creates the "Kansas Bureau of Investigation and Kansas Highway Patrol Special Asset Forfeiture Fund" (administered by the Attorney General) and concludes that forfeiture funds originated by the KBI may be appropriately used as the required match for the federal funds. The KBI has \$54,160 in this fund to date, and informed the Subcommittee of an estimated \$225,995 in state asset forfeiture funds currently in litigation. The Subcommittee notes that if these funds are not awarded to the KBI the 1992 Legislature can revisit this item. The Subcommittee urges the KBI to use these funds judiciously for the appropriate purposes under the statutory guidelines of the state forfeiture statute.
2. Impose an expenditure limitation on the existing "no limit" drug enforcement federal fund (includes federal asset forfeiture) of \$140,440, an increase of \$80,440 over the Governor's estimate. The Subcommittee learned of additional receipts to this fund from federal asset forfeiture in the current year. The Subcommittee views these additional funds to be used for one-time expenditures and should not be considered as increases to the funding base. Specifically the Subcommittee recommends that \$30,000 be used for "buy money" for narcotics investigations, \$20,000 be used to offset State General Fund expenditures to repay a General Fund "loan" in FY 1990 when there were not adequate balances in the fund, and the balance for travel and related expenses for special drug investigations.
3. Reduce \$5,000 from the proposed General Facilities Building Fund (capital improvements), pending the passage of the legislation establishing the fund. The Subcommittee defers to the recommendation of the Joint Committee on State Building Construction.
4. Introduce legislation to establish a fee fund in the KBI to recoup costs associated with court cases which require various forensic examinations conducted by the KBI laboratory. The Subcommittee recommends that a fee, that approximates the average cost to support the laboratory, be assessed by the Court on felony and certain misdemeanor cases involving blood alcohol exams. For FY 1992, the Subcommittee recommends that no expenditures be made from this fund in order to allow the director of the KBI adequate time to develop an appropriate fee. The 1992 Legislature should examine receipts and adjust expenditures accordingly. The Subcommittee is reluctant to recommend this change in policy; however, given the financial condition of the State the Subcommittee believes other sources of revenue must be found to support the KBI laboratory.

5. Adjust the appropriation bill to reflect an expenditure limitation on the Lottery and Racing Investigations Fee Fund of \$661,810 to reflect the Governor's recommendation.
6. The KBI requested an additional Criminalist I (\$28,898) as an examiner for the AFIS (Automated Fingerprint Identification System) unit. The KBI stated that at the present time, the system is utilized only a fraction of the time it could be used and emphasized the backlog of criminal cases. The Subcommittee hesitates adding an additional position and funding and suggests that the second house review the possibility of upgrading a vacant existing position and the necessary funding for the position.

House Committee Recommendation

The House Committee concurs.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

| Expenditure Summary | House Adj. FY 92 | House Rec. FY 92* | Senate Subcommittee Adj. FY 92 |
|------------------------------|----------------------------|----------------------------|--------------------------------------|
| State Operations: | | | |
| State General Fund | \$ (233,005) | \$ 7,424,671 | \$ 50,000 |
| Special Revenue Funds | -- | 1,868,690 | -- |
| Subtotal | <u>\$ (233,005)</u> | <u>\$ 9,293,361</u> | <u>\$ 50,000</u> |
| Capital Improvements: | | | |
| State General Fund | \$ -- | \$ 90,000 | \$ 5,000 |
| Special Revenue Fund | (5,000) | -- | -- |
| Subtotal | <u>\$ (5,000)</u> | <u>\$ 90,000</u> | <u>\$ 5,000</u> |
| TOTAL | <u><u>\$ (238,005)</u></u> | <u><u>\$ 9,383,361</u></u> | <u><u>\$ 55,000</u></u> |
| FTE Positions | -- | 190.5 | -- |

Senate Subcommittee Recommendations

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

1. Add \$10,000 from the State General Fund (reappropriated from FY 1991) to reallocate a vacant clerical position as a Criminalist I position for the AFIS (Automated Fingerprint Identification System) unit. The KBI stated that at the present time, the system is utilized only a fraction of the time it could be used

and emphasized the backlog of criminal cases. The Subcommittee believes that given the state's investment in this very powerful criminal justice tool that it is critical to provide staffing to maximize use of the system.

2. Add \$10,000 from the State General Fund (reappropriated from FY 1991) to reallocate a vacant clerical position as a Criminalist I position for DNA. The 1990 Legislature approved 1.0 FTE position for DNA. The Subcommittee learned that the FBI guidelines require a minimum of two examiners. The Subcommittee believes that to maximize the state's investment an additional Criminalist is critical.
3. Add \$30,000 from the State General Fund in OOE for professional supplies for the laboratory. Additional funding is necessary to meet the anticipated growth in requested examinations from both AFIS and DNA. The KBI reports a 30 percent increase in caseload in the AFIS unit and notes that supplies necessary for DNA are extremely expensive.
4. The Senate Subcommittee concurs with the House action to utilize state forfeiture funds as the match for the federal drug enforcement funds for the Narcotics Strike Force. The use of state forfeiture funds results in the reduction of \$213,005 from the State General Fund.

The Senate Subcommittee acknowledges the concerns of the Senate Subcommittee on the Attorney General's budget over this recommendation. First, that the statute states that these funds "shall not be considered a source of revenue to meet normal operating expenses" and secondly, that it appears doubtful that there would be enough money in the fund to provide the match.

The Subcommittee reviewed the statute (K.S.A. 64-4173) and specifically refers to the language which provides that the agency originating the forfeiture may expend the funds to defray the costs of protracted or complex investigations, to provide additional technical equipment or expertise, to obtain federal grants or for such other law enforcement purposes as the Attorney General deems appropriate, but shall not be considered a source of revenue to meet normal operating expenses. The Senate Subcommittee believes that use of the forfeiture funds to obtain federal grant funds is within the guidelines of the statute and without the use of state forfeiture funds the General Fund would have been reduced as part of the budget cuts, and therefore, these expenditures are not considered normal operating expenses. In regard to the question about adequate receipts to the fund, the KBI provided a list of property and property subject to seizure which indicates property with a value totaling \$300,658. The Subcommittee understands that the \$300,658 is an estimate based on approximate property values and should not be construed as actual proceeds payable to the KBI for the following reasons:

- a. litigation may result in the property being returned to the owner;
- b. sharing agreements with other agencies;

- c. attorney fees up to 10 percent;
- d. cost of seizure, storage, publication, sale; and
- e. EPA pollution restrictions on real properties where covert drug labs have operated.

The Subcommittee believes that the Legislature must strictly oversee expenditures from this new state forfeiture fund. Appropriate control must be exerted to prevent this from being a "slush fund."


The Subcommittee notes that if there is not \$213,005 in receipts, the 1992 Legislature can revisit this item and make any necessary adjustments.

- 5. Collapse the two State General Fund line items (salaries and wages and other operating expenditures) into one General Fund state operations line item to give the agency additional flexibility.
- 6. The Subcommittee concurs with the recommendation of the Senate Subcommittee on capital improvements to add \$5,000 from the State General Fund for major maintenance as opposed to the Governor's recommendation for \$5,000 from the proposed General Facilities Building Fund.
- 7. The Subcommittee is generally opposed to any sort of laboratory fee fund and rejects the House suggestion to impose fees to recoup costs associated with court cases that require forensic examinations conducted by the KBI's forensic laboratory. The Subcommittee acknowledges that in difficult fiscal years it is necessary to find other sources of revenue and sees some merit in a fee fund; however, the Subcommittee believes that basic funding of the laboratory is the responsibility of the state and cities two key arguments:
 - a. counties with a limited tax base could be severely hindered in conducting investigations;
 - b. support of local law enforcement is a primary mission of the KBI; and
 - c. the FBI does not charge other law enforcement agencies for laboratory work.
- 8. The Subcommittee learned that a Governor's budget amendment is anticipated to add an estimated \$257,000 in funding for the SNA protocol conversion of the Law Enforcement Telecommunications Network. The Subcommittee believes that the GBA should also include \$85,350 for the KBI because of delays in the conversion. The Governor's recommendation included savings in FY 1992 that

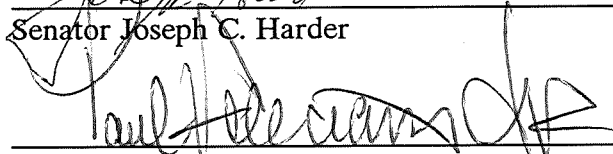
will not materialize due to the delay in the conversion. The Subcommittee notes that projected savings should begin in FY 1992.

9. The status of the Lottery and Racing Investigation Fee Fund reflecting the Governor and Senate recommendations is as follows:

| <u>Resource Estimate</u> | <u>Gov. Rec. FY 1991</u> | <u>Sen. Rec. FY 1991</u> | <u>Gov. Rec. FY 1992</u> | <u>Sen. Rec. FY 1992</u> |
|--------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Beginning Balance | \$ 298,028 | \$ 298,028 | \$ 362,193 | \$ 342,193 |
| Net Receipts | 486,978 | 486,978 | 415,207 | 415,207 |
| Total Available | \$ 785,006 | \$ 785,006 | \$ 777,400 | \$ 757,400 |
| Less: Expenditures | 422,813 | 442,813 | 661,810 | 661,810 |
| Ending Balance | \$ 362,193 | \$ 342,193 | \$ 115,590 | \$ 95,590 |



 Senator Joseph C. Harder



 Senator Paul Feleciano, Jr.

**REVISED
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 | 2,000,000 |
| Other Funds | 1,632,529 | 1,632,529 | -- |
| Subtotal--General Use Funds | <u>\$ 176,941,369</u> | <u>\$ 175,510,550</u> | <u>\$ 2,000,000</u> |
| Other Funds | 53,255,838 | 53,255,838 | -- |
| Subtotal--Operating | <u>\$ 230,197,207</u> | <u>\$ 228,766,388</u> | <u>\$ 2,000,000</u> |
| 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. | <u>\$ 4,428,885</u> | <u>\$ 4,375,051</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ 234,626,092</u></u> | <u><u>\$ 233,141,439</u></u> | <u><u>\$ 2,000,000</u></u> |
| FTE Positions | | | |
| Classified | 3,087.9 | 3,087.9 | -- |
| Unclassified | 1,661.2 | 1,661.2 | -- |
| Total | <u><u>4,749.1</u></u> | <u><u>4,749.1</u></u> | <u><u>--</u></u> |

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

4-3-91
SWAM
Attachment 2

Legislature. The Governor does concur with the additional Hospital Revenue Fund expenditures for nursing salaries and other operating expenditures.

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.
3. The Subcommittee utilizes the latest receipt estimates of KUMC for the Hospital Revenue Fund. The institution will not be required to repay Medicare \$2.5 million over an educational reimbursement issue in the current year. When this \$2.5 million is combined with approximately \$700,000 in revenue above expectations, KUMC will have approximately \$3.2 million more in the Hospital Revenue Fund than originally anticipated in the current year. The Subcommittee recommends additional expenditures of \$2,000,000 financed from the Hospital Revenue Fund for hospital related salaries and wages. The additional hospital expenditures in the current year include (1) lower than budgeted shrinkage in nursing; (2) higher than budgeted holiday pay, shift differential, and overtime pay; and (3) higher than anticipated student salaries, mainly nursing students.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

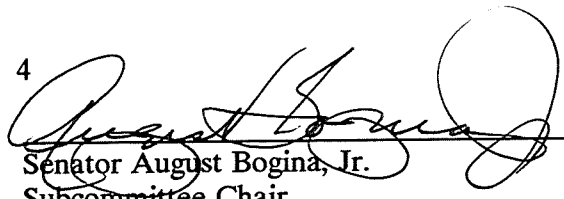
The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

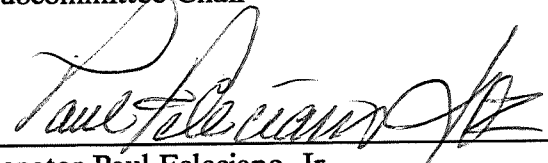
| Expenditure Summary | House Adj. FY 91 | House Rec. FY 91 | Senate Subcommittee Adjustments |
|-----------------------------|----------------------------|------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ -- | \$ 67,067,041 | \$ (1,031,673) |
| General Fees Fund | -- | 6,162,612 | -- |
| Hospital Revenue Fund | 2,000,000 | 102,648,368 | -- |
| Other Funds | -- | 1,632,529 | -- |
| Subtotal--General Use Funds | <u>\$ 2,000,000</u> | <u>\$ 177,510,550</u> | <u>\$ (1,031,673)</u> |
| Other Funds | -- | 53,255,838 | -- |
| Subtotal--Operating | <u>\$ 2,000,000</u> | <u>\$ 230,766,388</u> | <u>\$ (1,031,673)</u> |
| Capital Improvements: | | | |
| State General Fund | \$ -- | \$ 165,274 | \$ -- |
| Hospital Fund | -- | 929,244 | -- |
| Educational Bldg. Fund | -- | 2,269,692 | -- |
| Other Funds | -- | 1,010,841 | -- |
| Subtotal--Capital Impr. | <u>\$ --</u> | <u>\$ 4,375,051</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ 2,000,000</u></u> | <u><u>\$ 235,141,439</u></u> | <u><u>\$ (1,031,673)</u></u> |
| FTE Positions | | | |
| Classified | -- | 3,087.9 | -- |
| Unclassified | -- | 1,661.2 | -- |
| Total | <u><u>--</u></u> | <u><u>4,749.1</u></u> | <u><u>--</u></u> |

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

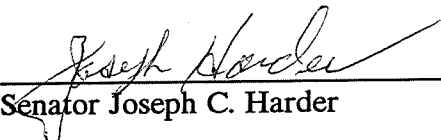
1. **Systemwide Recommendation – Utilities.** Add \$132,116 (State General Fund) for utilities based on the latest expenditure-to-date information.
2. **System Recommendation – Hospital Revenue.** The Subcommittee recommends that \$1,163,789 in additional Hospital Revenue Fund receipts in the current 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 expend the full \$2,000,000 in the current year.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Joseph C. Harder

**REVISED
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 | 2,000,000 |
| Other Funds | 723,926 | 2,090,992 | 500,000 |
| Subtotal -- General Use | <u>\$ 189,938,194</u> | <u>\$ 183,595,590</u> | <u>\$ (2,257,261)</u> |
| Other Funds | 56,201,751 | 56,445,671 | -- |
| Subtotal -- Operating | <u>\$ 246,139,945</u> | <u>\$ 240,041,261</u> | <u>\$ (2,257,261)</u> |
| 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. | <u>\$ 9,775,450</u> | <u>\$ 2,015,450</u> | <u>\$ 1,650,000</u> |
| GRAND TOTAL | <u><u>\$ 255,915,395</u></u> | <u><u>\$ 242,056,711</u></u> | <u><u>\$ (607,261)</u></u> |
| FTE Positions: | | | |
| Classified | 3,087.9 | 3,087.9 | -- |
| Unclassified | 1,674.7 | 1,661.2 | -- |
| TOTAL | <u><u>4,762.6</u></u> | <u><u>4,749.1</u></u> | <u><u>--</u></u> |

* 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.
17. The Subcommittee utilizes the latest projected receipt estimates of KUMC for the Hospital Revenue Fund and increases receipts by \$2.5 million. The institution anticipates that \$2.5 million in a potential Medicare reimbursement issue will not have to be repaid in FY 1992. The Subcommittee recommends additional expenditures of \$2,000,000 financed from the Hospital Revenue Fund for hospital related salaries and wages. The additional expenditure will address nursing salary and wage shrinkage, hospital personnel holiday pay, shift differential, and overtime pay, and student nurse salaries.
18. The Subcommittee notes that the revised ending balance in the Hospital Revenue Fund at the end of FY 1992 is \$2,227,648, which represents a little over one week of operating expenditures at the hospital.

19. The Subcommittee would suggest to clearly define the budgetary issues facing Bell Memorial Hospital, that the institution submit two budget documents in FY 1993. One document would reflect hospital operations and the other would reflect the educational component of the institution.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee with the following adjustments:

1. Add \$617,944 (State General Fund) that deletes the 1 percent across the board State General Fund cut that was proposed by the Committee.
2. Add \$784,306 (State General Fund) that reduces salary and wage shrinkage by 0.5 percent. The Committee had recommended that salary and wage shrinkage be increased by 0.5 percent above the Governor's recommendations. The action returns the salary and wage shrinkage rate to the Governor's recommendation.
3. Add \$117,079 (State General Fund) to finance a 16 percent base increase for student salaries.
4. Add \$15,394 (State General Fund) to provide a 100 percent graduate teaching assistant fee waiver. The action also reduces expenditures from the General Fees Fund by a like amount of \$15,394.
5. Add \$537,673 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

Senate Subcommittee Recommendations

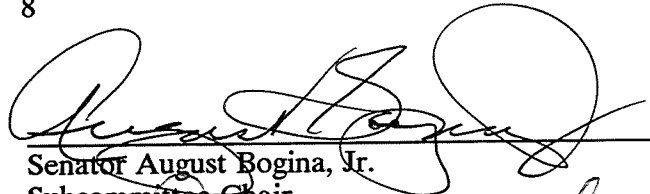
| <u>Expenditure Summary</u> | <u>House Adj. FY 92</u> | <u>House Rec. FY 92</u> | <u>Senate Subcommittee Adjustments</u> |
|----------------------------|-----------------------------|------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ (3,011,845) | \$ 65,535,134 | \$ (2,046,911) |
| General Fees Fund | 311,586 | 7,006,058 | (312,916) |
| Hospital Revenue Fund | 2,000,000 | 108,263,147 | (770,994) |
| Other Funds | 550,000 | 1,590,992 | -- |
| Subtotal -- General Use | <u>\$ (200,259)</u> | <u>\$ 183,395,331</u> | <u>\$ (3,130,821)</u> |
| Other Funds | -- | 56,445,671 | -- |
| Subtotal -- Operating | <u>\$ (200,259)</u> | <u>\$ 239,841,000</u> | <u>\$ (3,130,821)</u> |
| Capital Improvements: | | | |
| Hospital Fund | \$ 1,250,000 | \$ 1,578,888 | \$ -- |
| Educational Building Fund | 400,000 | 400,000 | -- |
| Other Funds | -- | 1,686,562 | -- |
| Subtotal -- Capital Impr. | <u>\$ 1,650,000</u> | <u>\$ 3,665,450</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ 1,449,741</u></u> | <u><u>\$ 243,506,452</u></u> | <u><u>\$ (3,130,821)</u></u> |
| FTE Positions: | | | |
| Classified | -- | 3,087.9 | -- |
| Unclassified | -- | 1,661.2 | -- |
| TOTAL | <u><u>--</u></u> | <u><u>4,749.1</u></u> | <u><u>--</u></u> |

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

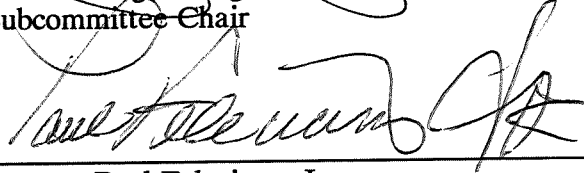
1. **Systemwide Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that the State General Fund line item for utilities be a separate line item and not part of a new general line item of "other operating expenditures" as recommended by the House in FY 1992 which would include salaries and wages, other operating expenditures, and utilities. The Subcommittee supports keeping and accounting for utility expenditures separately.
2. **Systemwide Recommendation -- FY 1992 Additional 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 has 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 3 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 \$312,916 in general fee funding for the institutions in FY 1992. The Subcommittee also recommends the Board of Regents carefully review the issue of any additional tuition increases in FY 1992 and if necessary approach the State Finance Council for additional expenditure authority for increased tuition receipts.

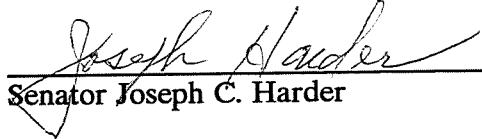
3. **Systemwide Recommendation – FY 1992 State General Fund Reduction.** The Subcommittee reduces State General Fund support systemwide by \$12,590,566 or 2.6 percent. The Subcommittee proposes allocating the reduction proportionally at the institutions based on their percentage of State General Fund support of all Regents institutions. The Subcommittee action \$2,817,905 in State General Fund support for the institution in the budget year.
4. The Subcommittee concurs with the recommendation of the House that KUMC submit two budget documents in FY 1993. One would be for Bell Memorial Hospital and the other for the education programs at the institution. The separate budget documents would assist in clearly defining the budgetary issues facing the hospital.
5. The Subcommittee requests that the possibility of additional operating expenditures from the Medical Scholarship Repayment Fund be reviewed again for possible inclusion in the omnibus appropriation bill.
6. The Subcommittee expresses alarm that KUMC has consistently overexpended the areas of hospital overtime, holiday pay, and student salaries without adjusting the subsequent budget submission. For example, hospital overtime and holiday pay in the current year is budgeted at \$369,140 while the estimated expenditures are \$1,925,339; student salaries are budgeted at \$262,352 and estimated expenditures are \$800,000. Actual experience in FY 1990 mirrored this discrepancy. The Subcommittee strongly urges that the agency be responsible in the future for submitting budget documents that are as realistic as possible and reflect actual experience in the preceding year.
7. The Subcommittee is dismayed that the state employees health care contract has elected a health care provider that primarily utilizes a health care institution outside the state boundaries. One provider recently shifted from primarily utilizing KUMC to a hospital outside of Kansas. The impact of the shift is estimated to be reflected in a loss of revenue from \$5 to \$7 million from for KUMC. The Subcommittee requests that the State Employees Health Care Commission review in depth the issue of utilizing a provider for state employees that uses a health care institution outside of Kansas and report back to this Committee prior to the next contract for state employees health care being approved.
8. Shift funding of \$770,994 from the Hospital Revenue Fund to the State General Fund. The Subcommittee action will add \$770,994 (State General Fund) to reduce the amount of Hospital Revenue Fund support for utilities, security, and physical plant for KUMC financed from the Hospital Revenue Fund. The action will increase the estimated ending balance in the Hospital Revenue Fund in FY 1992 from \$1,114,854 to \$1,885,848 which still represents less than one week of operating expenditures at the hospital.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Joseph C. Harder

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 932

Budget Page No. 598

| <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 | \$ 47,711,123 | \$ 47,237,488 | \$ -- |
| General Fees Fund | 16,398,496 | 16,398,496 | -- |
| Subtotal--Gen. Use Funds | <u>\$ 64,109,619</u> | <u>\$ 63,635,984</u> | <u>\$ --</u> |
| Other Funds | 31,862,982 | 31,862,982 | -- |
| Subtotal--Operating Exp. | <u>\$ 95,972,601</u> | <u>\$ 95,498,966</u> | <u>\$ --</u> |
| Capital Improvements: | | | |
| Edu. Bldg. Fund | \$ 6,515,491 | \$ 6,537,734 | \$ -- |
| Other Funds | 545,000 | 545,000 | -- |
| Subtotal--Capital Imp. | <u>\$ 7,060,491</u> | <u>\$ 7,082,734</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ 103,033,092</u></u> | <u><u>\$ 102,581,700</u></u> | <u><u>\$ --</u></u> |
| FTE Positions: | | | |
| Classified | 640.9 | 640.9 | -- |
| Unclassified | 1,046.3 | 1,046.3 | -- |
| TOTAL | <u><u>1,687.2</u></u> | <u><u>1,687.2</u></u> | <u><u>--</u></u> |

Agency Request/Governor's Recommendation

FY 1991. The University's general use base budget for FY 1991 totals \$64,109,619, which is 4.4 percent greater than actual general use expenditures for FY 1990. The University requests a State General Fund supplemental of \$96,128. The requested supplemental funding reflects a shortfall in anticipated general fee income for Fall, 1990.

The Governor recommends a general use base budget of \$63,635,984 or \$473,635 less than requested and \$561,175 less than currently authorized. In particular the Governor adjusts employee and dependent health insurance downward by \$521,516 to reflect the latest employer rates. The Governor does not recommend any supplemental funding in FY 1991. The Governor recommends that \$473,635 in State General Fund resources in the current year be reappropriated to finance expenditures in FY 1992.

House Subcommittee Recommendation

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

1. Authorize the transfer of \$3,087 in general fees to fully meet the required match of federal funds for educational opportunity grants.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

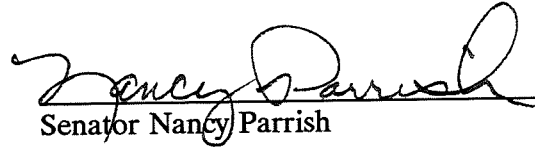
| <u>Expenditure Summary</u> | <u>House Adj. FY 91</u> | <u>House Rec. FY 91</u> | <u>Senate Subcommittee Adjustments</u> |
|----------------------------|-----------------------------|-----------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ -- | \$ 47,237,488 | \$ 407,625 |
| General Fees Fund | -- | 16,398,496 | (96,128) |
| Subtotal--Gen. Use Funds | \$ -- | \$ 63,635,984 | \$ 311,497 |
| Other Funds | -- | 31,862,982 | -- |
| Subtotal--Operating Exp. | \$ -- | \$ 95,498,966 | \$ 311,497 |
| Capital Improvements: | | | |
| Edu. Bldg. Fund | \$ -- | \$ 6,537,734 | \$ -- |
| Other Funds | -- | 545,000 | -- |
| Subtotal--Capital Imp. | \$ -- | \$ 7,082,734 | \$ -- |
| GRAND TOTAL | \$ -- | \$ 102,581,700 | \$ 311,497 |
| FTE Positions: | | | |
| Classified | -- | 640.9 | -- |
| Unclassified | -- | 1,046.3 | -- |
| TOTAL | -- | 1,687.2 | -- |

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

1. **Systemwide Recommendation – Utilities.** Add \$311,497 (State General Fund) for utilities based on the latest expenditures-to-date information.
2. **Systemwide Recommendation – Fall 1990 General Fee Shortfall.** Add \$96,128 (State General Fund) for supplemental support as a result of a shortfall in general fees in the current year. The student enrollment was less than anticipated at the institution. The action reduces the general fee expenditure limitation by \$96,128.



Senator Dave Kerr
Subcommittee Chair



Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 2086

Bill Sec. 9

Analyst: Conroy

Analysis Pg. No. 932

Budget Page No. 598

| <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 | \$ 53,751,873 | \$ 50,541,445 | \$ (4,874,748) |
| General Fees Fund | 17,139,351 | 17,151,710 | 1,110,656 |
| Subtotal--Gen. Use Funds | <u>\$ 70,891,224</u> | <u>\$ 67,693,155</u> | <u>\$ (3,764,092)</u> |
| Other Funds | 32,507,528 | 32,507,528 | -- |
| Subtotal--Operating Exp. | <u>\$ 103,398,752</u> | <u>\$ 100,200,683</u> | <u>\$ (3,764,092)</u> |
| Capital Improvements: | | | |
| Edu. Bldg. Fund | \$ 4,273,485 | \$ 4,250,000 | \$ -- |
| Other Funds | 650,000 | 560,000 | -- |
| Subtotal--Capital Imp. | <u>\$ 4,923,485</u> | <u>\$ 4,810,000</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ 108,322,237</u></u> | <u><u>\$ 105,010,683</u></u> | <u><u>\$ (3,764,092)</u></u> |
| FTE Positions: | | | |
| Classified | 642.4 | 642.4 | (1.5) |
| Unclassified | 1,053.8 | 1,053.8 | (7.5) |
| TOTAL | <u><u>1,696.2</u></u> | <u><u>1,696.2</u></u> | <u><u>(9.0)</u></u> |

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. The University requests a total of \$70,891,224 in general use funds for the FY 1992 budget, an increase of 10.6 percent over the FY 1991 budget. The request includes increases of \$2,684,352 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 step movement and longevity pay. The University also requests a reduction in the approved salary and wage shrinkage rate (\$138,872), restoration of funds to the other operating expenditures base for increased salary and wage shrinkage in FY 1991 (\$629,476), a shift in funding for the computer center, and \$17,606 for a special street assessment. The agency also requests \$2,101,342 for the Margin of Excellence, \$1,405,342 for unclassified salary parity, and \$696,000 for mission-related program enhancements.

The Governor recommends an FY 1992 general use base budget of \$67,693,155 or a 6.4 percent increase above the revised FY 1991 recommendations. The Governor's recommendations include in a separate salary reserve 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 does recommend the requested 16 percent student salary increase in the budget year, a 4 percent increase in other operating expenditures, enrollment adjustment funding (\$377,152), 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 \$206,224 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 \$269,842, 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 \$333,992 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 \$376,947 in State General Fund financing and 9.0 FTE positions (1.5 classified and 7.5 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 \$61,000 and offsets the demand on the State General Fund by the same amount (\$61,000).
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 \$2,101,342 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 \$1,049,656 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$1,049,656).
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 \$475,745. 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 notes with concern that the Governor did not recommend continued funding for the engineering rehabilitation program. The program had previously been funded from the EDIF. The Subcommittee recommends that this issue be reviewed further in the omnibus appropriation bill once the future of EDIF resources has been established.
15. Authorize the transfer of an additional \$7,000 in general fees to fully meet the latest matching estimate of federal funds for educational opportunity grants.

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee with the following adjustments:

1. Add \$475,745 (State General Fund) that deletes the one percent across the board State General Fund cut that was proposed by the Committee.
2. Add \$269,842 (State General Fund) that reduces salary and wage shrinkage by 0.5 percent. The Committee had recommended that salary and wage shrinkage be increased by 0.5 percent above the Governor's recommendations. The action returns the salary and wage shrinkage rate to the Governor's recommendation.
3. Add \$376,947 (State General Fund) and 9.0 FTE positions (1.5 classified and 7.5 unclassified) to fund the requested budget year enrollment adjustment. The action incorporates the Regent's proposed modification to the corridors of the enrollment adjustment calculations.

4. Add \$206,224 (State General Fund) to finance a 16 percent base increase for student salaries.
5. Add \$48,800 (State General Fund) to provide a 100 percent graduate teaching assistant fee waiver. The action also reduces expenditures from the General Fees Fund by a like amount of \$48,800.
6. Add \$333,992 (State General Fund) to provide a four percent base increase for other operating expenditures.

Senate Subcommittee Recommendation

| Expenditure Summary | House Adj. FY 92 | House Rec. FY 92 | Senate Subcommittee Adjustments |
|--------------------------|------------------------------|------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ (3,163,198) | \$ 47,378,247 | \$ (1,487,811) |
| General Fees Fund | 1,061,856 | 18,213,566 | (1,049,656) |
| Subtotal--Gen. Use Funds | <u>\$ (2,101,345)</u> | <u>\$ 65,561,813</u> | <u>\$ (2,537,467)</u> |
| Other Funds | 105,000 | 32,612,528 | (105,000) |
| Subtotal--Operating Exp. | <u>\$ (1,996,345)</u> | <u>\$ 98,174,341</u> | <u>\$ (2,642,467)</u> |
| Capital Improvements: | | | |
| Edu. Bldg. Fund | \$ -- | \$ 4,250,000 | \$ -- |
| Other Funds | -- | 560,000 | -- |
| Subtotal--Capital Imp. | <u>\$ --</u> | <u>\$ 4,810,000</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ (1,996,345)</u></u> | <u><u>\$ 105,010,683</u></u> | <u><u>\$ (2,642,467)</u></u> |
| FTE Positions: | | | |
| Classified | -- | 642.4 | -- |
| Unclassified | -- | 1,053.8 | -- |
| TOTAL | <u><u>--</u></u> | <u><u>1,696.2</u></u> | <u><u>--</u></u> |

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

1. **Systemwide Recommendation – 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 include salaries and wages, other operating expenditures, and utilities. The Subcommittee supports keeping and accounting for utility expenditures separately.

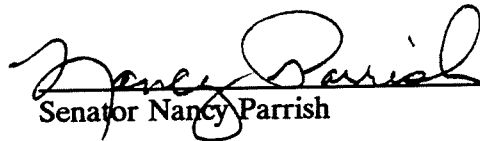
2. **Systemwide Recommendation – FY 1992 Additional Tuition Increase.** The Subcommittee does not recommend the increased tuition that the House would levy in FY 1992. The House has recommended additional tuition receipts in the budget year of \$7,327,810. The House has recommended that resident tuition 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 3 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 \$1,049,656 in general fee funding for the institutions in FY 1992. The Subcommittee also recommends the Board of Regents carefully review the issue of any additional tuition increases in FY 1992 and if necessary approach the State Finance Council for additional expenditure authority for increased tuition receipts.

3. **Systemwide Recommendation – FY 1992 State General Fund Reduction.** The Subcommittee reduces State General Fund support systemwide by \$12,590,566 or 2.6 percent. The Subcommittee proposes allocating the reduction proportionally at the institutions based on their percentage of State General Fund support of all Regents institutions. The Subcommittee action \$1,487,811 in State General Fund support for the institution in the budget year.

4. Delete \$105,000 Economic Development Initiatives Fund (EDIF) funding for the engineering rehabilitation program. The Subcommittee, although supportive of the program, suggests that funding should come from the established procedures for determining EDIF funding which includes a competitive funding process.



Senator Dave Kerr
Subcommittee Chair



Senator Nancy Parrish

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:

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1. Add \$30,000 (State General Fund) for pre-design 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.

House Committee Recommendation

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

1. Delete \$30,000 (State General Fund) for pre-design investigation planning for remediation activities at the Sunflower Research Landfill near DeSoto, Kansas. The Committee defers funding the study until a comprehensive review of all state hazardous materials sites can be conducted. The Committee will consider the issue in the Omnibus appropriation bill.

House Committee of the Whole Recommendation


The House Committee of the Whole concurs with the recommendation of the Committee.

| <u>Expenditure Summary</u> | <u>House Adj. FY 91</u> | <u>House Rec. FY 91</u> | <u>Senate Subcommittee Adjustments</u> |
|---------------------------------------|-----------------------------|-----------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ -- | \$ 100,988,204 | \$ (54,343) |
| General Fees Fund | -- | 46,096,390 | -- |
| Endowment Interest | -- | 25,000 | -- |
| Subtotal -- General Use Funds | \$ -- | \$ 147,109,594 | \$ (54,343) |
| Restricted Use Funds | -- | 89,818,100 | -- |
| Subtotal -- Operating Expenditures | \$ -- | \$ 236,927,694 | \$ (54,343) |
| Capital Improvements: | | | |
| State General Fund | \$ -- | \$ 1,124,960 | \$ -- |
| Educational Building Fund | -- | 3,568,073 | -- |
| Other Funds | -- | 8,672,116 | -- |
| Subtotal -- Cap. Impr. | \$ -- | \$ 13,365,149 | \$ -- |
| GRAND TOTAL | <u>\$ --</u> | <u>\$ 250,292,843</u> | <u>\$ (54,343)</u> |
| FTE Positions: | | | |
| Classified | -- | 2,017.0 | -- |
| Unclassified | -- | 2,416.8 | -- |
| TOTAL | <u>--</u> | <u>4,433.8</u> | <u>--</u> |


Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation – Utilities.** Delete \$233,843 (State General Fund) for utilities based on the latest expenditures to date information.
2. **Systemwide Recommendation – Fall 1990 General Fee Release.** Release \$149,500 in general fees in the current year. The additional fees are from higher than anticipated enrollment for the Fall, 1990. The amount represents release of 75 percent of the additional unanticipated general fees to meet the expenses associated with the additional students. The Subcommittee notes that fee release is a one-time expenditure and not built into the base budget of the institution. Since the Governor expended the available general fees the net result is an additional \$149,500 in State General Fund support.
3. Add \$30,000 (State General Fund) for pre-design investigation planning for remediation activities at the Sunflower Research Landfill near DeSoto, Kansas. The Subcommittee notes that remediation is being required by the Department of Health and Environment and that additional costs at the site will be determined by the clean-up levels and the resulting remediation activities. The Subcommittee also notes that the Department of Health and Environment has expressed a strong recommendation that the site be handled as a Kansas site instead of a federal EPA superfund site. The Subcommittee is aware that the planning activities in FY 1991 and FY 1992 may result in a subsequent request to the Legislature by the institution to fund the actual remediation activities.



 Senator Jim Allen
 Subcommittee Chair



 Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2086

Bill Sec. 7

Analyst: Conroy

Analysis Pg. No. 906

Budget Page No. 582

| <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 | \$ 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 pre-design 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.

House Committee Recommendation

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

1. Delete \$535,000 (State General Fund) for pre-design investigation for remediation activities at the Sunflower Research Landfill near DeSoto, Kansas. The Committee defers the issue to the Omnibus appropriation bill.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee with the following adjustments:

1. Add \$994,430 (State General Fund) that deletes the 1 percent across-the-board State General Fund cut that was proposed by the Committee.
2. Add \$672,865 (State General Fund) that reduces salary and wage shrinkage by 0.5 percent. The Committee had recommended that salary and wage shrinkage be increased by 0.5 percent above the Governor's recommendations. The action returns the salary and wage shrinkage rate to the Governor's recommendation.

3. Add \$1,272,157 (State General Fund) and 18.5 FTE positions (1.5 classified and 17.0 unclassified) to fund the requested budget year enrollment adjustment. The action incorporates the Regents' proposed modification to the corridors of the enrollment adjustment calculations.
4. Add \$275,047 (State General Fund) to finance a 16 percent base increase for student salaries.
5. Add \$231,954 (State General Fund) to provide a 100 percent graduate teaching assistant fee waiver. The action also reduces expenditures from the General Fees Fund by a like amount or \$231,954.
6. Add \$711,986 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

| Expenditure Summary | House Adj. FY 92 | House Rec. FY 92 | Senate Subcommittee Adjustments |
|--------------------------------|-----------------------|-----------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ (7,606,265) | \$ 98,179,808 | \$ (713,769) |
| General Fees Fund | 3,650,165 | 53,022,831 | (3,639,609) |
| Endowment Interest | -- | 25,000 | -- |
| Subtotal -- Gen. Use Funds | <u>\$ (3,956,100)</u> | <u>\$ 151,227,639</u> | <u>\$ (4,353,378)</u> |
| Restricted Use Funds | -- | 94,544,513 | -- |
| Subtotal -- Oper. Expend. | <u>\$ (3,956,100)</u> | <u>\$ 245,772,152</u> | <u>\$ (4,353,378)</u> |
| Capital Improvements: | | | |
| Educational Bldg. Fund | \$ (490,000) | \$ 411,627 | \$ -- |
| Other Funds | -- | 12,362,000 | -- |
| Subtotal -- Cap. Impr. | <u>\$ (490,000)</u> | <u>\$ 12,773,627</u> | <u>\$ --</u> |
| | <u>\$ (4,446,100)</u> | <u>\$ 258,545,779</u> | <u>\$ (4,353,378)</u> |
| FTE Positions: | | | |
| Classified | -- | 2,002.9 | -- |
| Unclassified | -- | 2,448.8 | -- |
| TOTAL | <u>--</u> | <u>4,451.7</u> | <u>--</u> |

Senate Subcommittee Recommendation

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

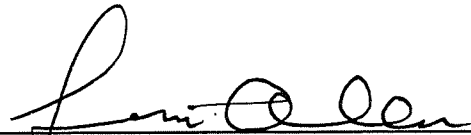
1. **Systemwide Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that the State General Fund line item for utilities be a separate line item and not part of a new general line item

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.


2. **Systemwide Recommendation -- FY 1992 Additional 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 has 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 3 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 \$3,639,609 in general fee funding for the institutions in FY 1992. The Subcommittee also recommends the Board of Regents carefully review the issue of any additional tuition increases in FY 1992 and if necessary approach the State Finance Council for additional expenditure authority from increased tuition receipts.
3. **Systemwide Recommendation -- FY 1992 State General Fund Reduction.** The Subcommittee reduces State General Fund support systemwide by \$12,590,566 or 2.6 percent. The Subcommittee proposes allocating the reduction proportionally at the institutions based on their percentage of State General Fund support of all Regents' institutions. The Subcommittee action deletes \$1,427,473 in State General Fund support for the institution in the budget year.
4. **Systemwide Recommendation -- FY 1992 Servicing New Buildings.** The Subcommittee recommends adding \$55,688 for full-year funding of the servicing of new buildings for the Regents' Center and University Press Offices.
5. Add \$535,000 (State General Fund) for pre-design investigation for remediation activities at the Sunflower Research Landfill near DeSoto, Kansas. The Subcommittee notes that remediation is being required by the Department of Health and Environment and that additional costs at the site will be determined by the clean-up levels and the resulting remediation activities. The Subcommittee also notes that the Department of Health and Environment has expressed a strong recommendation that the site be handled as a Kansas site instead of a federal EPA superfund site. The Subcommittee is aware that the planning activities in FY 1991 and FY 1992 may result in a subsequent request to the Legislature by the institution to fund the actual remediation activities.
6. Make a technical adjustment to add \$250,000 (Law Enforcement Training Center Fund) to the appropriation bill for a capital improvement project for the Law Enforcement Training Center which was inadvertently omitted in the bill as

introduced by the Governor. The project has been recommended by the Joint Committee on State Building Construction. The Subcommittee recommends another technical adjustment to the Governor's recommendation to provide for reappropriation authority for the project from the FY 1990 project appropriation.

- 7. Add several no-limit fund accounts relating to the issuance of bonds for the construction of the Regents' Center. The accounts include: Regents Center Revenue Fund, Regents Center Board Reserve Fund, Regents Center Surplus Fund, Regents Center Rebate Fund, Regents Center Project Fund, and the Regents Center Cost of Issuance Fund. The Subcommittee also recommends that another no-limit account be retitled from the Regents Center Principal and Interest Sinking Fund to the Regents Center Principal and Interest Fund.
- 8. The Subcommittee notes with concern that the ultimate decision for the proposed shift in computer center funding could have a systemwide impact depending on the base increases for other operating expenditures and salaries and wages. The Subcommittee recommends that the issue be reviewed in the omnibus appropriation bill.
- 9. Add \$123,016 (State General Fund) for annualization of step movement and longevity pay for classified employees.



Senator Jim Allen
Subcommittee Chair



Senator Richard R. Rock

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.

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House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

The House concurs with the Committee's recommendations.

| <u>Expenditure Summary</u> | <u>House Adj. FY 91</u> | <u>House Rec. FY 91</u> | <u>Senate Subcommittee Adjustments</u> |
|-----------------------------|-----------------------------|------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ -- | \$ 103,744,592 | \$ 317,592 |
| General Fees Fund | -- | 27,476,159 | -- |
| Federal Land Grant Funds | -- | 6,757,023 | -- |
| Endowment Interest | -- | 125,000 | -- |
| Subtotal--General Use Funds | <u>\$ --</u> | <u>\$ 138,102,774</u> | <u>\$ 317,592</u> |
| Other Funds | -- | 67,552,683 | -- |
| Total--Operating Expend. | <u>\$ --</u> | <u>\$ 205,655,457</u> | <u>\$ 317,592</u> |
| Capital Improvements: | | | |
| State General Fund | \$ -- | \$ 7,060 | \$ -- |
| Educational Bldg. Fund | -- | 2,843,647 | -- |
| Other Funds | -- | 11,941,420 | -- |
| Subtotal--Capital Impr. | <u>\$ --</u> | <u>\$ 14,792,127</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ --</u></u> | <u><u>\$ 220,447,584</u></u> | <u><u>\$ 317,592</u></u> |
| FTE Positions | | | |
| Classified | -- | 1,943.5 | -- |
| Unclassified | -- | 2,316.9 | -- |
| Total | <u><u>--</u></u> | <u><u>4,260.4</u></u> | <u><u>--</u></u> |

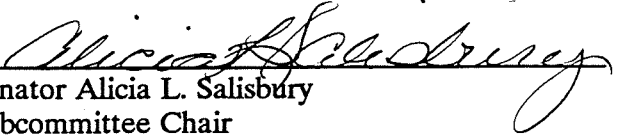
Senate Subcommittee Recommendation

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

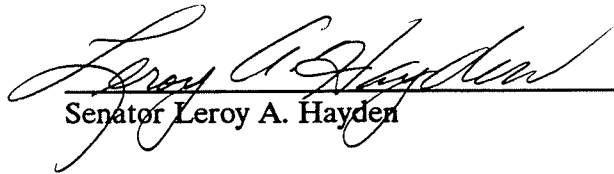
1. **Systemwide Recommendation -- Utilities.** Delete \$190,235 (State General Fund) for utilities based on the latest expenditures-to-date information.
2. **Systemwide Recommendation -- Fall 1990 General Fee Release.** Release \$507,827 in general fees in the current year. The additional fees are from higher than anticipated enrollment for the Fall, 1990. The amount represents release of 75 percent of the additional unanticipated general fees to meet the expenses associated with the additional students. The Subcommittee notes that fee release is a one-time expenditure and not built into the base budget of the institution.

Since the Governor expended the available general fees the net result is an additional \$507,827 in State General Fund support.

3. Make a technical adjustment to correct an Educational Building Fund account that was inadvertently lapsed by the 1990 Legislature. The "Construct Plant Science Greenhouses -- Planning" account with a balance of \$8,010 was lapsed when the intent was to lapse the "Plan and Construct Plant Sciences Greenhouses" account. The Subcommittee recommends restoring the funds that were lapsed by mistake and lapse the remaining funds in the proper account.



Senator Alicia L. Salisbury
Subcommittee Chair



Senator Leroy A. Hayden

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:

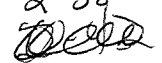
1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$267,764 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends 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 one at the Ashland Farm in Manhattan.
 - 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.

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House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

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

1. Add \$1,054,714 (State General Fund) that deletes the 1 percent across the board State General Fund cut that was proposed by the Committee.
2. Add \$597,002 (State General Fund) that reduces salary and wage shrinkage by 0.5 percent. The Committee had recommended that salary and wage shrinkage be increased by 0.5 percent above the Governor's recommendations. The action returns the salary and wage shrinkage rate to the Governor's recommendation.
3. Add \$1,919,066 (State General Fund) and 21.0 FTE positions (9.0 classified and 12.0 unclassified) to fund the requested budget year enrollment adjustment. The action incorporates the Regents' proposed modification to the corridors of the enrollment adjustment calculations.
4. Add \$267,764 (State General Fund) to finance a 16 percent base increase for student salaries.
5. Add \$74,160 (State General Fund) to provide a 100 percent graduate teaching assistant fee waiver. The action also reduces expenditures from the General Fees Fund by a like amount or \$74,160.
6. Add \$677,375 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

| <u>Expenditure Summary</u> | <u>House Adj. FY 92</u> | <u>House Rec. FY 92</u> | <u>Senate Subcommittee Adjustments</u> |
|--------------------------------|------------------------------|------------------------------|--|
| Operating Expenditures: | | | |
| State General Fund | \$ (5,495,121) | \$ 106,657,761 | \$ (3,404,282) |
| General Fees Fund | 1,826,116 | 30,045,730 | (1,818,283) |
| Federal Land Grant Funds | -- | 6,885,822 | -- |
| Endowment Interest | -- | 100,000 | -- |
| Subtotal--General Use Funds | <u>\$ (3,669,005)</u> | <u>\$ 143,689,313</u> | <u>\$ (5,222,565)</u> |
| Other Funds | -- | 69,282,020 | -- |
| Total--Operating Expend. | <u>\$ (3,669,005)</u> | <u>\$ 212,971,333</u> | <u>\$ (5,222,565)</u> |
| Capital Improvements: | | | |
| Educational Bldg. Fund | \$ 100,000 | \$ 100,000 | \$ -- |
| Other Funds | 265,000 | 14,961,477 | -- |
| Subtotal--Capital Impr. | <u>\$ 365,000</u> | <u>\$ 15,061,477</u> | <u>\$ --</u> |
| GRAND TOTAL | <u><u>\$ (3,304,005)</u></u> | <u><u>\$ 228,032,810</u></u> | <u><u>\$ (5,222,565)</u></u> |
| FTE Positions | | | |
| Classified | -- | 1,918.5 | -- |
| Unclassified | -- | 2,325.9 | -- |
| Total | <u>--</u> | <u>4,244.4</u> | <u>--</u> |

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- 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.
2. **Systemwide Recommendation -- FY 1992 Additional 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 has 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 3 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 \$1,818,283 in general fee funding for the institutions in FY 1992. The Subcommittee also recommends the Board of Regents carefully review the issue of any additional tuition increases in FY 1992 and if necessary approach the State Finance Council for additional expenditure authority from increased tuition receipts.

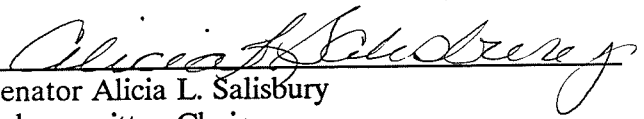
3. **Systemwide Recommendation -- FY 1992 State General Fund Reduction.** The Subcommittee reduces State General Fund support systemwide by \$12,590,566 or 2.6 percent. The Subcommittee proposes allocating the reduction proportionally at the institutions based on their percentage of State General Fund support of all Regents' institutions. The Subcommittee action deletes \$3,404,282 in State General Fund support for the institution in the budget year.
4. Add a restricted fee account to handle the new engineering equipment fee.
5. Adjust the transfer amount from general fees to match the latest estimates for the National Direct Student Loan fund and the federal Equal Opportunity grants.
6. The Subcommittee favorably recommends S.B. 362, which would provide a separate budget submission for the extension and research programs of the institution.
7. **Merger of Kansas College of Technology with KSU.** The Subcommittee wishes to go on record in support of the merger of the Kansas College of Technology with KSU. Although the Subcommittee had some initial concern about possible fragmentation involved in locating the professional engineering program in Manhattan and the associate degree and four-year engineering technology program in Salina, it is convinced that the proposed merger is a better use of facilities and resources than the present arrangement. The Subcommittee wishes to recognize the Salina community for its role in revitalizing the programs offered at the College of Technology and commends it for its initiative and support.

The Subcommittee notes that the proposed merger of the engineering programs is but one component of a plan developed by KSU last year to merge and consolidate several programs -- a plan that met with resistance and was apparently abandoned. The Subcommittee is convinced that a review of programs with an eye toward possible savings and efficiencies is an activity that ought to be ongoing and ought to be the responsibility of the State Board of Regents. The Subcommittee urges the Board to undertake this responsibility with greater zeal.

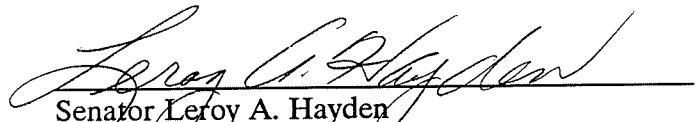
The Subcommittee wishes to state that, in the case of the proposed merger of KSU and the College of Technology, it supports the internal reallocation of any savings that result. At the College of Technology, it is estimated that approximately \$250,000 will be available over the next four years as the result of administrative positions becoming vacant. At KSU the eventual estimated annual savings will be \$477,981 and will be achieved after three years. The plan of the College and KSU, which the Subcommittee endorses, it to use part of the money

for equipment and part for faculty salaries. The Subcommittee notes that the existing KSU engineering technology program was established in 1975 without any new funds, but instead with existing resources of the College of Engineering.

8. The Subcommittee notes that the Senate systemwide recommendations reduce State General Fund at this institution by \$3,404,282. KSU has been severely impacted by the increasing student enrollments. The Subcommittee notes that a recent survey conducted by the Board of Regents indicated that full-time faculty members at KSU taught an average of 264.9 student credit hours per semester compared to 215.0 at KU and 246.2 at ESU. The survey supports the concept that the KSU faculty are at their maximum for student credit hour production. The reductions in State General Fund support recommended by the Senate systemwide decisions will impact course offerings, impact sequence of degree course offerings, and reduce temporary faculty positions and graduate teaching assistantships. If the state cannot provide additional support for higher education, the Board of Regents should take a serious look at an additional tuition increase. The Subcommittee notes that on the average, Regents institutions' tuition is 9 percent below peers for residents and 30 percent below peers for nonresidents.



Senator Alicia L. Salisbury
Subcommittee Chair



Senator Leroy A. Hayden

Preliminary Plan for Re-Configuring KCT as KSU-Salina, College of Technology

| | | -----Fiscal Year----- | | | |
|-----------------------------------|--|-----------------------|---------|---------|---------|
| | | FY 1992 | 1993 | 1994 | 1995 |
| ----- | | | | | |
| Savings: | President | 94,627 | | | |
| | Executive Secretary | 35,332 | | | |
| | Vice President--Administration | 57,317 | | | |
| | Vice President--Development | 54,406 | | | |
| | Vice President--Academic Affairs | 58,591 | | | |
| | Vice President--Student Services | 56,917 | | | |
| | Controller | 49,600 | | | |
| | College Relations Director | 33,343 | | | |
| | College Relations Assistant | 20,328 | | | |
| | Continuing Education Assistant | 28,331 | | | |
| | Registrar | 41,683 | | | |
| | Admissions Director | 40,893 | | | |
| | Admissions Assistant Director | 34,313 | | | |
| | Admissions Counselor | 26,818 | | | |
| | Conversion of 3 faculty from 12 to 9 months | 19,099 | | | |
| | Half-time Asst. Professor in Computer Tech. | 27,190 | | | |
| | Professor in General Technology | 47,686 | | | |
| | Funds for other part-time admin. positions | 14,395 | | | |
| ----- | | | | | |
| TOTAL SAVINGS: | | 740,869 | | | |
| ===== | | | | | |
| Uses: | Dean | 73,658 | | | |
| | Director of Fiscal Affairs | 57,931 | | | |
| | Director of College Advancement | 55,563 | | | |
| | Admissions Counselor | 24,187 | | | |
| | Admissions Counselor | 24,187 | | | |
| | Assistant Director--Publications | 33,343 | | | |
| | Assistant Director--Development | 37,803 | | | |
| | Career Services--Secretary | 20,640 | | | |
| | Aviation Director | 55,563 | | | |
| | Technology Director | 55,563 | | | |
| | Copy Center Coordinator | 20,328 | | | |
| | Convert Career Service Director to Full-Time | 24,906 | | | |
| | Salary enrichment--selected positions | 9,305 | | | |
| | Salary for part-time help in Business Office | 10,890 | | | |
| | Associate Dean | | 61,483 | | |
| | Secretary--Dean's Office | | 22,008 | | |
| | Assistant Professor--Electronics | | 40,171 | | |
| | Assistant Professor--Mechanical Technology | | | 40,171 | |
| | Assistant Professor--Electronics | | | | 40,171 |
| ----- | | | | | |
| TOTAL USES | | 503,867 | 627,529 | 667,700 | 707,871 |
| ===== | | | | | |
| Available for Equipment Purchases | | 237,002 | 113,340 | 73,169 | 32,998 |
| ----- | | | | | |

4-3-91
SWAm
Attachment 3

Key Factors on the Salina Merger

History of the Engineering Technology Program at Kansas State University, Manhattan

► The Engineering Technology Department was formally established in the College of Engineering at KSU in 1975 without any special or additionally appropriated funds. The faculty positions and OOE for the department were taken from the other units in the college with the expectation that, with enrollment increases, enrollment adjustment monies would be forthcoming to compensate those units that lost positions and OOE to Engineering Technology. This never happened. ► The College has tremendous growth during the late 70's and never did even come close to re-establishing its student faculty ratios of the early 70's. ► Note the following example.

► Example--College of Engineering, KSU

| | <u>1-UG Students</u> | <u>2-Grad. Students</u> | <u>1+2</u> | <u>3-Full-time Faculty</u> | $\frac{1 + 2 / 3}{\text{Gross Student/ Faculty}}$ 12.8 25.2 |
|------|----------------------|-------------------------|------------|----------------------------|---|
| 1973 | 950 | ~135 | 1085 | 85 | |
| 1990 | 2613 | ~262 | 8275 | 114 | |

Item #1

► As is obvious from the above example, the student-faculty ratios have more than doubled in the past two decades. The College's student-faculty ratio is very high.

Present Status of the Engineering Technology Program

The Engineering Technology program is presently nationally accredited by ABET with the following positions and budget from state monies for FY 91:

| | |
|-----------------------------|------------------|
| 7 Full-time Tenured Faculty | \$318,407 |
| Fringe Benefits | <u>75,605</u> |
| Total | \$394,012 |
| 1 Secretary | \$ 17,896 |
| Fringe Benefits | <u>4,094</u> |
| Total | \$ 21,990 |
| OOE | \$ 20,122 |
| Student Help | <u>4,737</u> |
| Total | \$477,981 |

Item #2

Note that all faculty are tenured and that over 82% of the monies are in faculty salaries. Over 87% of the budget is in total salaries.

Comparisons between KCT, Salina, and the College of Engineering, Manhattan

KCT has

- 14 Administrators not directly involved in Academic Programs
- 14 Administrators who also teach part-time (five Deans and six Department Heads)
- 22 Full-time faculty
- 396 FTE students (696 Headcount)

College of Engineering Manhattan has

- 2 Administrators not directly involved in Academic Programs
- 14 Administrators who also teach part-time (nine are Department Heads)
- 98 Full-time faculty
- 2800 FTE Students (~ 2800 Headcount)

If the part-time administrators are considered half-time teaching and half-time administration, KCT would have

- 400 students, 29 faculty and 21 administrators

The College would have

- ~2800 students, 105 faculty and 9 administrators

KCT

College

Item #3

It is obvious to me that there are easily 10 to 12 administrative positions at KCT that are available for "conversion" to teaching positions.

Summary

Transferring the ET program to Salina and keeping the department's positions and OOE in Manhattan "rights a wrong" that the College of Engineering has had to live with for fifteen years and also eliminates the large administrative structure that has evolved at KCT in Salina.

Don Rathbone
March 21, 1991

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