

Approved April 27, 1991

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson at 11:13 a.m., on April 4, 1991, in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Diane Duffy, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Norm Furse, Revisors' Office
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Arthur Griggs, Secretary of Administration
Nancy Echols, Personnel Director, Department of Administration
Gary Stotts, Secretary of Transportation
Judge William Carpenter, Kansas District Judges Association
Charles Dodson, Kansas Association of Public Employees
Norma Ascher, State employee
Tim Wright, State employee
Darrel Oldham, State Motor Pool
Elizabeth Trimble, Building and Grounds
Mary Dempsey, Building and Grounds
Trooper Jeff Collier, Kansas Highway Patrol, Kansas State Troopers' Assn.
Delores Howland, Department of Human Resources
Sandy Kokker, Department of Human Resources
Mary Jaimez, Department of Human Resources
Nancy Willett, Department of Human Resources
Connie Burrow, Kansas Department of Transportation
Betty Vines, Division of Purchases, Department of Administration

SB 22 - Kansas College of Technology, merger with Kansas State University

Senator Salisbury distributed Attachment 1 and reviewed funding for equipment and staff of the proposed Kansas State University-Salina, College of Technology. In answer to a question, it was stated that there was \$620,000 in the KCT budget for capital outlay, notwithstanding the \$250,000 savings in administrative costs. Concern regarding the need for equipment was expressed. The Chairman requested that information regarding the benefits to the state of Kansas of the proposed merger be explained to the Committee at a later date.

HB 2086 - Appropriations for FY92, State Board of Regents and higher education institutions

KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

KANSAS COLLEGE OF TECHNOLOGY

Senator Salisbury reviewed the FY91 and FY92 subcommittee report for the Kansas State University Veterinary Medical Center, Attachment 2. The Committee agreed to bypass Attachment 3, the subcommittee report on KCT because of SB 22.

FORT HAYS STATE UNIVERSITY

PITTSBURG STATE UNIVERSITY

Senator Doyen reviewed the FY91 and FY92 subcommittee reports for Fort Hays State University (Attachment 4) and Pittsburg State University (Attachment 5).

EMPORIA STATE UNIVERSITY

BOARD OF REGENTS

Senator Winter reviewed the FY91 and FY92 subcommittee reports for Emporia

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, April 4, 1991.

State University (Attachment 6) and the Board of Regents (Attachment 7). Senator Hayden voiced his opposition to reappropriating funds for the public broadcasting stations to the Board of Regents (item #3, Attachment 7-6), noting his doubt that the RECC and the Board of Regents could be responsive to rural, western Kansas broadcasting needs.

Senator Salisbury reiterated the importance of recommendation 9 (Attachment 7-7) in the consideration of the budget for Kansas College of Technology.

Because the turnover rate for the Board of Regents was 0%, Senator Brady moved, Senator Kerr seconded, that HB 2086 be amended by deleting \$26,118 for salaries and calculating it as turnover savings. Senator Gaines opposed the motion because the 18 authorized positions were filled and there was no turnover. Senators Brady and Kerr pointed out that many smaller agencies were operating with high turnover. The Chairman noted that combining the line items for salaries and other operating expenditures into a single line item would give the Board more flexibility in managing its resources. The motion carried on a voice vote.

Senator Gaines moved, Senator Doyen seconded, that the line items for salaries and other operating expenditures be combined into a single line item. The motion carried on a voice vote.

KANSAS COLLEGE OF TECHNOLOGY

Senator Salisbury reviewed the FY91 and FY92 subcommittee report, Attachment 2. Senator Brady moved, Senator Gaines seconded, that the subcommittee report on the Kansas College of Technology be omitted from HB 2086 to allow further consideration of SB 22. The motion carried.

Senator Winter moved, Senator Doyen seconded, that the subcommittee report be amended by changing the funding source for predesign investigation for remediation activities at the Sunflower Research Landfill to the State Water Plan Fund. The motion carried.

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

It was moved by Senator Doyen, seconded by Senator Gaines, that HB 2086 as amended be recommended favorable for passage. Senator Winter noted that he could not support the motion because he felt the funding was inadequate to meet the educational needs of Kansas. The motion carried on a roll call vote.

HB 2114 - Appropriations for FY91, FY92, and FY93 capital improvements for various state agencies

Senator Harder reviewed the subcommittee report, Attachment 8.

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

It was moved by Senator Harder, seconded by Senator Gaines, that HB 2114 as amended be recommended favorable for passage. The motion carried on a roll call vote.

Senator Gaines moved, Senator Harder seconded, that the budget for Kansas College of Technology be deleted from HB 2456. The motion carried on a voice vote.

It was moved by Senator Allen, seconded by Senator Gaines, that the amended subcommittee report on HB 2456 be adopted. The motion carried.

Senator Doyen moved, Senator Gaines seconded, that HB 2456 as amended be recommended favorable for passage. The motion carried on a roll call vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, April 4, 1991.

SB 395 - Salaries and compensation increases for state officers and employees, appropriations for FY92

Mr. Art Griggs appeared before the Committee in support of SB 395 and reviewed Attachment 9. In answer to a question, he noted that the Department of Administration would provide additional details regarding the reason for a \$30 million increase in employee health insurance and how it impacts employee net pay.

There was criticism of the lateness of the executive branch's request to introduce the pay plan for state employees and of its independence of the respective agencies' budgets.

The following state employees appeared before the Committee in support of SB 395 and reviewed their respective attachments:

Norma Ascher, Attachment 10
Cindy Riling, Attachment 11
Tim Wright, Attachment 12
Judge William Carpenter, Attachment 13
Connie Burrow, Attachment 14
Darrel Oldham, Attachment 15
Elizabeth Trimble, Attachment 16
Mary Dempsey, Attachment 17
Delores Howland, Attachment 18
Sandy Kokker, Attachment 19
Mary Jaimez, Attachment 20
Nancy Willett, Attachment 21
Betty Vines, Attachment 22
Trooper Jeff Collier, Attachment 23

Nancy Echols, Attachment 24. In answer to a request, Ms. Echols noted that she would cite examples of what would happen if SB 395 were passed.

Gary Stotts, Attachment 25
Charles Dodson, Attachment 26.

Senator Rock moved, Senator Parrish seconded, the introduction of bill draft 1 RS 1534. The motion carried.

The meeting was adjourned by the Chairman at 2:08 p.m.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: April 4, 1991

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Elizabeth Trimble	RR 2 Box 19 Overbrook	Division of facilities manag. B.S.
Norma L. Ascher	3637 SE Hwy Lot m4	Div. of Administration Audit & Reports
Cindy Riling	1114 W. 25th, Lawrence, 66046	Classified Senate University of Ks Law School
Betty M. Dine	2818 W 31st Ct #203 Topeka	Dept of Adm'n. Div. of Purchases
Connie L. Burrow	1507 N. Walnut, Topeka, Ks. 66749	K.D.O.T.
Charles Dodson	Topeka	KAPE
Tess Binum	1717 Grove Topeka	KAPE
Linda Davis	RR Box 268 Meriden, Ks 66517	SRS
Gloria Timmer	Topeka	DOB
Fred Sudermann	Wichita	WSU
Marlene Kern	Kc	KUMC
Nancy Echols	Topeka, LSOS Dept of Adm, Div of Pers.	Dept. of Adm. Div. of Pers. Service
Art Conroy	Capitol Rm 263	Dept. of Adm
Annun Naylor	Topeka, LSOS	Dept of Pers
Bill H. Hallowell	Pittsburg	PA 18 & Univ
Myrlene Kelly	400 W. 8th Topeka	KAPE
Donnie Deam	400 W. 8th Topeka	KAPE
Lammie Stephens	400 W 8th Topeka	KAPE
George Goebel	Topeka	AARP-SHC-CCTF
Richard C. Beems	1618 Brooklyn, Topeka	KAPE KDOT Const. 37.5 Years
Marsha Jackman	209 Kansas Hattan	Kape
James P. Buchler	200 E 7th Topeka	Ks District Judges
Myra J. Dempsey	1810 SW Hillmore	Building & Grounds
Wynne D. Dorr	Topeka	KHP
Jeff Gallen	Rt. Ft Scott	KHP/KSTA
Lynna McGill	Topeka	KSTA
Narel Redman	1821 NW 62nd Topeka, Ks	CENTRAL MOTOR POOL
Tim Wright	3009 Michigan Ave Topeka	D/A F/m Bldg & Grounds
Donald Rice	831 SW College, Topeka	KDOR
Darlene Ostrander	4420 N.W. 46th Topeka	KDOR
Dolores Strab	RR #1 Meriden Ks	D/A; Facilities Mgmt
Kathleen Almyre	LSOB, Rm 852-S	D/A, Facilities Mgmt.
Max Jay Brown	208 Sunflower Blvd. Topeka, Ks 66070	SRS/URS
Schmitt/Adel	1121 W. 6th St	SRS/URS

BEN E. VIDRICKSEN
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TOPEKA
SENATE CHAMBER

Assistant Majority Leader

MEMORANDUM

COMMITTEE ASSIGNMENT

CHAIRMAN: LEGISLATIVE, JUDICIAL AND
CONGRESSIONAL APPORTIONMENT
MEMBER: ECONOMIC DEVELOPMENT
FEDERAL AND STATE AFFAIRS
GOVERNMENTAL ORGANIZATION
PUBLIC HEALTH AND WELFARE
TRANSPORTATION AND UTILITIES
LEGISLATIVE POST AUDIT
JOINT COMMITTEE ON STATE
BUILDING CONSTRUCTION
MEMBER: GOVERNOR'S COMMISSION ON TRAVEL
AND TOURISM
MEMBER: NATIONAL CONFERENCE OF STATE
LEGISLATURES

DATE: April 4, 1991
TO: Senator Gus Bogina
FROM: Ben Vidricksen
RE: Update on 250,000 reallocation of funds at the KSU-Salina,
College of Technology.

Attached is a summary and list of additional equipment required for the new avionics program in FY93, FY94, and FY95. The total cost of the avionics equipment is \$209,819. Of this amount, \$149,000 would be funded through the aforementioned administrative savings and the rest would be funded through private sources.

Again, thank you for your committee's favorable consideration of Senate Bill 22.

cc: Senator Winter
Senator Allen
Senator Brady
Senator Doyen
Senator Feleciano
Senator Gaines
Senator Harder
Senator Hayden
Senator D. Kerr
Senator Parrish
Senator Rock
Senator Salisbury

SWAM
April 4, 1991

... One must become involved in the accomplishments of his time, lest he be judged not to have lived ...

Attachment 1

**KANSAS STATE UNIVERSITY - SALINA, COLLEGE OF TECHNOLOGY
EQUIPMENT/STAFF FUNDING TRANSITION**

	FY 92	FY 93	FY 94	FY 95
Equipment	\$250,000 ¹	\$127,000 ^{1,2}	\$ 87,000 ²	\$ 47,000 ²
Staff	<u>-0-</u>	<u>123,000</u>	<u>163,000</u>	<u>203,000</u>
Total	\$250,000	\$250,000	\$250,000	\$250,000

Notes

1. Engineering Technology Equipment to be purchased in FY 92 (\$250,000), FY 93 (\$112,000). Total Equipment costs estimated to be \$362,000.
2. Avionics Technology Equipment to be purchased in FY 93 (\$15,000), FY 94 (\$87,000) and FY 95 (\$47,000)
3. Total need for Avionics Technology Equipment is \$209,819. Reallocation of KCT/K-State merger savings only funds \$149,000 of the required equipment for Avionics Technology. The balance of the funds required will not be the responsibility of the State of Kansas.

6.3 LABORATORY EQUIPMENT

A one-time equipment allocation will be needed to acquire equipment for some of the new upper division courses in EET and MET. While specific items are difficult to identify until after the new curricula have been established, the committee considers the following to be representative of the type of equipment and funding required.

EET -- \$117,000 Needed

Electric Power and Devices Lab: \$ 33,000

2 - Electric Motor control Benches with motors, transformers, wattmeters, and speed control module. Both single and 3-phase capability

Electro/Fiber Optics Lab: \$ 84,000

5 - Stations - fiber optic equipments:
Breakout boxes, fiber scopes, fiber power meters, fiber polishing kit, fiber cable welder.
Special fiber tools and crimpers
Fiber wire adapters
Special meters, scopes and coupler boxes.

Laboratory lasers and accessories

MET -- \$245,000 Needed

Automated Manufacturing Lab: \$125,000

Non-servo robot, pneumatic servo type robot, transport and handling auxiliary equipment,
Master computer systems for systems interfacing CNC Training Center, Instrumentation and controls.

CAD/CAM Lab: \$ 70,000

5-Station CAD computer system with Z-386 computers, plotter, printers, mouses, software and accessories for CAM. Includes software as AUTOCAD, SILVERSCREEN, etc.

Thermodynamics Lab: \$ 50,000

Single engine test rig
Universal engine test rig
Temperature measurement bench

AVIONICS TECHNOLOGY TEST EQUIPMENT

MARKER/NAV/COMM RAMP and Bench Test Set 7 ea. IFR 401L or EQ. \$9,600 X 7 =	\$67,200
Portable Transponder/DME Ramp Test set 4 ea. IFR ATC 600A or EQ. \$5,994 X 4 =	\$24,000
Bench Top Transponder/DME Test Set 1 ea. IFR ATC 1400A or EQ. \$24,000	\$24,000
Mode S Transponder Test Accessory 1 ea. IFR S-1403 Mode S or EQ. Test Accessory	\$10,200
Manuals, Test Harnesses, Training Equip. (Microwave Instrumentation, Servo and controls equipment, etc.)	<u>\$11,888</u>
TOTAL O.O.E.	\$127,288

NEW PROGRAM (AVIONICS)
EQUIPMENT REQUIREMENTS

#404	1 ea Weather Radar test set (IFR RD301 or EQ)	20,394.00
	1 ea Bench type NAV test set, VOR/LOC/COMM/MKR & G/S. (IFR NAV-750BR or EQ)	14,754.00
	1 ea COMM-760 (NAV-750 accessory) for Semi-automatic test of aircraft communications transceivers	7,194.00
	5 ea RST 504 Audio Panel kit	992.00
	5 ea RST 442 2 place intercomm	500.00
	5 ea RST 572 720 NAV/Comm kit	4,797.00
	1 ea Loran receiver	2,500.00
#411	Selected Education Training packages	4,000.00
	Shop manuals for NAV/Com units	5,000.00
	Connectors and other hardware for test boxes, harnesses	2,000.00
	5 ea Bench type power supply for Avionics equipment(12/24 volts)	5,000.00
	8 each Lab benches with wiring (tech lab or EQ) 1,300.00	10,400.00
	Room remodeling	<u>5,000.00</u>
	TOTAL	\$82,531.00

SUBCOMMITTEE REPORT

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

Bill Sec. 30

Analyst: Conroy

Analysis Pg. No. 859

Budget Page No. 394

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

*SWAM
April 4, 1991
Attachment 2*

House Committee Recommendation

The House committee concurs with the Subcommittee's recommendations.

House Committee of the Whole Recommendation

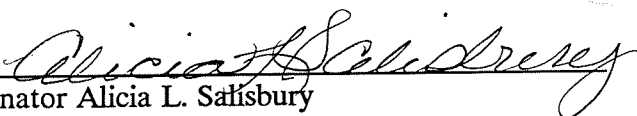
The House concurs with the Committee's recommendations.

<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	\$ --	\$ 7,790,043	\$ 29,550
General Fees Fund	--	3,413,760	(27,823)
Hospital Revenue Fund	--	1,660,000	--
Subtotal -- Gen. Use Funds	\$ --	\$ 12,863,803	\$ 1,727
Restricted Use Funds	--	707,305	--
Total -- Oper. Expend.	\$ --	\$ 13,571,108	\$ 1,727
Capital Improvements:			
Educational Bldg. Fund	\$ --	\$ 145,300	\$ --
GRAND TOTAL	\$ --	\$ 13,716,408	\$ 1,727
FTE Positions:			
Classified	--	153.4	--
Unclassified	--	89.4	--
TOTAL	--	242.8	--

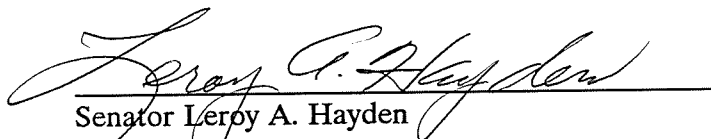
Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Utilities.** Add \$1,727 (State General Fund) for utilities, based on the latest expenditures-to-date information.
2. **Systemwide Recommendation -- Fall, 1990 General Fee Shortfall.** Add \$27,823 (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 expenditures limitation by \$27,823.



Senator Alicia L. Salisbury
Subcommittee Chair



Senator Leroy A. Hayden

SUBCOMMITTEE REPORT

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

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 859

Budget Page No. 394

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

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

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

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

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

House Subcommittee Recommendation

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

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

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

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

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 recommendations of the Committee with the following adjustments:

1. Add \$80,958 (State General Fund) that deletes the 1 percent across-the-board State General Fund cut that was proposed by the Committee.
2. Add \$48,252 (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 \$17,803 (State General Fund) to finance a 16 percent base increase for student salaries.
4. Add \$104,580 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

Expenditure Summary	House Adj. FY 92	House Rec. FY	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ (721,906)	\$ 8,069,083	\$ (420,677)
General Fees Fund	96,906	3,531,652	(96,906)
Hospital Revenue Fund	--	1,650,000	--
Subtotal -- Gen. Use Funds	<u>\$ (625,000)</u>	<u>\$ 13,250,735</u>	<u>\$ (517,583)</u>
Restricted Use Funds	--	736,761	--
Total -- Oper. Expend.	<u>\$ (625,000)</u>	<u>\$ 13,987,496</u>	<u>\$ (517,583)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ --	\$ --	\$ --
GRAND TOTAL	<u><u>\$ (625,000)</u></u>	<u><u>\$ 13,987,496</u></u>	<u><u>\$ (517,583)</u></u>
FTE Positions:			
Classified	(1.0)	152.4	--
Unclassified	1.0	90.4	1.0
TOTAL	<u><u>0.0</u></u>	<u><u>242.8</u></u>	<u><u>1.0</u></u>

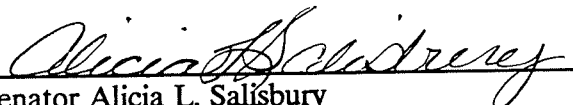
Senate Subcommittee Recommendation

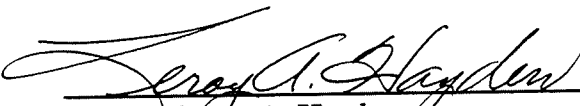
The Subcommittee concurs with the House recommendations with the following adjustments:

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 \$96,906 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 \$420,677 in State General Fund support for the institution in the budget year.
4. Add 1.0 unclassified FTE position that will be funded from restricted use funds. The position will be the director of the newly opened Hills Veterinary Practice Center located in the Veterinary Medicine complex.


 Senator Alicia L. Salisbury
 Subcommittee Chair


 Senator Leroy A. Hayden

SUBCOMMITTEE REPORT

Agency: Kansas College of Technology

Bill No. 2456

Bill Sec. 35

Analyst: Rampey

Analysis Pg. No. 899

Budget Page No. 392

<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	\$ 4,062,637	\$ 3,987,745	\$ --
General Fees Fund	421,492	467,476	--
Subtotal -- General			
Use Funds	\$ 4,484,129	\$ 4,455,221	\$ --
Restricted Use Funds	1,236,060	1,235,556	--
Subtotal -- State			
Operations	<u>\$ 5,720,189</u>	<u>\$ 5,690,777</u>	<u>\$ --</u>
Other Assistance:			
Other Funds	\$ 270,369	\$ 270,369	\$ --
Total Operating Exp.	\$ 5,990,558	\$ 5,961,146	\$ --
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ --
Educational Bldg. Fund	73,225	73,225	--
Other Funds	0	0	--
Subtotal -- Cap. Imp.	<u>\$ 73,225</u>	<u>\$ 73,225</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 6,063,783</u>	<u>\$ 6,034,371</u>	<u>\$ --</u>
FTE Positions:			
Classified	35.5	35.5	(2.0)
Unclassified	83.6	83.6	(5.0)
TOTAL	<u>119.1</u>	<u>119.1</u>	<u>(7.0)</u>

Agency Request/Governor's Recommendation

The College estimates FY 1991 expenditures of \$4,484,129 from general use funds. The estimate is an increase of \$304,690 (7.3 percent) over actual general use expenditures of \$4,179,439 in FY 1990.

The Governor recommends expenditures of \$4,455,221 from general use funds, a reduction of \$28,908 from the College's estimate.

SWAM

April 4, 1991

Attachment 3

House Subcommittee Recommendation

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

1. Delete 2.0 FTE classified positions that have been vacant and unfunded since FY 1989. The positions are a Labor Supervisor and an Air Conditioner-Refrigerator Repair Technician.
2. Delete 5.0 FTE positions associated with the professional pilot training program. The positions are unfunded and have never been filled. The effect of the Subcommittee's recommendation is to reduce the number of positions associated with the program to 10.0 FTE. The 10.0 FTE positions, which are filled, are funded pursuant to a contract with Air Service Training Ltd. of Scotland, and will remain on the staff until the program is terminated sometime in FY 1992.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

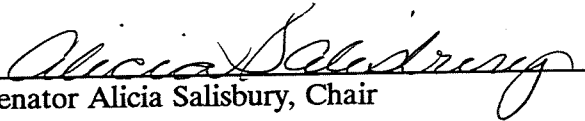
Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 91</u>	<u>House Rec. FY 91</u>	<u>Senate Subcom. Adj.</u>
State Operations:			
State General Fund	\$ --	\$ 3,987,745	\$ 50,329
General Fees Fund	--	467,476	--
Subtotal -- Gen. Use Funds	--	\$ 4,455,221	\$ 50,329
Restricted Use Funds	--	1,235,556	--
Subtotal -- State Oper.	\$ --	\$ 5,690,777	\$ 50,329
Other Assistance:			
Other Funds	\$ --	\$ 270,369	\$ --
Total Operating Exp.	\$ --	\$ 5,961,146	\$ 50,329
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ --
Educational Bldg. Fund	--	73,225	--
Other Funds	--	0	\$ --
Subtotal -- Cap. Imp.	\$ --	\$ 73,225	\$ --
GRAND TOTAL	\$ --	\$ 6,034,371	\$ 50,329
FTE Positions			
Classified	(2.0)	33.5	--
Unclassified	(5.0)	78.6	--
TOTAL	(7.0)	112.1	--

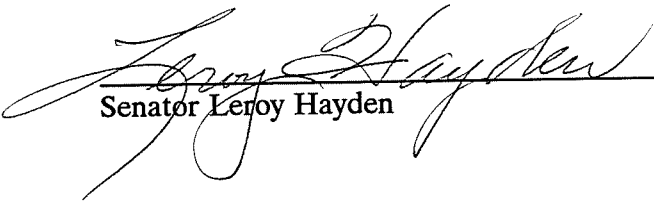
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House, with the following exception:

1. **Systemwide Recommendation.** Add \$50,321 from the State General Fund for utilities, for a total of \$173,054.



Senator Alicia Salisbury, Chair



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Kansas College of Technology

Bill No. 2086

Bill Sec. 11

Analyst: Rampey

Analysis Pg. No. 899

Budget Page No. 392

<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	\$ 4,617,902	\$ 4,388,516	\$ (378,166)
General Fees Fund	415,304	428,336	2,686
Subtotal -- General			
Use Funds	\$ 5,033,206	\$ 4,816,852	\$ (375,480)
Restricted Use Funds	1,302,234	1,246,622	--
Subtotal -- State Operations	<u>\$ 6,335,440</u>	<u>\$ 6,063,474</u>	<u>\$ (375,480)</u>
Other Assistance:			
Other Funds	\$ 270,369	\$ 270,369	\$ --
Total Operating Expenditures	\$ 6,605,809	\$ 6,333,843	\$ (375,480)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ --
Educational Bldg. Fund	37,700	0	--
Other Funds	273,300	0	--
Subtotal -- Cap. Imp.	<u>\$ 311,000</u>	<u>\$ 0</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 6,916,879</u>	<u>\$ 6,333,843</u>	<u>\$ (375,480)</u>
FTE Positions:			
Classified	37.5	35.5	(2.0)
Unclassified	83.6	83.6	(5.0)
TOTAL	<u>121.1</u>	<u>119.1</u>	<u>(7.0)</u>

* Excludes amounts reserved for employee compensation, except for unclassified salary parity under the Margin of Excellence.

Agency Request/Governor's Recommendation

For FY 1992, the College estimates expenditures from general use funds of \$5,033,206, an increase of \$549,077 (12.2 percent) over its estimate for the current year. The request includes \$182,144 from general use funds for systemwide personnel salary increases consisting of classified employee step movement, unclassified salary increases of 5.0 percent, and a 16.0 percent increase in student salaries. An amount of \$1,092,596 from general use funds is requested for a 3.12 percent

systemwide increase in other operating expenditures. The College requests an enrollment adjustment of \$108,525 and \$175,00 for the Margin of Excellence. Of that amount, \$83,033 would be for faculty salary parity and \$97,110 would be for mission related enhancements. The College also requests \$49,000 for the salaries and associated operating costs of two new security personnel positions. In addition, the school requests that \$36,598 deleted by the 1990 Legislature as a shrinkage adjustment be restored for other operating expenditures in FY 1992.

Under the current resources budget, the Governor recommends \$4,500,926 from general use funds for state operating expenditures, a reduction of \$532,280 from the College's request and an increase of \$45,705 over the Governors recommendation for the current year. No increases are included for salaries and operating expenditures, enrollment adjustments, and the Margin of Excellence.

Under the enhanced budget, the Governor recommends state operating expenditures of \$4,816,852 from general use funds, a reduction of \$216,354 from the College's request and an increase of \$361,631 over her recommendation for FY 1991. In a reserve separate from agency budgets, the Governor includes funding for 2.5 percent step movement for classified employees, a 2.5 percent base increase for unclassified employees, and a 1.5 percent cost-of-living increase the second half of FY 1992 for all employees. The Governor concurs with the request for a 16.0 percent increase in student salaries, recommends a 3.0 percent increase in other operating expenditures, concurs with the enrollment adjustment of \$108,525, and recommends \$175,000 for the Margin of Excellence. The Governor does not recommend the two new positions or the restoration of \$36,598 that had been deleted by the 1990 Legislature for shrinkage.

House Subcommittee Recommendation

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

1. **Systemwide Recommendation – Student Salaries.** Delete \$7,046 from the State General Fund for student salaries. The College had requested and the Governor had approved a 16.0 percent increase over the current year.
2. **Systemwide Recommendation.** Delete \$17,815 from the State General Fund for salary and wage shrinkage, increasing the rate at the College from 1.0 to 1.5 in FY 1992.
3. **Systemwide Recommendation.** Delete \$26,368 from the State General Fund for an increase in other operating expenditures for FY 1992.
4. **Systemwide Recommendation.** Delete \$108,525 from the State General Fund for an enrollment adjustment.
5. **Systemwide Recommendation.** Delete \$175,000 from the State General Fund for the Margin of Excellence.
6. **Systemwide Recommendation.** Delete \$40,726 from the State General Fund for an overall 1.0 percent reduction.

7. **Systemwide Recommendation.** Recommend that nonresident tuition be increased by 10.0 percent beyond that recommended by the Board (10.0 percent), for a total increase of 20.0 percent in FY 1992. The increase is expected to generate \$2,686 in tuition, resulting in a corresponding decrease of that amount from the State General Fund.
8. **Systemwide Recommendation.** The Subcommittee recommends that the line items of salaries and wages, other operating expenditures, and utilities be combined in a single line item of operating expenditures.
9. Amend H.B. 2086 to change the name of the school from "Kansas State University -- Salina, College of Technology" back to its current name, "Kansas College of Technology," pending passage of legislation to merge the school with Kansas State University.

House Committee Recommendation

Concur.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendation of the House Committee, with the following exception:

1. Add \$200,480 from the State General Fund for operating expenditures, for a total appropriation of \$4,046,059. The effect of the House's action is to concur with the Governor, except that the House deletes all funding (\$175,000) for the Margin of Excellence.

<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (177,686)	\$ 4,210,830	\$ (383,941)
General Fees Fund	2,686	431,022	(2,686)
Subtotal -- General Use Funds	\$ (175,000)	\$ 4,641,852	\$ (386,627)
Restricted Use Funds	--	1,246,622	--
Subtotal -- State Operations	<u>\$ (175,000)</u>	<u>\$ 5,888,474</u>	<u>\$ (386,627)</u>
Other Assistance:			
Other Funds	\$ --	\$ 270,369	\$ --
Total Operating Expenditures	\$ (175,000)	\$ 6,158,843	\$ (386,627)
Capital Improvements:			
State General Fund	\$ --	\$ 0	\$ --
Educational Bldg. Fund	--	0	--
Other Funds	--	0	--
Subtotal -- Cap. Imp.	<u>\$ --</u>	<u>\$ 0</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ (175,000)</u>	<u>\$ 6,158,843</u>	<u>\$ (386,627)</u>
FTE Positions:			
Classified	(2.0)	33.5	--
Unclassified	(5.0)	78.6	--
TOTAL	<u>(7.0)</u>	<u>112.1</u>	<u>--</u>

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House, with the following exceptions and comments:

1. **System 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 5.0 percent beyond what the Board of Regents has already recommended (3.0 percent) for a total increase of 8.0 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3.0 percent as recommended by the Board. The House further recommended that nonresident tuition be increased by 10.0 percent beyond what the Board of Regents has already recommended (10.0 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, 8.0 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 from increased tuition receipts.

3. **System 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 \$386,627 in State General Fund support for the Kansas College of Technology in FY 1992.
4. **Merger of Kansas College of Technology with Kansas State University (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.

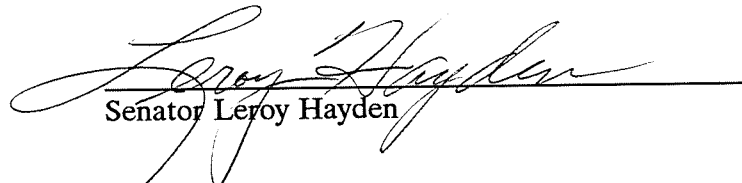
The Subcommittee notes that the proposed merger of the engineering programs is but one component of a plan developed by KSU last year to merge and consolidate several programs -- a plan that met with resistance and was apparently abandoned. The Subcommittee is convinced that a review of programs with 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. The plan of the College, which the Subcommittee endorses, is to use part of the money for equipment and part for

faculty salaries. The need for money for salaries is due to an expected doubling of the enrollment. The need for equipment already exists and was reflected in the College's FY 1992 budget request. Given the reductions the Legislature must make in this year of scarce resources, those equipment needs will largely remain unmet. For that reason, the Subcommittee supports the proposal to shift funding over the next several years from areas where it is not needed (administrative salaries) to areas of greater need (equipment and faculty salaries).



Senator Alicia Salisbury
Subcommittee Chair



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Fort Hays State
University

Bill No. 2456

Bill Sec. 28

Analyst: Conroy

Analysis Pg. No. 834

Budget Page No. 222

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

*SWAM
April 4, 1991
Attachment 4*

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 Recommendations

Expenditure Summary	House Adj. FY 91	House Rec. FY 91	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ --	\$ 20,268,926	\$ 400,520
General Fees Fund	--	5,114,356	--
Subtotal--General Use Funds	\$ --	\$ 25,383,282	\$ 400,520
Other Funds	--	9,343,768	--
Total--Operating Expend.	\$ --	\$ 34,727,050	\$ 400,520
Capital Improvements:			
State General Fund	\$ --	\$ 18,909	\$ --
Educational Bldg. Fund	--	1,561,407	--
Other Funds	--	853,491	--
Subtotal--Capital Impr.	\$ --	\$ 2,433,807	\$ --
GRAND TOTAL	\$ --	\$ 37,160,857	\$ 400,520

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

1. **Systemwide Recommendation -- Utilities (State General Fund).** Add \$54,680 for utilities based on the latest expenditures-to-date information.
2. **Systemwide Recommendation -- Fall 1990 General Fee Release.** Release \$345,840 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 \$345,840 in State General Fund support.

Ross O. Doyen

Senator Ross O. Doyen
Subcommittee Chair

Bill Brady

Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 2086

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 834

Budget Page No. 222

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

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

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

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

House Committee of the Whole Recommendation

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

1. Add \$204,205 (State General Fund) that deletes the 1 percent across-the-board State General Fund cut that was proposed by the Committee.
2. Add \$11,987 (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 \$127,334 (State General Fund) and 5.5 FTE positions (3.0 classified and 2.5 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 \$148,352 (State General Fund) to finance a 16 percent base increase for student salaries.
5. Add \$12,408 (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 \$12,408.
6. Add \$119,320 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

Senate Subcommittee Recommendations

Expenditure Summary	Agency Adj. FY 92	House Rec. FY 92	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ (646,627)	\$ 20,728,284	\$ (842,429)
General Fees Fund	88,582	5,470,117	(85,479)
Subtotal--General Use Funds	<u>\$ (558,045)</u>	<u>\$ 26,198,401</u>	<u>\$ (927,908)</u>
Other Funds	--	9,698,369	--
Total--Operating Expend.	<u>\$ (558,045)</u>	<u>\$ 35,896,770</u>	<u>\$ (927,908)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ --	\$ --	\$ --
Other Funds	250,000	740,000	--
Subtotal--Capital Impr.	<u>\$ 250,000</u>	<u>\$ 740,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ (308,045)</u>	<u>\$ 36,636,770</u>	<u>\$ (927,908)</u>
FTE Positions			
Classified	--	302.4	--
Unclassified	--	334.4	--
Total	<u>--</u>	<u>636.4</u>	<u>--</u>

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

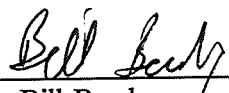
- System Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that the State General Fund line item for utilities be a separate line item and not part of a new general line item of "other operating expenditures" as recommended by the House in FY 1992 which would generally include salaries and wages, other operating expenditures, and utilities. The Subcommittee supports keeping and accounting for utility expenditures separately.
- 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 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 \$85,479 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. **System 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 \$842,429 in State General Fund support for the institution in the budget year.
4. The Subcommittee notes with concern the impact of the systemwide recommendations of the Committee on the institutions. The Subcommittee notes that the institutions will also be faced with an \$8.8 million employer health insurance increase in the budget year.



Senator Ross O. Doyen
Subcommittee Chair



Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2456

Bill Sec. 32

Analyst: Conroy

Analysis Pg. No. 877

Budget Page No. 454

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

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

*SWAM
April 4, 1991
Attachment 5*

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendations.

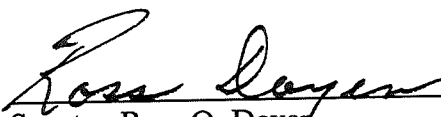
House Committee of the Whole Recommendation

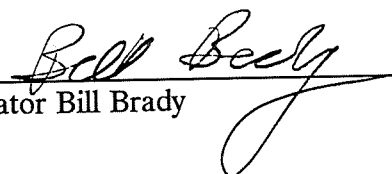
The House concurs with the Committee's recommendations.

Senate Subcommittee Recommendation

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

The Senate Subcommittee concurs with the House recommendations.


 Senator Ross O. Doyen
 Subcommittee Chair


 Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2086

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 877

Budget Page No. 454

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

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

1. **Systemwide Recommendation - Student Salaries.** The Subcommittee does not recommend the 16 percent student salary increase in FY 1992. The action deletes \$117,599 in State General Fund financing for the agency.
2. **Systemwide Recommendation - Salary and Wage Shrinkage.** The Subcommittee recommends that the salary and wage shrinkage amount for FY 1992 be increased by 0.5 percent above the amount recommended by the Governor. The action reduces salaries and wages in the budget year by \$120,141, all financed from the State General Fund. The Subcommittee would encourage the agency to make the additional salary and wage shrinkage adjustments in 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 \$143,020 in the budget year.
4. **Systemwide Recommendation - Utilities.** The Subcommittee does not make any adjustments to base utility requests for the institutions in the budget year. The Subcommittee recommends that the Senate Ways and Means Committee review utility expenditures in FY 1991 and projected FY 1992 expenditures based on the latest expenditures to date information.
5. **Systemwide Recommendation - Enrollment Adjustment.** The Subcommittee does not recommend the enrollment adjustment funding in the budget year. The Subcommittee action will delete \$377,138 in State General Fund financing and 10.8 FTE positions (5.8 classified and 5.0 unclassified) in FY 1992.
6. **Systemwide Recommendation - Graduate Teaching Assistant Fee Waiver.** The Subcommittee does not recommend the increase in the graduate teaching assistant fee waiver to 100 percent from the current level of 75 percent. The Subcommittee action increases general fee income by \$31,096 and offsets the demand on the State General Fund by the same amount (\$31,096).
7. **Systemwide Recommendation - Margin of Excellence.** The Subcommittee does not recommend the requested funding for the Margin of Excellence in FY 1992. The Subcommittee action deletes \$758,722 in State General Fund.
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 \$244,192 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$244,192).

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

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

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

House Committee of the Whole Recommendation

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

1. Add \$233,374 (State General Fund) that deletes the one percent across the board State General Fund cut that was proposed by the Committee.
2. Add \$120,141 (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 \$377,138 (State General Fund) and 10.8 FTE positions (5.8 classified and 5.0 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 \$117,599 (State General Fund) to finance a 16 percent base increase for student salaries.
5. Add \$37,578 (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 \$37,578.
6. Add \$143,020 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

Senate Subcommittee Recommendations

Expenditure Summary	House Adj. FY 92	House Rec. FY 92	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ (986,432)	\$ 22,719,533	\$ (911,576)
General Fees Fund	237,710	6,990,404	(244,192)
Subtotal--General Use Funds	<u>\$ (748,722)</u>	<u>\$ 29,709,937</u>	<u>\$ (1,155,768)</u>
Other Funds	--	7,410,340	--
Subtotal--Operating Expend.	<u>\$ (748,722)</u>	<u>\$ 37,120,277</u>	<u>\$ (1,155,768)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ --	\$ --	\$ --
Other Funds	--	540,600	--
Subtotal--Capital Impr.	<u>\$ --</u>	<u>\$ 540,600</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ (748,722)</u></u>	<u><u>\$ 37,660,877</u></u>	<u><u>\$ (1,155,768)</u></u>
FTE Positions			
Classified	0.7	289.7	--
Unclassified	11.6	372.8	--
Total	<u>12.3</u>	<u>662.5</u>	<u>--</u>

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

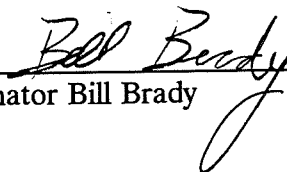
1. **Systemwide Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that the State General Fund line item for utilities be a separate line item and not part of a new general line item of "other operating expenditures" as recommended by the House in FY 1992 which would 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 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 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 \$244,192 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 \$911,576 in State General Fund support for the institution in the budget year.
4. Make a technical adjustment to insert in the bill three special revenue capital improvement projects within the bill, \$260,600 for Student Center improvements \$10,000 for Student Health Center improvements and \$250,000 for housing system maintenance and improvements. The projects were recommended by the Governor and the Joint Committee on State Building Construction. The projects were omitted from the bill as introduced.
5. The Subcommittee notes that the reductions imposed upon the institutions by the systemwide recommendations will be very difficult for the institutions to manage at the same time an \$8.8 million increase for employer health insurance costs will take place in FY 1992.



 Senator Ross O. Doyen
 Subcommittee Chair



 Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2456

Bill Sec. 31

Analyst: Conroy

Analysis Pg. No. 867

Budget Page No. 206

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

Agency Request/Governor's Recommendation

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

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

*SWAM
April 4, 1991
Attachment 6*

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

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.

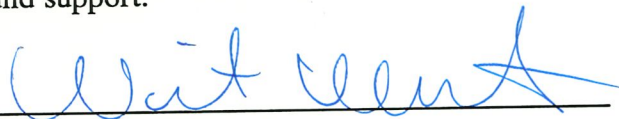
Senate Subcommittee Recommendation

<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	\$ --	\$ 20,505,820	\$ 59,383
General Fees Fund	--	5,766,358	--
Endowment Interest	--	24,000	--
Subtotal--General Use Funds	\$ --	\$ 26,296,178	\$ 59,383
Other Funds	--	9,316,093	--
Subtotal--Operating Expend.	\$ --	\$ 35,612,271	\$ 59,383
Capital Improvements:			
State General Fund	\$ --	\$ 1,484	\$ --
Educational Bldg. Fund	--	2,676,483	--
Other Funds	--	344,565	--
Subtotal--Capital Impr.	\$ --	\$ 3,022,532	\$ --
GRAND TOTAL	\$ --	\$ 38,634,803	\$ 59,383
FTE Positions			
Classified	--	293.5	--
Unclassified	--	363.5	--
Total	--	656.7	--

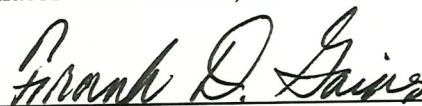
The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. **Systemwide Recommendation -- Utilities.** Add \$22,712 (State General Fund) for utilities based on the latest expenditures-to-date information.
2. **Systemwide Recommendation -- Fall 1990 General Fee Release.** Release \$36,671 in general fees in the current year. The additional fees are from higher than

anticipated enrollment for 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 \$36,671 in State General Fund support.



Senator Wint Winter, Jr.



Senator Frank D. Gaines

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2086

Bill Sec. 5

Analyst: Conroy

Analysis Pg. No. 867

Budget Page No. 206

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

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

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

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

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

House Subcommittee Recommendation

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

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

be increased by an additional \$7.3 million systemwide. This amount would be utilized to offset the demand on the State General Fund. The Subcommittee recommends that resident tuition at the research institutions (KU, KSU, WSU, KUMC, and KSUVMC) be increased an additional 5 percent beyond what the Board of Regents has already recommended (3 percent), for a total increase of 8 percent in FY 1992. Resident tuition at the regional universities (ESU, PSU, FHSU, and KCT) would increase only the 3 percent as recommended by the Board. The Subcommittee further recommends that non-resident tuition be increased by 10 percent beyond what the Board of Regents has already recommended (10 percent) for a total increase of 20 percent in FY 1992. The Subcommittee notes that resident tuition is generally 9 percent below peers and nonresident tuition is roughly 30 percent below peers. The Subcommittee recommendation would attempt to close this gap between Kansas institutions and peer institutions. The Subcommittee action would increase receipts to the General Fees Fund by \$78,083 which would be used to offset the demand on the State General Fund at the institution in the budget year by the same amount (\$78,083).

9. **Systemwide Recommendation - One Percent Across the Board State General Fund Reduction.** The Subcommittee recommends that State General Fund amounts at the institutions be reduced by 1 percent in FY 1992 or \$207,124. The Subcommittee would recommend that institutions carefully consider possible reduction in the areas of out-of-state travel, motor vehicle and office furniture acquisitions. The Subcommittee would hope that the institutions take every effort to protect the instructional program budget when making this 1 percent reduction.
10. **Systemwide Recommendation - Minimum Class Size.** The Subcommittee reviewed the issue of minimum class size for undergraduate classes. In particular, the Subcommittee focused on multiple section classes that have fewer than 25 student in a section. The Subcommittee requests that the agency in cooperation with the Board of Regents review this issue in detail, identifying any potential cost savings and report back to the 1992 House Appropriations Committee.
11. **Systemwide Recommendation - FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that given the magnitude of the recommended reductions, that the State General Fund line items of salaries and wages, other operating expenditures, and utilities be collapsed into one single line item of "operating expenditures" in FY 1992. The Subcommittee recommendation will give the institution flexibility to manage the reductions to the best of their abilities. The Subcommittee also deletes the proviso language that requires negotiated bid prices for natural gas be approved by the State Finance Council since the agencies can now utilize the negotiated procurement statute.
12. **Systemwide Recommendation -- Computer Center Funding Shift.** The Subcommittee does not recommend at this time the shift in computer center funding from a service clearing activity to direct general use funding. The Subcommittee requests that the House Computers, Communications, and

Technology Committee review the issue and report back to this Committee prior to consideration of the omnibus bill.

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

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 recommendation of the Committee with the following adjustments:

1. Add \$207,124 (State General Fund) that deletes the 1 percent across-the-board State General Fund cut that was proposed by the Committee.
2. Add \$135,020 (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 \$631,530 (State General Fund) and 14.6 FTE positions (3.3 classified and 11.3 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 \$136,039 (State General Fund) to finance a 16 percent base increase for student salaries.

5. Add \$40,563 (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 \$40,563.
6. Add \$14,037 (State General Fund) to provide a 4 percent base increase for other operating expenditures.

Senate Subcommittee Recommendations

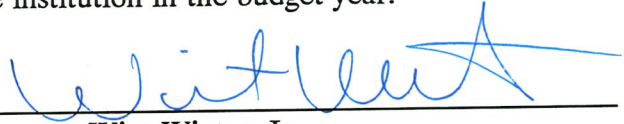
Expenditure Summary	House Adj. FY 92	House Rec. FY 92	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ (810,510)	\$ 21,542,482	\$ (891,786)
General Fees Fund	103,750	5,966,152	(78,083)
Endowment Interest	--	24,000	--
Subtotal--General Use Funds	<u>\$ (706,760)</u>	<u>\$ 27,532,634</u>	<u>\$ (969,869)</u>
Other Funds	--	9,534,879	--
Subtotal--Operating Expend.	<u>\$ (706,760)</u>	<u>\$ 37,067,513</u>	<u>\$ (969,869)</u>
Capital Improvements:			
Educational Bldg. Fund	\$ --	\$ 2,885,252	\$ --
Other Funds	--	60,000	--
Subtotal--Capital Impr.	<u>\$ --</u>	<u>\$ 2,945,252</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ (706,760)</u></u>	<u><u>\$ 40,012,765</u></u>	<u><u>\$ (969,869)</u></u>
FTE Positions			
Classified	--	296.8	--
Unclassified	--	374.6	--
Total	<u><u>--</u></u>	<u><u>671.4</u></u>	<u><u>--</u></u>

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

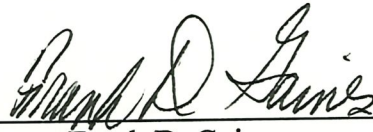
1. **System Recommendation -- FY 1992 State General Fund Appropriation Language.** The Subcommittee recommends that the State General Fund line item for utilities be a separate line item and not part of a new general line item of "other operating expenditures" as recommended by the House in FY 1992 which 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 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 \$891,786 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. **System 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 \$891,786 in State General Fund support for the institution in the budget year.



 Senator Wint Winter, Jr.
 Subcommittee Chair



 Senator Frank D. Gaines

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 886

Budget Page No. 474

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,141,973	\$ 1,462,407	\$ 0
Aid and Other Assistance	9,512,093	10,052,094	(367,155)
Subtotal - Operating	\$ 11,654,066	\$ 11,514,501	\$ (367,155)
Capital Improvements	0	0	0
TOTAL	\$ 11,654,066	\$ 11,514,501	\$ (367,155)
State General Fund:			
State Operations	\$ 1,551,756	\$ 1,456,241	\$ 0
Aid and Other Assistance	7,491,734	7,447,684	(185,104)
Subtotal - Operating	\$ 9,043,490	\$ 8,903,925	\$ (185,104)
Capital Improvements	0	0	0
TOTAL	\$ 9,043,490	\$ 8,903,925	\$ (185,104)
FTE Positions	18.0	18.0	--

Agency Request/Governor's Recommendation

Operating expenditures are estimated to be \$11,654,066 in FY 1991, of which \$9,043,490 is from the State General Fund. Operating expenditures include approximately \$9.5 million for special programs. The remaining \$2.1 million includes funding to maintain the Board office and its staff of 18.0 FTE positions. There are no changes to the amounts approved by the Legislature.

For FY 1991, the Governor recommends a reduction in the Board's administrative expenses of \$31,438, which consists of a reduction of \$6,875 in salaries and \$24,563 in recruiting expenses. Special programs administered by the Board are reduced by \$108,128. The reductions are in funding for Regents Distinguished Professors (\$47,813), optometric education contracts (\$16,264), and osteopathic scholarships (\$44,050).

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. Reappropriate \$3,053 in savings (State General Fund) from the Tuition Grant Program to be used to support the program in FY 1992.

*SWAM
April 4, 1991
Attachment 7*

2. Reappropriate \$182,051 in savings (State General Fund) from the Nursing Scholarship Program to be used to support the program in FY 1992. In addition, reduce the sponsors' share of estimated expenditures in FY 1991 by an equal amount.
3. Do not spend \$78,137 in savings (special revenue funds) from the State Scholarship Program in FY 1991 and use the money to support the program in FY 1992.
4. Do not spend \$5,079 in savings (special revenue funds) from the Teacher Scholarship Program in the current year, and use the money to support the program in FY 1992.
5. Do not spend \$245 in savings (special revenue funds) from the Vocational Scholarship Program in FY 1991 and use the money to support the program in FY 1992.

House Committee Recommendation

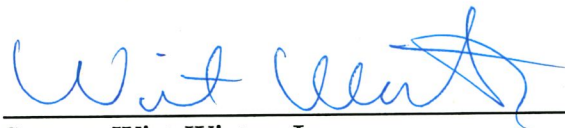
Concur.

House Committee of the Whole Recommendation

Concur.

Senate Subcommittee Recommendation

Concur.



Senator Wint Winter, Jr.
Subcommittee Chair



Senator Frank Gaines

**CORRECTED
SUBCOMMITTEE REPORT**

Agency: Board of Regents

Bill No. 2086

Bill Sec. 10

Analyst: Rampey

Analysis Pg. No. 886

Budget Page No. 474

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,394,849	\$ 1,594,409	\$ (69,700)
Aid and Other Assistance	11,159,196	10,363,761	(908,917)
Subtotal - Operating	<u>\$ 13,554,045</u>	<u>\$ 11,958,170</u>	<u>\$ (978,617)</u>
Capital Improvements	9,000,000	9,000,000	0
TOTAL	<u><u>\$ 22,554,045</u></u>	<u><u>\$ 20,958,170</u></u>	<u><u>\$ (978,617)</u></u>
State General Fund:			
State Operations	\$ 1,838,849	\$ 1,591,909	\$ (69,700)
Aid and Other Assistance	9,035,900	8,115,465	(992,378)
Subtotal - Operating	<u>\$ 10,874,749</u>	<u>\$ 9,707,374</u>	<u>\$ (1,062,078)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 10,874,749</u></u>	<u><u>\$ 9,707,374</u></u>	<u><u>\$ (1,062,078)</u></u>
FTE Positions	18.0	18.0	--

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

The Board requests total expenditures of \$22,554,045 in FY 1992, of which \$10,874,749 would be from the State General Fund. The amount includes approximately \$2.4 million for agency operations, \$11.2 million for special programs, and \$9.0 million from the Educational Building Fund for major maintenance projects at the Regents' institutions. Two new programs, the Graduate Minority Fellowship Program (\$320,000) and the Regents Early Math Testing Program (\$95,300), are requested.

For FY 1992, the Governor recommends expenditures of \$20,958,170, of which \$9,703,874 would be from the State General Fund. The total includes \$9.0 million from the Educational Building Fund for maintenance and repair projects at Regents' institutions. The Governor does not recommend the requested new programs for Graduate Minority Fellowships and Early Math Testing.

House Subcommittee Recommendation

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

1. Delete \$428,000 (8.0 percent) from the State General Fund for the Tuition Grant Program, for a total of \$4,922,000. The 8.0 percent reduction corresponds to a projected 8.0 percent increase in student tuition at selected Regents' institutions, based on the Subcommittee's recommendations for the institutions. It is the Subcommittee's opinion that an increase in student tuition also should be borne by private school students who participate in a state aid program. Further, the reduction in the Tuition Grant Program should be prorated among all recipients of the grants and the number of grants should not be substantially reduced.
2. Delete \$480,917 from the State General Fund for the Career Work Study Program. The effect of the Subcommittee's recommendation is to eliminate all funding for the program in FY 1992.
3. Delete \$12,500 from the State General Fund for Regents Distinguished Professors, for a total of \$100,000. The recommended level of funding would fund the four distinguished professorships that are currently filled.
4. Delete \$57,200 from the State General Fund for optometric education contracts, for a total of \$154,200. The recommended level of funding would permit the Board to purchase 26 seats in schools of optometry in other states. The number of seats currently being purchased is 30.
5. Amend H.B. 2086 to show that, based on Subcommittee recommendations for FY 1991, \$3,053 will be reappropriated from the State General Fund in FY 1991 for the Tuition Grant Program and \$182,051 will be reappropriated for the Nursing Scholarship Program, thereby reducing the appropriation of new money in FY 1992 for those programs by a total of \$185,104.
6. Reduce expenditures from the State General Fund in three student assistance programs by a total of \$83,461 and increase expenditures from special revenue funds by an identical amount to reflect a shift in funding from the State General Fund to special revenue funds. (The shift is possible because of savings in several programs in FY 1991 that the Subcommittee recommends be used in FY 1992.) The programs are the State Scholarship Program (a reduction of \$78,137 from the State General Fund), the Teacher Scholarship Program (a reduction of \$5,079), and the Vocational Scholarship Program (a reduction of \$245).
7. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction to appropriate from the Educational Building Fund \$10.0 million in FY 1994 and 10.0 million in FY 1995 for major maintenance projects.

House Committee Recommendations

The House Committee concurs with the recommendations of the Subcommittee, with the following exception:

1. Reduce the State General Fund appropriations for administrative expenditures of the Board by 3.0 percent. The effect of the Committee's recommendation is to delete \$26,118 for salaries, \$10,461 for other operating expenditures, and \$156 for the administration of the nursing scholarship program, for a total reduction of \$36,735.

House Committee of the Whole Recommendations

The House Committee of the Whole concurs with the Committee, with the following exception:

1. Add \$506,137 from the State General Fund for state scholarships and tuition grants, for a total appropriation of \$5,768,945. In addition, limit expenditures for tuition grants to \$5,350,000. The effect of the recommendation is to concur with the Governor's recommended level of expenditure for these programs.

<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (106,435)	\$ 1,487,974	\$ 23,768
Aid and Other Assistance	(402,780)	9,960,981	1,022,976
Subtotal - Operating	<u>\$ (509,215)</u>	<u>\$ 11,448,955</u>	<u>\$ 1,046,744</u>
Capital Improvements	0	9,000,000	--
TOTAL	<u><u>\$ (509,215)</u></u>	<u><u>\$ 20,448,955</u></u>	<u><u>\$ 1,046,744</u></u>
State General Fund:			
State Operations	\$ (106,435)	\$ 1,485,474	\$ 27,268
Aid and Other Assistance	(486,241)	7,629,224	1,022,976
Subtotal - Operating	<u>\$ (592,676)</u>	<u>\$ 9,114,698</u>	<u>\$ 1,050,244</u>
Capital Improvements	0	0	--
TOTAL	<u><u>\$ (592,676)</u></u>	<u><u>\$ 9,114,698</u></u>	<u><u>\$ 1,050,244</u></u>
FTE Positions	--	18.0	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House, with the following exceptions:

1. Add \$26,118 for salaries and \$10,461 for other operating expenditures from the State General Fund (for a total of \$36,579), which was deleted by the House as part of an overall 3.0 percent reduction in administrative expenditures. According to information presented by the Board staff, such a reduction would require staff furloughs and a reduction in contractual obligations, which the Senate Subcommittee believes is inappropriate.
2. Delete \$19,000 from the State General Fund for optometric education contracts, for a total of \$135,200. Based on new information not available to the House, a reduction in the program is possible because a recently negotiated reciprocal agreement with the University of Missouri provides for up to 20 optometry seats that will no longer have to be paid for by a direct appropriation. The effect of this development and the Subcommittee's recommendation is that more optometry seats will be available for less money. (In FY 1992, 36 seats will be available.)
3. Add \$730,503 from the State General Fund (of which \$6,189 would be for administrative expenses and \$724,314 would be for grants) for public broadcasting stations. This recommendation is consistent with the action of the Senate regarding the Public Broadcasting Commission, which was to delete funding for the public broadcasting stations and to place an equal amount in the appropriations bill for the Board of Regents. (Legislation is not required for the Board to make grants available to the public television and radio stations, although the Committee has recommended the introduction of legislation to disband the Public Broadcasting Commission and authorize the Board of Regents to assume its responsibilities.)

The Subcommittee notes that the Board of Regents operates a facility known as the Regents' Educational Communications Center (RECC), which is a satellite uplink facility located on the campus of Kansas State University. During the first two years of the Margin of Excellence, the Center received funding for 11 positions, including several engineers and electronic technicians, who have the necessary technical knowledge to evaluate the requests of the public television and radio stations. The Subcommittee encourages the Board to draw upon the expertise of the RECC in fulfilling its responsibilities to award grants to public television and radio stations.

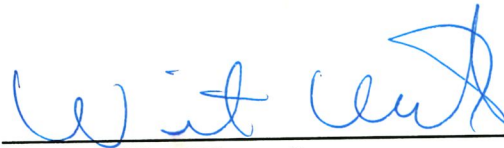
4. Delete \$169,751 from the State General Fund for the Tuition Grant Program, for a total of \$5,180,249. The total is a 2.6 percent reduction from the FY 1991 level.
5. Add \$468,413 from the State General Fund for the Career Work Study Program for which the House provides no funding. The amount recommended by the Senate Subcommittee is a 2.6 percent reduction from the FY 1991 level.
6. Amend H.B. 2086 to add a proviso to the appropriation for the nursing student scholarship program to reappropriate \$182,051 from FY 1991 to FY 1992. (This is a technical adjustment to correct a posting error in the bill and to accurately reflect the Subcommittee's intent.)

7. Concur with the Governor's Budget Amendment No. I and switch \$3,500 to fund the administrative expenses of the Teachers Scholarship Program from the Economic Development Initiatives Fund to the State General Fund.
8. The Subcommittee calls attention to H.B. 2333, which has been recommended by the House Committee on Education. The bill would transfer Washburn University to the State Board of Regents, for purposes of submitting a budget request. (The request is presently submitted through the budget of the State Board of Education.) The bill would abolish credit hour and out-district state aid to Washburn University and provide all state aid through an operating grant. The transfer would be in effect FY 1993 and thereafter.

The Subcommittee believes there is merit in the bill and goes on record in support of the transfer.

9. The Subcommittee has been informed that the Board of Regents is engaged in the preparation of a strategic plan that will address the issues of efficiency, productivity, and duplication as they relate to higher education in general and the Regents' institutions in particular. While it was apparently the Board's intention to engage in this master planning activity, there is no doubt that demands from the Legislature for more systemwide planning have caused the Board to consider the development of a strategic plan one of its highest priorities.

Although the plan will not be available for another year, it is likely the plan will identify savings that can be realized due to consolidation and perhaps even elimination of programs. At that time, the Legislature will face the issue of whether the State General Fund should benefit from any savings or whether the money will be available to the institutions to reallocate. Because the Subcommittee is mindful that commitment to the strategic planning process may depend upon the extent to which the institutions believe they will benefit from it, the Subcommittee wants to state its intention to review the plan with an open mind and the realization that the most powerful incentive the institutions have to scrutinize their programs is the assurance that the Legislature would be supportive of their efforts to reallocate resources in such a way that areas of strengths can be further enhanced. This plan will be presented to the Legislature by April 1, 1992.



Senator Wint Winter, Jr.
Subcommittee Chair



Senator Frank Gaines

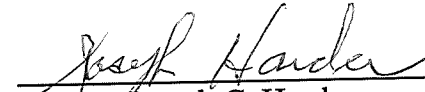
SUBCOMMITTEE REPORT

ON

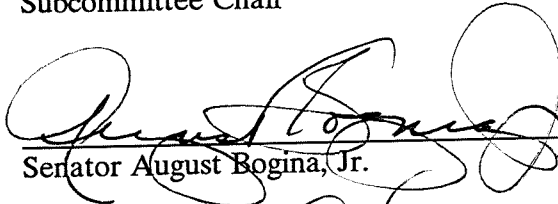
HOUSE BILL NO. 2114

FY 1991, FY 1992, FY 1993, FY 1994, and FY 1995
Capital Improvements


Sec. 2	Adjutant General
Sec. <u> </u>	Attorney General -- Kansas Bureau of Investigation
Sec. <u> 3</u>	Department of Administration
Sec. 4	Emporia State University
Sec. 5	University of Kansas
Sec. 6	Wichita State University
Sec. 7	Kansas Commission on Veterans Affairs
Sec. 8	Youth Center at Topeka
Sec. 9	Youth Center at Beloit
Sec. 10	State Board of Regents
Sec. 11	Fort Hays State University
Sec. 12	Kansas State University
Sec. 13	University of Kansas Medical Center
Sec. <u> </u>	Osawatomie State Hospital
Sec. <u> </u>	Kansas College of Technology



Senator Joseph C. Harder
Subcommittee Chair



Senator August Bogina, Jr.



Senator Frank D. Gaines

SWAM
April 4, 1991
Attachment B

1991 HOUSE BILL NO. 2114

FYs 1991, 1992, 1993, 1994, and 1995
Capital Improvement Projects

As Recommended by the Governor

	Reportable Expenditures		
	State General Fund	All Other Funds	Total All Funds
FY 1991	\$ --	\$ --	\$ --
FY 1992	5,000	1,228,886	1,233,886
FY 1993	--	(2,000,000)	(2,000,000)
FY 1994	--	--	--
FY 1995	--	--	--

	Nonreportable Expenditures		
	State General Fund	All Other Funds	Total All Funds
FY 1991	\$ --	\$ (997,648)	\$ (997,648)
FY 1992	--	511,000	511,000

As Recommended by the House

	Reportable Expenditures		
	State General Fund	All Other Funds	Total All Funds
FY 1991	\$ --	\$ --	\$ --
FY 1992	5,000	1,397,600	1,402,600
FY 1993	--	10,747,277	10,747,277
FY 1994	--	27,712,148	27,712,148
FY 1995	--	17,081,235	17,081,235

	Nonreportable Expenditures		
	State General Fund	All Other Funds	Total All Funds
FY 1991	\$ --	\$ (997,648)	\$ (997,648)
FY 1992	--	511,000	511,000

As Recommended by the Senate Subcommittee

	Reportable Expenditures		
	<u>State General Fund</u>	<u>All Other Funds</u>	<u>Total All Funds</u>
FY 1991	\$ (203,000)	\$ --	\$ (203,000)
FY 1992	666,686	1,643,400	2,310,086
FY 1993	75,000	10,747,277	10,822,277
FY 1994	--	27,712,148	27,712,148
FY 1995	--	17,081,235	17,081,235

	Nonreportable Expenditures		
	<u>State General Fund</u>	<u>All Other Funds</u>	<u>Total All Funds</u>
FY 1991	\$ --	\$ (997,648)	\$ (997,648)
FY 1992	--	511,000	511,000

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Recommendations

Sec. 2 -- Adjutant General

\$206,686 from the General Facilities Building Fund (GFBF) for rehabilitation and repair projects; reappropriation of funding for two uncompleted projects.

The House concurs with the Governor's recommendation with the following adjustment:

1. Delete General Facilities Building Fund (GFBF) financing pending creation of the fund.

The Senate Subcommittee concurs with the recommendations of the House with the following adjustment.

1. Add \$206,686 from the State General Fund for rehabilitation and repair projects.

Sec. __ -- Attorney General -- KBI

The Governor recommends \$5,000 from the GFBF for rehabilitation and repair projects at the KBI headquarters.

The House concurs with the Governor's recommendation with the following adjustment:

1. Delete this section pending the passage of the proposed legislation which creates the GFBF.

The Senate Subcommittee concurs with the House recommendation with the following adjustment.

1. Add \$5,000 from the State General Fund for rehabilitation and repair projects at the KBI headquarters building.

Sec. 3 -- Department of Administration

The Governor recommends \$936,500 from FY 1992 including reportable expenditures of \$425,500 and nonreportable expenditures of \$511,000. Recommended financing for reportable expenditures includes \$5,000 from the State General Fund, and \$420,500 from the GFBF. Financing for nonreportable expenditures is from the State Buildings Depreciation Fund. For FY 1991 the Governor recommends the lapse of \$997,648 from several State Building Depreciation Fund accounts.

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

1. Delete \$420,500 from the General Facilities Building Fund pending the passage of proposed legislation which creates the fund.

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

1. Concur.
2. Add \$36,000 from the State General Fund : separate line item for heating and air conditi repairs at the Governor's residence.

7-8

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Recommendations

Sec. 4 -- Emporia State University

Lapse of the unencumbered balance from two completed Educational Building Fund projects.

The House concurs with the Governor's recommendation with the following adjustment:

1. Add \$150,000 from the Educational Building Fund in FY 1993 for asbestos abatement for the Plumb Hall renovation project.

3. Add \$314,000 from the State General Fund in a separate line item for Statehouse and Judicial Center -- Capital Improvements.
4. Add \$100,000 in FY 1992 and \$75,000 in FY 1993 from the State General Fund in a separate line item for renovation of the cage elevator in the Statehouse.
5. Lapse the balance (estimated \$203,000) in the planning for renovation of the Memorial Building account.

The Senate Subcommittee concurs with the recommendations of the House.

1. Concur.

Sec. 5 -- University of Kansas

\$490,000 from the Educational Building Fund for the Marvin Hall bridge addition; lapse of the unencumbered balance on a completed Educational Building Fund project.

The House concurs with the Governor's recommendation with the following adjustment:

1. Delete \$490,000 from the Educational Building Fund for an addition to the Marvin Hall bridge project.

The Senate Subcommittee concurs with the recommendations of the House.

1. Concur.

Sec. 6 -- Wichita State University

Lapse of \$2,000,000 in FY 1993 Educational Building Fund financing from the Science Classroom Building project due to favorable project bids.

The House concurs with the Governor's recommendation.

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

1. Authorize the razing of a building in conjunction with the Science Classroom Building project.

8-5

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Recommendations

Sec. 7 -- Kansas Commission on Veterans Affairs

The Governor concurs with the agency request for \$100,000 from the State Institutions Building Fund (SIBF) for rehabilitation and repair projects (\$50,000) and cottage renovation (\$50,000).

The House concurs with the Governor's recommendation.

Subcommittee also recommends that the agency explore the use of inmate labor in the razing project.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 8 -- Youth Center at Beloit

\$6,700 from the SIBF for carpeting.

The House concurs with the Governor's recommendation.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 9 -- Youth Center at Topeka

The bill as introduced did not include this section.

The House recommends \$275,900 from the State Institutions Building Fund for an addition and remodeling project at the agency's dietary facility. In doing so, the House concurs with the recommendation of the Joint Committee on State Building Construction.

The Senate Subcommittee concurs with the recommendation of the House.

New Sec. 10 -- State Board of Regents

The bill as introduced did not include this section.

The House recommends an appropriation from the Educational Building Fund of \$10.0 million in FY 1994 and \$10.0 million in FY 1995 for major maintenance projects at Regents' institutions. Technical amendments are made to the bill to accurately reflect the 1990 Legislature's appropriations for FY 1991, FY 1992, and FY 1993.

The Senate Subcommittee concurs with the recommendations of the House.

Sec. 11 -- Fort Hays State University

The agency requests authorization to expend \$250,000 in federal funds for preliminary planning of

The House concurs with the Governor's recommendation with the following adjustment:

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

9-8

Agency Request/Governor's Recommendation

a new physical sciences classroom building in FY 1992. The Governor did not recommend the project.

Sec. 12 -- Kansas State University

The agency requests authority to construct five steel buildings at a total cost of \$165,000 financed entirely from restricted use funds or special revenue 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 on the Ashland Farm in Manhattan. The Governor did not recommend the projects.

The agency also requests \$23,127,000 over a multi-year period to construct two additions to Throckmorton Hall (plant sciences). The agency request reflects 50 percent of the project from federal funds and the other half financed from the Educational Building Fund. The Governor did not recommend the project.

House Adjustments

1. The House concurs with the agency request to expend \$250,000 in federal funds for preliminary planning of a new physical sciences classroom building in FY 1992.

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

1. Construct five steel buildings at a total cost of \$165,000 financed from restricted use funds or special revenue funds. The action concurs with the Joint Committee on State Building Construction.
2. Concur with the Joint Committee on State Building Construction recommendation to construct two additions to Throckmorton Hall (plant sciences) at a total cost of \$24,371,560. The project would be financed over several years from three funding sources. The recommendation includes \$6,998,560 from the Educational Building Fund (\$100,000 in FY 1992 and FY 1993,

Senate Subcommittee Recommendations

1. Concur.
2. Concur with the recommendation of the Joint Committee on State Building Construction to authorize the agency to issue bonds in the amount of \$200,000 to renovate the student union. The bonds are to be repaid through student fees.

The Senate Subcommittee concurs with the recommendation of the House, with the following observation:

1. Concur.
2. Concur. The Subcommittee notes that any loan from the Pooled Money Investment Board or bonds issued by the Kansas Development Finance Authority is to be repaid from gifts or the Sponsored Research Overhead Fund.

Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Recommendations

\$115,648 in FY 1994, and \$6,682,912 in FY 1995); \$5,000,000 from gifts or through a loan by the Pooled Money Investment Board or through bonds issued by the Kansas Development Finance Authority; and \$12,373,000 in federal funds.

Sec. 13 -- University of Kansas Medical Center

The agency requests \$13,170,000 over a two-year period from the Educational Building Fund to construct a new 67,800 gross square foot research building. The Governor did not recommend this project.

The House concurs with the Governor's recommendation with the following adjustment:

The Senate Subcommittee concurs with the recommendations of the House with the following observation:

1. The House Committee concurs with the Joint Committee on State Building Construction to construct a new research building at a total cost of \$13,620,000 over a four-year period. The project would be financed with \$9,100,000 from the Educational Building Fund (\$400,000 in FY 1992, \$1,600,777 in FY 1993, \$6,600,000 in FY 1994, and \$399,223 in FY 1995) and \$4,520,000 financed with a loan from the Pooled Money Investment Board or through bonds issued by the Kansas Development Finance Authority.

1. Concur. The Subcommittee notes that any loan from the Pooled Money Investment Board or bonds issued by the Kansas Development Finance Authority is to be repaid from gifts or the Sponsored Research Overhead Fund.

New Sec. -- Osawatomie State Hospital

The Governor did not recommend this item.

The House did not address this item.

The Subcommittee recommends \$45,800 from the State Institutions Building Fund to remodel the dining area of Biddle Cafeteria, as recommended by the Joint Committee on State Building Construction.

New Sec. -- Kansas College of Technology

The Governor did not address this item.

The House did not address this item.

The Senate Subcommittee recommends that capital improvement projects for the agency be reviewed for possible inclusion in the Omnibus bill pending the passage of Senate Bill No. 22.

Testimony to
Senate Ways and Means Committee
Senate Bill 395
by
Arthur H. Griggs
Acting Secretary of Administration
April 4, 1991

Mr. Chairman and members of the Committee, I appreciate the opportunity to appear before you to offer testimony in support of Senate Bill 395.

The major provisions of the bill are (1) a 2.5% step movement on the pay matrix for most classified employees for FY 92; (2) continuation of longevity payments in accordance with KSA 75-5541 in FY 92; (3) a 1.5% general adjustment to the pay matrix for the last half of FY 92; and (4) an unclassified merit pool averaging 2.5% at the beginning of FY 92, and an unclassified merit pool averaging 1.5% for the last half of FY 92.

I feel it is important to mention that all of these elements of the bill are significant parts of the compensation for our state employees. First, providing uniform step movement through the matrix brings new employees up to the market rate, and ensures the necessary salary spread between newer and longer term employees. Step movement also provides employees with a sense of career advancement and success. In the absence of step movement, employee morale and effectiveness decline. Secondly, the continuation of longevity pay is important in rewarding experienced employees who have made careers in service to the state. Third, providing a general increase of 1.5% to the pay matrix at mid-year helps the state to compete with market rates, and to maintain the rates established for job classifications implemented in the Comprehensive Classification and Job Rate Studies. This mid-year implementation recognizes the limited fiscal resources that are available at present, but helps keep our pay scales competitive. Finally, the unclassified merit pool allocations mirror the increases proposed for classified employees and is an important part of keeping our Regents institutions competitive.

Our employees are the most important resources of state government. They must produce more when economic resources are less. Failure to act positively on this bill will adversely affect employee effectiveness and morale at a time when we are asking them to do more.

SWAM

April 4, 1991

Attachment 9

Results of failure to Enact a Fair Pay Plan

- Short term thinking about employee pay will dig a hole which will have long-lasting negative effects for the future. Our universities and state agencies will lose competitiveness with other employers without this bill.
- Because of high shrinkage factors applied to agency budgets, morale will decline as employees are required to increase their duties without pay increases.
- The Consumer Price Index for calendar year 1990 rose by 5.4%. Failure to support this bill will further erode the purchasing power of state employees. In fact, if the longevity provisions are not included, employees who received longevity payments for the past fiscal year will experience a pay cut.
- Failure to pass a pay plan bill results in poor treatment of our employees. With the tight FY 92 budget year, we will be asking them to do more within the limited resources available.

I ask the committee to support this bill and provide the state's work force with the modest increases that are essential to sustain it.

9158A

Statewide Salaries and Wages

	Total FY 1991	Total FY 1992
Authorized Positions		
Classified	\$678,237,589	\$691,965,229
Unclassified	410,626,891	425,743,586
Boards, Commissions	11,337,066	11,347,121
Temporary	23,382,052	22,734,575
Member Help	26,481,772	30,146,219
Authorized Total	\$1,150,065,370	\$1,181,936,730
Position Actions		
Reclassifications	66,984	107,819
New Positions - Classified	571,678	164,368
New Positions - Unclassified	81,520	5,346,946
Cumulative Subtotal	\$1,150,785,552	3,388,388
Shift Differential	3,267,583	\$1,190,944,251
Overtime	10,283,668	3,712,062
Longevity	8,727,904	10,934,246
Total Salaries	\$1,173,064,707	— *
Employee Retirement		
KPERS - Regular	22,835,853	25,681,148
KPERS - Insured Only	22,244	70,898
Deferred Compensation	229,468	228,939
TIAA	26,686,734	27,703,209
KBI	324,461	324,970
Highway Patrol	1,726,797	1,819,831
Judges Retirement	613,978	830,007
Security Officers - A	2,320,246	2,334,663
Security Officers - B	240,107	236,596
Retirement Total	\$54,999,886	\$59,230,261
FICA	84,832,593	84,295,771
Workman's Compensation	12,353,159	13,775,515
Unemployment	2,244,054	2,290,001
Employee Health Insurance	72,600,500	97,616,830
Family Health Insurance	6,857,298	9,025,026
Total Fringe Benefits	\$233,887,492	\$266,233,404
Gross Salaries and Wages	\$1,406,952,199	\$1,471,823,963
(Shrinkage)	51,750,886	51,210,162
(Rents and Other)	15,786	—
Net Salaries and Wages	\$1,355,185,527	\$1,420,613,801
Governor's Salary Plan	—	43,115,875
Total Salaries and Wages	\$1,355,185,527	\$1,463,729,676
State General Fund Total	\$702,872,145	769,610,017
State General Fund Percent	51.87%	52.58%
FTE	42,126.2	42,355.8

Amounts include Department of Administration off-budget expenditures and Department of Transportation salaries and wages associated with the construction program budgeted as capital improvements.

** FY 1992 Longevity Payments of \$9.3 million are included in the Governor's Salary Plan.*

Employee Compensation

The Governor's recommendations for employee compensation provide for classified step movement and the equivalent for unclassified employees, a small cost-of-living adjustment, and funding for longevity payments.

Salary Adjustments

The Governor's recommendation includes annual base increases totaling 4.0 percent for most employees during FY 1992. The recommendation includes a 2.5 percent step movement increase for eligible classified state employees. Also, the recommendation includes a 1.5 percent cost-of-living increase for all classified employees for the second half of FY 1992. For unclassified employees who are not eligible for step movement, the recommendation includes an equivalent 2.5 percent increase for FY 1992, with an additional 1.5 percent cost-of-living for the second half of the year. In accordance with statutes, elected officials and judges would receive a cost-of-living increase of 1.5 percent for the second half of the year, which corresponds to the amount recommended for classified cost-of-living adjustments.

Longevity Payments

The Governor's recommendation includes longevity payments for long-term state employees for FY 1992. Beginning in FY 1990, workers with more than 10 years of service received annual bonuses of \$40 per year of employment, with a maximum payment of \$1,000 per year. Payments will continue to be made during the first pay period following the employee's anniversary date. The estimated cost of these payments is \$9.3 million in FY 1992.

Governor's Salary Plan Total Cost	
Step Movement	\$12,809,328
Classified COLA	5,972,408
Regents Unclassified	11,759,201
Other Unclassified	3,306,767
Longevity Payments	9,268,171
Total	\$43,115,875
State General Fund	\$30,598,741

Employee Health Insurance State Contribution		
	FY 1991	FY 1992
Employee	\$72,600,500	\$97,616,830
Family	6,857,298	9,025,026
Total	\$79,457,798	\$106,641,856

April 4, 1991

My name is Norma Ascher, I am a widow with two grown daughters and I have been a state employee for two years. I would like to provide the Committee on Ways and Means a copy of my monthly income and expenses to show you the difficulty that I have in making ends meet. I also know that many other state employees have a similar problem with their monthly expenses. At this time I would like to review my monthly income and expenses with the committee:

Gross Wages		\$1,232.00
Payroll Deductions:		
Social Security	94.00	
Federal Tax	162.00	
State Tax	44.00	
KPERs	49.00	
Parking	10.00	
Health Ins.	2.00	

Total Deductions:		(361.00)

Take Home Pay		871.00

Monthly Expenses:		
Tithe	124.00	
Mobile Home Payment	220.00	
Lot Rent	135.00	
K.P.L.	60.00	
Telephone	35.00	
Car Insurance	33.00	
Groceries	100.00	
Mobile Home Insurance	19.00	
Personal Property Tax-Auto	25.00	
Personal Property Tax-Home	30.00	

Total Expenses:		(781.00)

Balance left for clothing, car repairs, gas, medical expenses, miscellaneous supplies, and other unforeseen expenses:		\$90.00

I would like to encourage the committee to pass Senate Bill No. 395. Thank you.

SWAM
April 4, 1991
Attachment 10

Testimony in favor of Senate Bill 395, April 4, 1991 given by Cindy Riling, Office Specialist, University of Kansas School of Law.

As a classified employee at the University of Kansas I am here to express my support for Senate Bill No. 395. In order to maintain services provided by classified employees you must vote favorably on this Bill. Classified employees can and do show gratitude for adequate compensation by performing exceptionally on the job. A classified employee is of no value to the State if he is distraught over how the rent will be paid, how the childcare bill will be paid or where he's going to get money to buy groceries to feed his family. Let me site an example, Yvonne Hadl, single mother of two and a food service worker at KU, continues to receive Outstanding evaluations and yet her salary does not meet the cost of her very basic needs. She is currently working two jobs in addition to her job at KU: cleaning houses and fraternity cook. The cost of these needs continues to rise while our spending dollar decreases. Other examples include a Librarian II who moonlights at a local restaurant, a Librarian I who has worked two additional jobs (McDonalds and Weight Watchers). Rose Foster's husband was unable to accept a position as a classified employee because he couldn't afford the increase in childcare that would be necessary because of his schedule change. Rose is an Office Assistant III.

The cost of living index is 6.1%; the most a classified employee can expect from the proposed pay plan is 3.25%. Ladies and gentlemen, we're not asking for the moon. We are asking for respect. Respect that comes from knowing that our work is appreciated. Respect that comes from being able to meet our own financial obligations.

Let me speak next about the longevity bonus that was first passed in April of 1989. Oscar Wilde once observed that one should be careful what one asks for, for one will surely get it. I fully supported the longevity bonus in 1989 knowing full well that I was not eligible. I wrote letters, marched at a rally here in Topeka, passed petitions among fellow employees showing support and worked closely with other classified employees who were meeting with you to make it possible. I also knew that by requesting the longevity bonus, I would get a lower COLA in my base salary which would be there today. I knew all this and still supported the bill's passage.

In October of this year I will be eligible for a longevity bonus. I won't be able to buy a Certificate of Deposit with it. It won't even cover the cost of childcare for one month. But I want that bonus. I've worked weekends, early morning hours, late evening hours and I've not always asked for compensatory time for that extra work. You see, I like many of you, value the quality of work that I generate and sometimes that takes more than 40 hours in one week. I once covered two jobs for two months at the lower pay rate of the two because the College of Liberal Arts

SWAM
April 4, 1991
Attachment 11

and Sciences did not have the funds to rehire a job vacated in my unit.

I took work home with me during maternity leave with my youngest child. I took only four weeks full-time off for that particular maternity leave even though my accumulated sick and annual leave exceeded six weeks, and, even though my supervisor encouraged me to take whatever time I felt I needed. There was, however, work that needed to be done and I felt responsible for that work. Students were coming back for the fall semester and my absence creates an enormous burden on the other staff members at the Law School. That kind of commitment is not uncommon and deserves to be rewarded.

Repealing the longevity bonus is tantamount to a reduction in salary for classified employees. It was long overdue when it was passed and was a great morale booster for long term employees and employees who intend to make the University or State their career.

In closing, classified employees are very mindful of the fiscal constraints of the State and are willing to "tighten their belts." It is essential that this pay plan be passed if the State of Kansas is going to continue to have employees with adequate qualifications. I ask you to remember that our function within the State is vital for any services or programs you fund, and that we must be adequately compensated.

Tim Wright
SB 395

Thank you for permitting me to speak. My name is Tim Wright and I am a State employee I am involved in Boy Scouts as a Scoutmaster and as an assistant Cubmaster and 13 years as a volunteer with the State Hunter Safety Program. My wife is a State employee and like a great many other State employees I have a second job so we can make ends meet.

I was not impressed with last years raise that we were told we should be grateful for a 2.5% step increase and a 1.5% COLA for a total of 4% annual raise.

Even though the cost of inflation was around 7%, my health insurance was no longer subsidized which cost me about \$60 from my paycheck.

The reappraisal that we felt as home-owners increased my mortgage payment to an amount that my 4% raise was costing me about \$160 per month as a State employee I cannot afford too many raises of that manner.

Reappraisals are back this year and I am afraid to even inquire as to the inflation rate this year.

State employees typically receive about 1/4 to 1/3 less than a comparable job on the outside, but look at what would happen if we did not do our jobs as well as we do. The dedication of State employees should be rewarded and not have their intelligence insulted by being told how great a raise we are getting.

I would like to break down a portion of our raise for example: an employee making \$1,000 per month and getting the 1.5% raise for a 20-day pay period that is \$15 per month raise or a 9 cent per hour raise before we pay our roughly 1/3 tax; therefore, our take home for the gracious 1.5% is 6 cents per hour. Can you live on a 6 cents per hour raise?

Especially after we just read in the newspaper of our local police getting a 5% and 6% raise this year and next. I implore you to pass this bill. For we as State employees wish to be treated with constituents for some of us are your constituents.

Thank you

SWAM
April 4, 1991
Attachment 12

TESTIMONY
OF
JUDGE WILLIAM CARPENTER
PRESIDENT
OF THE
KANSAS DISTRICT JUDGES
ASSOCIATION
BEFORE THE
SENATE WAYS AND MEANS
COMMITTEE
APRIL 4, 1991
RE: SENATE BILL 395

SWAM
April 4, 1991
Attachment 13

Mr. Chairman and Members of the Committee:

I am Bill Carpenter, President of the Kansas District Judges Association. I am appearing here today concerning Senate Bill 395.

As you are aware from our previous testimony regarding Senate Bill 257 which is before this committee, Judges are restricted by statute to receiving only a cost-of-living adjustment unless the legislature takes further action each year.

It is our understanding that section one of SB 395 activates the cost-of-living statute that applies to judges and that there is funding contained in this bill for a 1.5% cost-of-living adjustment for the last six months of FY '92 for judges. If that is not the case, we encourage this committee to add \$118,510 to the appropriation for SB 395 which we are advised is the cost for a 1.5% cost-of-living increase for all appellate court justices, district court judges and magistrate judges.

Additionally, we respectfully request that this committee add to the appropriation for SB 395 the amount necessary to afford judges the equivalent of the 2.5% pay increase the Governor has recommended for all other full-time career state employees for FY '92 through movement on the pay matrix or merit pool disbursement. We are advised that the fiscal note for a 2.5% increase for all appellate justices, district court judges and magistrate judges is \$390,612 for FY '92.

Thank you for the opportunity to express the views of the Kansas District Judges Association regarding this matter. I would be happy to answer any questions.

Presentation to
Senate Ways & Means Committee
by Connie Burrow
Iola, Kansas
April 4, 1991

I began service with state government in 1966 as a Clerk Typist I with the Kansas Department of Transportation.

State service long ago became my career, and I have worked my way up the ladder to the position of Engineering Technician III.

In the 25 years of my employment with the state, I have gained a level of experience and competence, and it would be difficult and expensive to replace me. I have become a professional, and I save the state money through my expertise and efficiency.

Yet, I am paid far below the wages paid for similar positions in other states. I was underpaid in 1966, and I am underpaid today.

In 1985, the Legislature promised that employees would be reclassified to bring pay for our positions into proper equity. Today, six years later, I and my co-workers are still waiting for equity. We have not been reclassified.

In 1988, the Legislature passed a bill to give us annual step raises. Also in 1988, a bill was passed to give career employees an annual longevity bonus. Unless SB 395 is passed, neither of these promises will be fulfilled.

I live and work in the Iola area. Morale among state employees in my area has dropped.

And, the morale problem is understandable: We are promised reclassification, annual steps and longevity bonuses, but those promises seem to mean nothing.

My co-workers and I depended upon your promises. We planned our economic lives accordingly.

In the past few months, we have taken on more and more duties for the same pay. Now, it seems, we are being asked to work harder and forget about all those promises.

There are many dedicated, loyal, and hard-working state employees. I urge you not to forget them or the livelihood of their families. Keep your promises. Support SB 395.

SWAM

April 4, 1991

Attachment 14

SALARY DISPUTE

4.5.91

ON BEHALF OF MY CO-WORKERS AND MYSELF, I APPRECIATE YOUR TIME AND INTEREST ON THE ISSUE OF SALARIES.

I BELIEVE IT IS IMPERATIVE THAT THE PAY RAISES AND THE LONGEVITY BONUS BE LEFT IN PLACE.

THESE RAISES AS PROPOSED, WILL HELP MAINTAIN SOME BALANCE BETWEEN SALARIES AND THE COST OF LIVING INCREASES, SUCH AS INSURANCE, TAXES, FUEL AND OTHER ITEMS.

THANK YOU

David Broken

SWAM
April 4, 1991
Attachment 15

Good morning Mr. Chairman and members of the Committee. My name is Elizabeth Trimble. I am a Utility Worker employed by the State of Kansas, Division of Facilities Management, Buildings and Grounds Services. I am here today to urge you to appropriate money to fund salary increases next fiscal year. I'm paid at Range 10 on the payscale and my family and I need these salary increases to maintain our present standard of living. I know jobs are difficult to come by at this time and I appreciate mine. All I'm asking is to be treated fairly.

Again, I ask you to make the necessary appropriations. Thank you.

Elizabeth Trimble

*SWAM
April 4, 1991
Attachment 16*

APRIL 1991

EMPLOYEE PAY PLAN

I Mary Dempsey do feel that employees of the State of Kansas. And those of us that work under the Department of Facilities Management should be included in the FY 1992 BUDGET for a pay raise and any other financial benefits for State Employees.

Those of us that are working part time. Find it very hard to make ends meet from time to time. We realize that current recession spell tough economic times for the State of Kansas. And we all must help find ways to cut spending. We truly hope our Legislature will see fit to put in place the propose Budget including Employee pay raise, Longevity Bonus, Step Movement, & Cola. For FY 1992. I know it would appreciate it and many other State Employees would also.

SINCERELY

Mary F. Dempsey
MARY, DEMPSEY

SWAM

April 4, 1991

Attachment 17

My name is Delores Howland and I am currently employed by the Department of Human Resources, working with unemployment taxes. I have been with this Agency for 13 years, with the State for 15. I began my employment with Health and Environment one week after high school graduation.

I feel that the Longevity pay is an incentive for new employees which may keep some people rather than losing them after they have worked for the State for a year or so and have the experience that other private employers may require. I also feel that the Longevity program is a reward to those employees who have worked for the State for so many years and have reached the end of the pay matrix.

I ask for your support to these employees and reward those who have remained with the State system.

SWAM
April 4, 1991
Attachment 1B

Sandy Kokher
DHR-R fits

The longevity bonus plan has been a welcome incentive for State employees. In discussions of the merits of the bonus plan with co-workers, two main points arose most often. They are: The bonus helps to achieve equity in the pay plan between career employees and those having less than ten years in the system. The second is that the bonus is a powerful motivator for many State employees who have felt financially hindered by the old plans in the past few years.

Of 37 fulltime employees in our section, 13 of those are out on the range of steps, and until the bonus plan was established, had received only cost of living (COLA) raises of normally about 2%. These people have been with the State for many years, and are really the backbone of our section. Their knowledge of the unemployment insurance laws and their experience in working through the federal laws, rules and regulations is invaluable. The bonus offers them some compensation for this knowledge.

As for the longevity bonus being good for morale; I have worked part-time in the private sector for many years and have found that the businesses who have the most dedicated and professional employees are those that are somehow able to show appreciation to their employees for the work they perform. The bonus is one very effective way to show this appreciation, and in discussions with fellow workers, is a treasured entity.

The amount is not that great to each employee, but symbolically it is invaluable in showing appreciation to the longtime workers, and provides an incentive for them to continue to grow and improve their work performance.

In addition, this bonus amount is going to be the money that goes to pay my property tax this year, so it is indeed welcome.

SWAM
April 4, 1991
Attachment 19

My name is Mary Jaimez, and I have worked with the Department Of Human Resources, Division Of Taxation for 19 years. The Longivity Pay Program is very important to me because of the incentive for my years of service for the State Of Kansas. The program should be continued due to incentive or a way to reward State workers for jobs well done; it could also give other workers something to work for.

SWAM
April 4, 1991
Attachment 20

ME NANCY WILLETT
I AM CURRENTLY WORKING FOR THE DEPT. OF HUMAN RESOURCES - TAXATION DEPT -
WHERE I HAVE WORKED FOR 17 YRS.
I ALSO HAVE WORKED FOR THE DEPT. OF ADMINISTRATION - COMPUTER DIV FOR
9 YRS FOR A TOTAL OF 25 YRS.
I FEEL THE LONGIVITY BONUS SHOULD BE CONTINUED AS IT IS AN INCENTIVE FOR
ME AS A LONG TIME STATE EMPLOYEE AND FOR FUTURE EMPLOYEES OF THE STATE
OF KANSAS.

SWAM

April 4, 1991

Attachment 21

Testimony of Betty Vines
on SB 395,
April 4, 1991

Thirteen years ago, I entered state service as a Clerk III with the Division of Purchases of the Department of Administration.

I was a single mother. I had to pay rent and utilities, feed and cloth my child, and bear all the other expenses a family incurs every day.

My state pay was below sustenance levels. In order to support my family, I was forced to take a second full-time job. I worked for the state during the day, and I worked at an answering service during the night.

Gradually, I worked my way to a better position with state government. Today, I am an Office Specialist with the Division of Purchases.

Our jobs in the Division of Purchases are to buy products and services at the lowest possible cost. We save the state millions of dollars each year.

We take pride in our jobs. We feel a sense of duty to the taxpayers of Kansas and, as a result, many of us often work overtime without pay to complete our work.

But, thirteen years after I began working with the state, I am still paid at barely a sustenance level.

My child is grown and I no longer am forced to work a second full-time job. However, I cannot afford to buy a home on my state pay, and I drive an eleven year old car that needs repairs. Repairs that I still can't afford.

I was delighted in 1988 when the Legislature passed a bill to give state employees an annual step raise. A raise in step amounts to only about 2.5 percent, but before 1988 we were given a step once every three years. It seemed wonderful that we could look forward to an annual step raise. I began to hope that someday I could buy my own home.

I was pleased also, that the Legislature passed the longevity bonus program to reward career employees for their dedication and expertise. Our morale soared. It seemed that we were finally appreciated.

SWAM
April 4, 1991
Attachment 22

timony

e 2

Today, however, I am told that I must sacrifice to help the state out of its financial mess. I had nothing to do with creating the mess, yet I am told to continue to sacrifice my quality of life.

Frankly, I resent it. And thousands of other state employees resent it.

I want to drive a new car someday. I want to own a home someday. I have sacrificed enough.

I urge you to put the livelihood of thousands of state employees families before new projects. Please support SB 395.

TESTIMONY

OF

TROOPER JEFF COLLIER
PRESIDENT

ON BEHALF OF THE

KANSAS STATE TROOPERS ASSOCIATION

BEFORE THE

SENATE WAYS AND MEANS
COMMITTEE

APRIL 4, 1991

RE: SENATE BILL 395

SWAM
April 4, 1991
Attachment 23

Mr. Chairman and Members of the Committee:

I am Jeff Collier, President of the Kansas State Troopers Association. I am appearing here today on behalf of Kansas Troopers in support of Senate Bill 395.

We are very cognizant of the fiscal forecast for Kansas over the next year. Historically, when faced with these predictions, salaries and benefits of state employees have been the first budget items curtailed, principally because they command the largest percentage of an agency's budget.

However, cost-of-living and other expenses incurred by state employees and their families are not curtailed or frozen. Additionally, when the fiscal picture brightens for our state, then we must play catch-up with both cost-of-living indexes and competing salaries of the private sector.

It is for these reasons that we both applaud and support Senate Bill 395. It has a very positive impact now on Kansas state employees, but even more importantly, it will impact significantly in the years to come as Kansas returns to prosperity.

Thank you for the opportunity to express these thoughts and concerns as a Kansas civil servant and to represent the views of the Kansas State Troopers.

EXAMPLE 1

The first example illustrates the reduction in take home pay an employee on salary range 13 would suffer if health care costs increase by 10% and SB 395 were not passed. Salary Range 13 was chosen for this example because more employees (3,093) are paid on this range than any other. The employee's monthly salary is \$1,439 (which is the average for SR 13). The deductions include state and federal taxes, social security, KPERS, and Blue Select Family (including dental) coverage. With a conservative estimate of a 10% increase in the health insurance premiums, total deductions would be \$407 which would result in a \$15 per month or 1.4% reduction in take home pay for the employee.

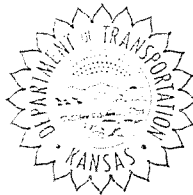
EXAMPLE 2

The second example illustrates the reduction in take home pay an employee who is paid \$1,845 per month (which is the average salary of all classified employees) would suffer if health care costs increase by 10% and SB 395 were not passed. Deductions again include state and federal taxes, social security, KPERS, and Blue Select Family (including dental) coverage. Again estimating a 10% increase in the health insurance premiums, total deductions would be \$528 which would also result in a \$16 per month or 1.2% reduction in take home pay for the employee.

These examples illustrate reductions in take home pay only. With the cost of living rising by 5.4% based on the Consumer Price Index, the purchasing power of Employee #1 would decrease by 6.8% and that of Employee #2 by 6.6% if SB 395 is not passed.

SWAM
April 4, 1991
Attachment 24

STATE OF KANSAS



Gary Stotts
Secretary of Transportation

KANSAS DEPARTMENT OF TRANSPORTATION
Docking State Office Building
Topeka 66612-1568
(913) 296-3566

Joan Finney
Governor of Kansas

April 4, 1991

MEMORANDUM TO: Senator Gus Bogina, Chairperson and members of the Senate Committee on Ways and Means

SUBJECT: Senate Bill 395

FROM: Gary Stotts
Secretary of Transportation

The Department of Transportation represents 3,293 employees for the State of Kansas. These employees are located throughout the state. For the most part their state job represents the primary income for the employee and the employee's family. And for the most part, these people are trying to do a good job for the citizens of Kansas.

The Governor's pay bill before you simply recognizes the basics of a compensation plan.

A. It provides for maintenance of the state pay matrix that, although occasionally modified, has been in place for a number of years.

B. It provides for longevity payments to eligible state employees pursuant to the plan adopted by the legislature in 1989.

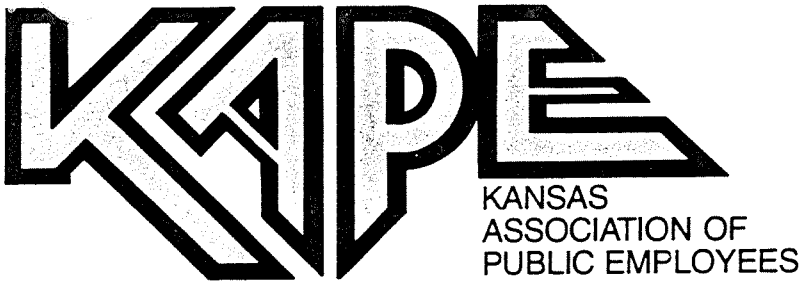
C. It provides for a 1.5% cost of living adjustment, effective for 6 months of the fiscal year, as a modest attempt to adjust the state pay plan in relationship to the market and to the cost of living.

In summary, we recognize and appreciate the fiscal and budget problems facing the State. But, we would suggest that failure to enact the Governor's proposal could impact our ability to maintain the workforce necessary to the successful accomplishment of our programs and services, and could result in larger fiscal issues in future years.

SWAM

April 4, 1991

Attachment 25



Presentation on SB 395
Senate Committee on Ways and Means
by
Charles Dodson
Kansas Association of Public Employees
April 4, 1991

Mr. Chairman, members of the Committee, thank you for allowing me the opportunity to speak in support of SB 395.

A friend of mine and former Chairman of the House Appropriations Committee was very fond of explaining to me that the financial stability of the state was more important than state employees receiving the pay raises they need and deserve. More often than not, that philosophy prevailed. Here are the results:

A paper prepared by the Legislative Research Department, dated October 10, 1990, reported that the total salaries divided by the number of positions and adjusted for the CPI-U in 1990 dollars was \$493 per year less than earned in 1970. If SB 395 is not passed, the deficit would be \$1,042 per year less than that earned in 1970. Even if SB 395 is passed, the deficit from 1970 would still increase to \$528 each year.

SWAM
April 4, 1991
Attachment 26



In data compiled from reports by the Bureau of the Census, the annualized average earnings for full time state employees in Kansas ranked us 28th in the nation in 1985. In 1986 we ranked 32nd; in 1987 - 38th; in 1988 - 41st; and in 1989 Kansas full-time state employees ranked 45th in the nation. Right in there among such economic powerhouses as West Virginia, Arkansas and Mississippi.

While the cost of total salaries is increasing, much of the responsibility must be attributed to the growth in the number of employees. The October 10th report from Legislative Research showed that the number of state workers increased by 610 employees during the period 1980 through 1985, and rose by 3793 for the last five (5) years of the decade.

When I try to analyze the financial situation in which we find ourselves, I keep running into a wall that has no business being there. The graffiti on that wall reads: "Political agenda".

I hope that graffiti was based on my ignorance and not on true facts.

I think it is necessary to place some of the issues before us in the proper historical perspective.

One of the measures before you today has nothing to do with a pay increase. Failure to approve funding for the longevity program is not the same as holding down increases, it would be a cut in compensation.

Classified employees are the only group singled out for such consideration. I am not aware of any measures to reduce funding, or of any bills to determine whether we should continue funding for TIAA-CREF, special per diem increases, special deferred compensation programs, or unclassified employee salaries. The question has to be: Why have classified employees been singled out for this consideration?

Yet, by the very fact that hearings are being held today on funding for longevity, a very clear message is being sent to classified employees that they are being given singular treatment.

I think the people who put the agency budgets together made a grievous error by not including funding for longevity pay in the agency budgets. That's where it belonged, that's where it should be now, and that's where it should always be.

Another aspect of this bill that deserves special consideration is funding for step movement. Many of you are aware of the condition of the pay plan prior to 1985. Steps were

a hit and miss affair. Only occasionally did employees receive steps. The result was severe salary compaction. Five or ten-year employees were earning the very same salary as new employees. Morale was rock bottom.

A new pay plan was developed and, since 1985, the changes to the pay plan have resulted in an excellent plan. As a matter of fact, it is one of the best anywhere. The problem is adequate funding, not the plan. One commitment you made to state employees was that annual steps would be made through the plan. For several years now, you have kept that commitment. To fail to fund steps this year would be a serious error. It would damage morale, productivity and the confidence that the policymakers really intended to do everything possible to keep, at least, that commitment.

Several years ago, 1985 I believe, a commitment was made to a three year comprehensive reclassification of positions to bring salaries in line with the private sector. Six years have passed and we still haven't finished that three year program.

In 1987, you committed to direct deposit of paychecks. Not yet done. About the same time, you committed to implement the cafeteria program so that employees could pay child care expenses out of pre-tax income. This has not been accomplished.

Throughout this session I have heard prevailing arguments about commitment to one program or another. I would ask you to keep this commitment to the 27,000 classified employees by funding the pay plan approved by this body in 1988.

Lastly, a bare bones across-the-board increase is contained in this bill. Need I even address the adequacy of a 1-1/2% increase to offset a 6.1% increase in the cost-of-living. Of course not. It's obvious. If SB 395 passes, significant millions needed by state workers just to keep up will be retained by the state. But, without passage, the message will be clear - bricks, mortar, and pork will emerge as having a much higher priority than a commitment to the men and women who, in the final analysis, are state government.