

Approved: 3/8/95
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on February 23, 1995 in Room 514-S of the Capitol.

All members were present except:

Representative Dean, excused Representative Edlund, excused

Committee staff present: Alan Conroy, Legislative Research Department
Laura Howard, Legislative Research Department
Russell Mills, Legislative Research Department
Paul West, Legislative Research Department
Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Subcommittee reports were given for FY 95 and FY 96 for the Regents system covered under **HB 2236**.

HB 2236 - Appropriations for FY 96, state board of regents and higher education.

Representative Allen presented information on the subcommittee recommendation as an alternative to the full Committee's recommendation (Attachment 1).

Representative Allen presented the FY 95 and FY 96 subcommittee reports for Fort Hays State University (Attachment 2).

The subcommittee reports for FY 95 and FY 96 for Kansas State University were presented by Representative Wilk (Attachment 3).

Representative Wilk presented the FY 95 and FY 96 subcommittee reports for Kansas State University Extension Systems and Agriculture Research Programs (Attachment 4).

The FY 95 and FY 96 subcommittee reports for Kansas State University Veterinary Medical Center were presented by Representative Wilk (Attachment 5).

Representative Wilk presented the FY 95 and FY 96 subcommittee reports for Kansas State University-Salina College of Technology (Attachment 6).

The FY 95 and FY 95 subcommittee reports for Emporia State University were presented by Representative Wilk (Attachment 7).

The subcommittee reports for FY 95 and FY 96 for Pittsburg State University were presented by Representative Wilk (Attachment 8).

Representative Allen presented the FY 95 and FY 96 subcommittee reports for the University of Kansas (Attachment 9).

Representative Allen presented the FY 95 and FY 96 subcommittee reports for the University of Kansas Medical Center (Attachment 10).

The FY 95 and FY 96 subcommittee reports for Wichita State University were presented by Representative Wilk (Attachment 11).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 23, 1995.

Representative Wilk presented the FY 95 and FY 96 subcommittee reports for the Board of Regents (Attachment 12).

A motion was made by Representative Allen, seconded by Representative Wilk, to adopt the FY 95 and FY 96 subcommittee reports for the Regents and the Regents systemwide report. The motion carried.

The Committee turned to consideration of amending the previously adopted subcommittee reports.

A motion was made by Representative Helgerson, seconded by Representative Hochhauser to adopt the recommendation of the full Committee for \$5,759,874 for the Regents systemwide distributed as shown on (Attachment 1) and to leave in the program reduction for the KSU - Extension.

A substitute motion was made by Representative Reinhardt, seconded by Representative Helgerson, to adopt the Governor's recommendation for funding the Regents systemwide. The motion did not address the funding reduction for KSU - Extension. The motion failed with a count of 6 ayes and 10 nays.

The Chair directed the Committee to return to the original motion by Representative Helgerson. The motion failed with a count of 7 ayes and 11 nays.

A motion was made by Representative Gatlin, seconded by Representative Gross, that the movement between the employee pay and the other operating expenses in the second subcommittee recommendation shown on the Regents systemwide report (Attachment 1) be restricted to the Regents systemwide decision. The motion failed with a count of 8 ayes and 10 nays.

A chart was distributed showing county extension agent salaries and county extension costs (Attachment 13).

A motion was made by Representative Gatlin, seconded by Representative Reinhardt, to amend subcommittee recommendation no. 2 on the FY 96 subcommittee report (Attachment 4) for the KSU-Extension Systems and Agricultural Research Programs by striking the reference that the state provide support towards a portion of the salaries of only the first two extension agents employed in a county. The motion failed with a count of 6 ayes and 12 nays.

A motion was made by Representative Gatlin, seconded by Representative Goossen, to strike subcommittee recommendation no. 4 (Attachment 7) regarding funding for faculty salary enhancements for accreditation for the ESU School of Business as shown in the report for FY 96 for Emporia State University. The motion failed.

A motion was made by Representative Helgerson, seconded by Representative Reinhardt, to amend the subcommittee report for FY 96 for the University of Kansas Medical center by removing the language in recommendation no. 10 and substituting the language as shown on (Attachment 14) which would put the Board of Regents in charge of convening the blue ribbon panel. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Farmer, to amend the subcommittee report for FY 96 for Wichita State University by including language as shown in (Attachment 15) regarding razing a portion of Cessna Stadium. The motion carried.

A motion was made by Representative Goossen, seconded by Representative Kline, to amend subcommittee recommendation no. 5 in the subcommittee report for FY 96 for the Board of Regents Supplemental Grant Program, that the \$100,000 be split and \$50,000 placed into the Regents Supplemental Grant Program and \$50,000 into the Kansas Tuition Grant Program. The motion carried.

A motion was made by Representative Haulmark, seconded by Representative Wilk, to pass as amended HB 2236. The motion carried.

The Chair directed the Committee to turn to **HB 2235** regarding appropriations for FY 96 for capital improvements for various state agencies.

A motion was made by Representative Allen, seconded by Representative Gross, to amend the FY 95 and FY 96 subcommittee reports for Fort Hays State University to give them authority to raze McGrath Hall. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 23, 1995.

A motion was made by Representative Kline, seconded by Representative Reinhardt, to approve technical amendments in HB 2235 which would include adding language regarding the interest component of the energy conservation improvement clause. The motion carried.

A motion was made by Representative Kline, seconded by Representative Reinhardt, to pass as amended HB 2235. The motion carried.

The Chair directed the Committee to turn to HB 2234 - appropriations for FY 96 for various state agencies.

A motion was made by Representative Reinhardt, seconded by Representative Helgerson, to pass HB 2234. The motion carried.

The meeting adjourned at 3:40 p.m.

The next meeting is scheduled for February 27, 1995

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2/23/95

NAME	REPRESENTING
Mike Meacham	Citizen
Bill Hollenback	PSU
Bob Ryeff	P.S.V.
Nicole Cheung	Intern
BEU BRADLEY	KS ASSOC of COUNTIES
Marc Wilson	citizen
Andrew C. Hoyle	FHSU
Jeri Corl	PSU
SHERMAN REEVES	UNIVERSITY OF KANSAS
Lorraine Claassen	University of Kansas
Pat Odenov	KSBN
Pat Higgins	DefA
Martin Rasmussen	KU
Doris G. Monical	WASHBURN UNIVERSITY
Harold E. Letcher	KADAM
Sid Snyder	KDHR
Bill Reed	KS indep COLLEGE
JOE Harder	KICA
Jon Jossel	KU

SUBCOMMITTEE REPORTS

FY 1995 AND FY 1996

1996 - H.B. 2236

1995 -- H.B. 2234

Regents Systemwide

Sec. 2 Fort Hays State University

Sec. 3 Kansas State University

Sec. 4 KSU Extension Systems and Agriculture Research Programs

Sec. 5 KSU Veterinary Medical Center

Sec. 6 KSU - Salina, College of Technology

Sec. 7 Emporia State University

Sec. 8 Pittsburg State University

Sec. 9 University of Kansas

Sec. 10 University of Kansas Medical Center

Sec. 11 Wichita State University

Sec. 12 State Board of Regents



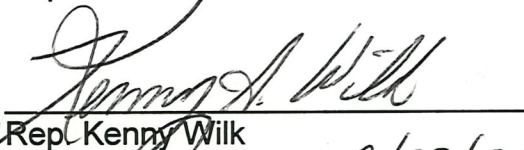
Rep. Barbara P. Allen
Subcommittee Chairperson

Rep. Henry Helgerson



Rep. Robin Jennison

Rep. Richard Reinhardt



Rep. Kenny Wilk

2/23/95
Appropriations Comte
Attachment 1

REGENTS SYSTEMWIDE REPORT

H.B. 2236

The Subcommittee recommends reconsideration of action taken by the full Committee in deleting \$5.8 million from the State General Fund in FY 1996 funding from the Regents system because of a lower level of projected growth in tuition receipts than had originally been used in budget estimates for FY 1996. The Subcommittee makes the following recommendation as an alternative to the full Committee's recommendation:

- ▶ Delete from the State General Fund a total of \$6.0 million in the Regents System, including the Regents Institutions and the Office of the State Board of Regents. The Subcommittee recommends that reductions be made based on each institution's proportion of the Governor's recommended general use budget for the Regents system.
- ▶ The Subcommittee further recommends that S.B. 190, the state employee pay bill, be amended to allow Regents institutions the flexibility to use any funding approved for salary increases for unclassified faculty and staff for either salaries or other operating expenses at the discretion of the head of each institution.
- ▶ The Subcommittee believes its proposed allocation of the recommended reduction is fairer, treats all institutions equally, and provides additional flexibility to the Regents institutions in managing their budgets.

The first two columns in the following table summarize by institution the Subcommittee's recommended reduction as compared to the original reduction recommended by the full Committee. The last two columns illustrate the level of funding which would be restored to the Regents institutions in S.B. 190 if a 2.5 percent or a 3.5 percent salary increase for unclassified employees is recommended by the Legislature.

Allocation of Regents Systemwide Budget Reduction				
	Subcommittee Rec.	Committee Rec.	Value of 2.5% Unclassified	Value of 3.5% Unclassified
University of Kansas	\$ (1,599,600)	\$ (3,421,366)	\$ 2,675,576	\$ 3,745,807
KUMC - Education	(954,600)	(69,118)	1,391,678	1,948,349
Kansas State	(1,071,600)	(1,013,738)	1,731,288	2,423,803
KSU - Extension	(426,000)	0	738,284	1,033,597
KSU - Salina	(48,000)	0	76,944	107,722
KSU - Vet Med	(130,800)	0	180,158	252,221
Wichita State	(691,800)	(362,872)	1,068,904	1,496,465
Emporia State	(292,800)	0	573,374	802,723
Fort Hays State	(292,800)	(408,951)	489,601	685,441
Pittsburg State	(322,200)	(483,829)	525,602	735,843
Board of Regents	(169,800)	0	20,377	28,528
Total	\$ (6,000,000)	\$ (5,759,874)	\$ 9,471,786	\$ 13,260,499

- ▶ The Subcommittee further recommends that the reduction for KSU - Extension identified in the table above not be made. In its individual recommendations for KSU - Extension, which follow this report, the Subcommittee is recommending a reduction of \$446,879, which is \$20,879 greater than the reduction that would be borne by Extension under the allocation above.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 2234

Bill Sec. 4

Analyst: Mills

Analysis Pg. No. 665

Budget Page No. 197

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 23,921,816	\$ 23,852,979	\$ 0
General Fees Fund	7,214,601	7,214,601	0
Other Funds	116,845	116,845	0
Subtotal General Use	\$ 31,253,262	\$ 31,184,425	\$ 0
Restricted Use Funds*	12,162,483	12,162,483	0
Total -- Oper. Exp.	\$ 43,415,745	\$ 43,346,908	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 833,819	\$ 833,819	\$ 0
Special Capital Impmts. Fund	622,158	622,158	0
Other Funds	4,670,836	4,670,836	0
Total -- Cap. Impr.	\$ 6,126,813	\$ 6,126,813	\$ 0
GRAND TOTAL	\$ 49,542,558	\$ 49,473,721	\$ 0
FTE Positions**:			
Classified	311.2	311.2	0.0
Unclassified	383.7	383.7	0.0
TOTAL FTE	694.9	694.9	0.0

Special Project Appointments -- -- --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion, except that they must be used in a manner consistent with the conditions attached to the receipt of funds and they must be spent within basic guidelines set by the Legislature.

** Fort Hays State University is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$43,415,745 in FY 1995. Of the total request, general use expenditures account for \$31,253,263, an increase of 7.1 percent above actual FY 1994 expenditures. The agency's revised FY 1995 general use budget is equal to the approved budget.

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Attachment 2

The request (reflecting revised fee fund estimates based on fall enrollments) shifts financing in the amount of \$290,557 from the General Fees Fund to the State General Fund. The request seeks supplemental financing from the State General Fund of \$290,557, with a like reduction in financing from the General Fees Fund. According to the University, the Fort Hays State University shortfall is largely due to the Fall 1994 enrollment decrease of 205 students.

For FY 1995, the Governor recommends a total operating budget of \$43,346,908, of which general use expenditures are \$31,184,425. The Governor's general use current year recommendation for expenditures is a reduction of \$68,837 from the agency request and includes adjustments for the following: (1) a reduction in budgeted health insurance rates for state employees (\$71,838); (2) an increase of \$885 reflecting funding released by the State Finance Council for position reclassifications; and (3) other fringe benefit adjustments (\$2,116). The Governor's recommendation concurs with the agency request to shift financing of \$290,557 from the general fees fund to the State General Fund based on fall enrollments. The net result is a reduction of \$68,837 in general use expenditures from the approved budget, with an increase of \$221,720 from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1995.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 2236

Bill Sec. 2

Analyst: Mills

Analysis Pg. No. 665

Budget Page No. 197

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96***</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 25,936,500	\$ 25,430,238	\$ (1,313,760)
General Fees Fund	7,229,186	7,235,856	408,951
Other Funds	0	0	0
Subtotal General Use	<u>\$ 33,165,686</u>	<u>\$ 32,666,094</u>	<u>\$ (904,809)</u>
Restricted Use Funds*	12,563,071	12,563,071	0
Total -- Oper. Exp.	<u>\$ 45,728,757</u>	<u>\$ 45,229,165</u>	<u>\$ (904,809)</u>
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Special Capital Impmts. Fund	0	0	0
Other Funds	786,592	786,592	0
Total -- Cap. Impr.	<u>\$ 786,592</u>	<u>\$ 786,592</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 46,515,349</u>	 <u>\$ 46,015,757</u>	 <u>\$ (904,809)</u>
 FTE Positions**:			
Classified	311.2	311.2	0.0
Unclassified	383.7	383.7	0.0
TOTAL FTE	<u>694.9</u>	<u>694.9</u>	<u>0.0</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion, except that they must be used in a manner consistent with the conditions attached to the receipt of funds and they must be spent within basic guidelines set by the Legislature.

* Fort Hays State University is not subject to a position limitation.

*** Includes GBA No. 2 adjustment.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$2,313,012 in FY 1996, including an increase of \$1,912,423 in general use expenditures and an increase of \$400,589 in restricted use expenditures. The requested general use increase of 6.1 percent includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$95,230); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$141,937); (3) a 3.5 percent merit pool for unclassified employees (\$648,322); (4) a 3.5 percent in student salaries (\$35,726); (5) a 3.5 percent increase for other operating expenditures (\$116,441); (6) an additional 4.5 percent increase (for a total of 8.0 percent) for library OOE (\$47,509); (7) servicing new buildings (\$164,509); and (8) university libraries enhancements (\$77,000), faculty salary enhancements (\$158,000), and three specific university program enhancements (\$427,749).

For FY 1996, the Governor's recommendation reflects a general use increase of \$1,480,018, a 4.7 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$1,575,608 (6.6 percent), from the general fees fund by \$21,255 (0.3 percent), and by decreasing expenditures from the State Budget Stabilization Fund by \$116,845. The Governor's recommendation shifts salary expenditures funded from the State Budget Stabilization Fund in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$1,480,018 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefits adjustments (\$44,593); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$141,937); (3) a 1 percent base adjustment for classified employees (\$62,851); (4) a 3.5 percent merit pool for unclassified employees (\$650,546); (5) a 3.5 percent increase for student salaries (\$35,711); (6) a 1.5 percent increase in other operating expenditures (\$60,462); (7) \$127,000 for the systemwide library enhancement program; and (8) \$192,749 and 2.5 FTE positions for continuation of the family nurse practitioner program.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1996, with the following adjustments:

1. Delete \$904,809 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$650,049); classified step movement (\$88,836); a 1 percent base adjustment for classified employees (\$55,515); a 3.5 percent increase for student salaries (\$35,392); and the longevity bonus (\$75,017) from individual agency budgets.
2. In conjunction with the recommendation in Item 1, reduce the expenditure limitation on the State General Fund operating expenditures account for GTA salaries from \$295,696 to \$285,697 to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the limitation be adjusted during the Omnibus Session to reflect any percentage increase approved for classified salaries.
3. Based on the recommendation of the full Committee, delete \$408,951 from the State General Fund recommended by the Governor to finance the university's FY 1996 operating budget and add \$408,951 from the General Fees Fund (tuition).

The 1996 Legislature could consider the need for a State General Fund supplemental appropriation based on actual Fall 1995 tuition receipts and enrollments.

4. Concur with Governor's Budget Amendment No. 2 which adds \$1,651 from the State General Fund to correct an error made in calculating the recommended OOE increase.
5. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 2234

Bill Sec. 14

Analyst: Howard

Analysis Pg. No. 622

Budget Page No. 367

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 78,404,517	\$ 78,133,305	\$ 0
General Fees Fund	35,819,757	35,814,807	0
EDIF	408,696	408,696	0
Other Funds	535,800	535,800	0
Subtotal General Use	\$ 115,168,770	\$ 114,892,608	\$ 0
Restricted Use Funds*	74,764,570	74,764,570	0
TOTAL -- Oper. Exp.	\$ 189,933,340	\$ 189,657,178	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 9,201,251	\$ 9,201,251	\$ 0
Special Cap. Impr. Fund	9,557,702	9,557,702	0
Other Funds	7,351,121	7,351,121	0
TOTAL -- Cap. Impr.	\$ 26,110,074	\$ 26,110,074	\$ 0
 GRAND TOTAL	 <u>\$ 216,043,414</u>	 <u>\$ 215,767,252</u>	 <u>\$ 0</u>
 FTE Positions:**			
Classified	1,436.4	1,435.4	--
Unclassified	1,544.8	1,544.8	--
TOTAL FTE	<u>2,981.2</u>	<u>2,980.2</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** Kansas State University is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$189,933,340 in FY 1995. Of the total request, general use expenditures account for \$115,168,770, an increase of 5.2 percent above actual FY

*2/23/95
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Attachment 3*

1994 expenditures. The agency's revised FY 1995 general use budget is an increase of \$40,160 above the approved budget, reflecting the University's request for a supplemental State General Fund appropriation for new buildings operating support. The request also seeks supplemental financing from the State General Fund totaling \$785,173, with a like reduction in financing from the General Fees Fund (tuition). The request reflects revised fee fund estimates based on fall enrollments. According to the University, the estimate of tuition revenues is lower than the amount estimated last Spring due primarily to: a Fall 1994 enrollment decline of 151 students; a reduction in the average fee collection caused by a decline in full-time on-campus students and an increase in part-time off-campus students; and a reduction in the carryforward balance from FY 1994.

For FY 1995, the Governor recommends a total operating budget of \$189,657,178, of which general use expenditures are \$114,892,608. The Governor's general use current year recommendation for expenditures is a reduction of \$276,162 from the agency request and includes adjustments for the following: (1) a reduction of \$40,160 and 1.0 FTE requested for servicing the Walker building; (2) a reduction in the budgeted health insurance rate for state employees (\$248,294); and (3) an increase of \$12,292 reflecting funding released by the State Finance Council for position reclassifications. The Governor's recommendation concurs with the agency request to shift financing of \$785,173 from the State General Fund to the general fees fund based on fall enrollments. The net result is a reduction of \$236,002 in general use expenditures from the approved budget, with an increase of \$554,121 from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 2236

Bill Sec. 3

Analyst: Howard

Analysis Pg. No. 622

Budget Page No. 367

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 82,843,770	\$ 81,042,701	\$(4,254,734)
General Fees Fund	38,249,554	38,375,144	1,013,738
EDIF	423,468	0	0
Other Funds	125,000	125,000	0
Subtotal General Use	<u>\$ 121,641,792</u>	<u>\$ 119,542,845</u>	<u>\$ (3,240,996)</u>
Restricted Use Funds*	77,236,390	77,236,390	0
TOTAL -- Oper. Exp.	<u><u>\$ 198,878,182</u></u>	<u><u>\$ 196,779,235</u></u>	<u><u>\$ (3,240,996)</u></u>
Capital Improvements:			
Educational Building Fund	\$ 3,500,000	\$ 3,500,000	\$ 0
Special Cap. Impr. Fund	0	0	0
Other Funds	4,142,907	4,142,907	0
TOTAL -- Cap. Impr.	<u>\$ 7,642,907</u>	<u>\$ 7,642,907</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u><u>\$ 206,521,089</u></u>	 <u><u>\$ 204,422,142</u></u>	 <u><u>\$ (3,240,996)</u></u>
FTE Positions:**			
Classified	1,445.9	1,445.7	--
Unclassified	1,544.8	1,544.8	--
TOTAL FTE	<u><u>2,990.7</u></u>	<u><u>2,990.5</u></u>	<u><u>--</u></u>
Special Project Appointments	--	--	--

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** Kansas State University is not subject to a position limitation.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$8,944,842 in FY 1996, including an increase of \$6,473,022 in general use expenditures and an increase of \$2,471,820 in restricted use expenditures. The requested general use increase of 5.6 percent includes: (1) annualization of FY 1995

cost-of-living adjustment and base fringe benefit adjustments (\$355,170); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$505,765); (3) a 3.5 percent merit pool for unclassified employees (\$2,373,659); (4) a 3.5 percent increase for student salaries (\$55,719); (5) a 3.5 percent increase for other operating expenditures (\$480,253); (6) an additional 4.5 percent increase (for a total increase of 8.0 percent) for library OOE (\$153,366); (7) \$385,090 and 9.5 FTE to service new buildings; (8) \$272,000 as part of a systemwide library enhancement project; (9) mission-related program enhancements to: enhance faculty salaries (\$947,000) and purchase instructional equipment (\$482,000); and (10) \$463,000 generated from a 2 percent tuition surcharge to be used for the purchase of instructional equipment.

For FY 1996, the Governor's recommendation reflects a general use increase of \$4,650,237, a 4.0 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$2.9 million (3.7 percent), from the general fees fund by \$2,560,337 (7.1 percent), and by decreasing expenditures from the EDIF and State Budget Stabilization Fund (\$819,496). The Governor's recommendation shifts expenditures funded from the EDIF in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$4,650,237 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments (\$246,900); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$505,765); (3) a 1 percent base adjustment for classified employees (\$213,283); (4) a 3.5 percent merit pool for unclassified employees (\$2,368,075); (5) a 3.5 percent increase for student salaries (\$55,728); (6) a 1.5 percent increase in other operating expenditures (\$238,455); (7) \$373,031 and 10.3 FTE for servicing new buildings; (8) \$186,000 for the systemwide library proposal; and (9) \$463,000 for equipment purchases financed through a 2 percent resident tuition surcharge. The Governor does not recommend funding for the remaining requested program enhancements.

House Subcommittee Recommendation

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

1. Delete \$3,240,996 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$2,368,076); classified step movement (\$297,264); a one percent base adjustment for classified employees (\$213,283); a 3.5 percent increase for student salaries (\$55,727) and the longevity bonus (\$306,646) from individual agency budgets.
2. In conjunction with the recommendation in item 1, reduce the expenditure limitation on the State General Fund operating expenditures account for GTA salaries from \$3,933,000 to \$3,800,000 to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the limitation be adjusted during the Omnibus Session to reflect any percentage increase approved for unclassified salaries.

3. Based on the recommendation of the full Committee, delete \$1,013,738 from the State General Fund recommended by the Governor to finance the university's FY 1996 operating budget and add \$1,013,738 from the General Fees Fund (tuition). The 1996 Legislature could consider the need for a State General Fund supplemental appropriation based on actual Fall 1995 tuition receipts and enrollments.
4. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 630

Budget Page No. 371

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 36,989,029	\$ 36,878,132	\$ 0
Federal Land Grant Funds	7,531,508	7,531,508	0
EDIF	1,395,856	1,395,856	0
Other Funds	252,913	180,622	0
Subtotal General Use	<u>\$ 46,169,306</u>	<u>\$ 45,986,118</u>	<u>\$ 0</u>
Restricted Use Funds*	27,634,612	27,706,903	0
TOTAL -- Oper. Exp.	<u><u>\$ 73,803,918</u></u>	<u><u>\$ 73,693,021</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
Special Revenue Funds	\$ 0	\$ 0	0
TOTAL -- Cap. Impr.	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
 GRAND TOTAL	 <u><u>\$ 73,803,918</u></u>	 <u><u>\$ 73,693,021</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions:**			
Classified	489.6	489.6	--
Unclassified	781.0	781.0	--
TOTAL FTE	<u><u>1,270.6</u></u>	<u><u>1,270.6</u></u>	<u><u>--</u></u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** KSU-ESARP is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$73,803,918 in FY 1995. Of the total request, general use expenditures account for \$46,169,306, an increase of 4.4 percent above actual FY 1994 expenditures. The agency's revised FY 1995 general use budget is a reduction of \$11,785 (SGF) from the approved general use budget.

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Appropriations Cmte
attachment 4*

For FY 1995, the Governor recommends a total operating budget of \$73,693,021, of which general use expenditures are \$45,986,118. The Governor's general use current year recommendation for expenditures is a reduction of \$183,188 from the agency request and includes adjustments for the following: a reduction in the budgeted health insurance rate for state employees (\$113,797); an increase of \$2,900 reflecting funding released by the State Finance Council for position reclassifications; and a shift of \$72,291 in expenditures for the agricultural land-use value program from the general use budget to the restricted use budget. Excluding the shift to the restricted use budget, the net result of the Governor's recommendation is a reduction of \$122,682 in general use funds from the approved budget, all of which is from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. 2236

Bill Sec. 4

Analyst: Howard

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Budget Page No. 371

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 39,219,315	\$ 39,821,610	\$ (1,788,556)
Federal Land Grant Funds	7,675,004	7,675,004	0
EDIF	1,440,735	0	0
Other Funds	0	0	0
Subtotal General Use	\$ 48,335,054	\$ 47,496,614	\$ (1,788,556)
Restricted Use Funds*	28,602,801	28,675,092	0
TOTAL -- Oper. Exp.	\$ 76,937,855	\$ 76,171,706	\$ (1,788,556)
Capital Improvements:			
Special Revenue Funds	\$ 0	\$ 0	\$ 0
TOTAL -- Cap. Impr.	\$ 0	\$ 0	\$ 0
 GRAND TOTAL	 <u>\$ 76,937,855</u>	 <u>\$ 76,171,706</u>	 <u>\$ (1,788,556)</u>
 FTE Positions:**			
Classified	490.6	489.6	--
Unclassified	782.0	781.0	--
TOTAL FTE	<u>1,272.6</u>	<u>1,270.6</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** KSU-ESARP is not subject to a position limitation.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$3,133,937 in FY 1996, including an increase of \$2,165,748 in general use expenditures and an increase of \$968,189 in restricted use expenditures. The requested general use increase of 4.7 percent includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$155,959); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$182,315); (3) a 3.5

percent merit pool for unclassified employees (\$1,032,420); (4) a 3.5 percent increase for student salaries (\$9,964); (5) a 3.5 percent increase for other operating expenditures (\$233,090); (6) a faculty salary enhancement pool (\$476,000); and (7) a mission-related program enhancement targeted at improving wheat breeding through the use of biotechnology (\$76,000 and 2.0 FTE).

For FY 1996, the Governor's recommendation reflects a general use increase of \$1,510,496, a 3.3 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$2,943,478 (8.0 percent), from federal land grant funds by \$143,496 (1.9 percent) and by decreasing expenditures from the EDIF and other funds by \$1,576,478. The Governor's recommendation shifts expenditures funded from the EDIF in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$1,510,496 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments (\$120,665); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$182,315); (3) a 1 percent base adjustment for classified employees (\$75,109); (4) a 3.5 percent merit pool for unclassified employees (\$1,023,643); (5) a 3.5 percent increase for student salaries (\$9,954); and (6) a 1.5 percent increase in other operating expenditures (\$98,810). The Governor does not recommend funding for the requested program enhancements.

House Subcommittee Recommendation

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

1. Delete \$1,341,686 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$1,023,643); classified step movement (\$118,974); a one percent base adjustment for classified employees (\$75,109); a 3.5 percent increase for student salaries (\$9,954) and the longevity bonus (\$114,006) from individual agency budgets.

2. Delete \$446,870 from the State General Fund in state funding of county extension agent salaries. The Subcommittee recommends that the state provide support towards a portion of the salaries of only the first two extension agents employed in a county. The state currently contributes \$5.1 million towards the salaries of county extension agents, including \$4,156,638 for the first two extension agents in each county (207 agents), and \$893,740 towards the remaining 58 agents in the 26 counties with more than two agents. Because the county fiscal year is on a calendar year basis, the Subcommittee recommendation deletes one-half of the state support for the additional agents in FY 1996. The Subcommittee notes that if the counties with more than two agents continue the agents with county funds, in most cases, the per capita county appropriation will still be less in those counties than in the current two-agent counties. The Subcommittee further recommends the introduction of legislation to amend K.S.A. 2-608 and K.S.A. 2-609 to limit state assistance to the first two agents employed in a county, and to delete references to current responsibilities of extension agents in order to give counties more flexibility in designing their mission at the local level. The Subcommittee would note that the Cooperative Extension Service is currently discussing other ways in which to modify the extension system, and believes that other topics, including

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regionalization may be appropriate areas for discussion and further review. This recommendation replaces the reduction which would otherwise be made to KSU - ESARP under the systemwide recommendations.

3. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 641

Budget Page No. 374

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,063,254	\$ 8,033,295	\$ 0
General Fees Fund	4,037,980	4,037,980	0
Hosp. & Diagnostic Lab Fund	2,076,414	2,078,600	0
Subtotal General Use	<u>\$ 14,177,648</u>	<u>\$ 14,149,875</u>	<u>\$ 0</u>
Restricted Use Funds*	2,402,863	2,402,863	0
TOTAL -- Oper. Exp.	<u><u>\$ 16,580,511</u></u>	<u><u>\$ 16,552,738</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
Educational Building Fund	\$ 458,274	\$ 458,274	\$ 0
Other Funds	500,000	500,000	0
TOTAL -- Cap. Impr.	<u><u>\$ 958,274</u></u>	<u><u>\$ 958,274</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 <u><u>\$ 17,538,785</u></u>	 <u><u>\$ 17,511,012</u></u>	 <u><u>\$ 0</u></u>
FTE Positions:**			
Classified	149.6	149.6	--
Unclassified	99.2	99.2	--
TOTAL FTE	<u><u>248.8</u></u>	<u><u>248.8</u></u>	<u><u>--</u></u>
 Special Projects Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** The Veterinary Medical Center is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$16,580,511 in FY 1995. Of the total request, general use expenditures account for \$14,177,648, an increase of 2.5 percent above actual FY 1994 expenditures. The agency's revised FY 1995 general use budget is a reduction of \$4,809 from the approved level, including \$2,623 from the State General Fund and \$2,186 from the hospital and diagnostic laboratory revenue fund.

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Appropriations Cmte
Attachment 5*

For FY 1995, the Governor recommends a total operating budget of \$16,552,738, of which general use expenditures are \$14,149,875. The Governor's general use current year recommendation for expenditures is a reduction of \$27,773 from the agency request and includes adjustments for the following: a reduction in the budgeted health insurance rate for state employees (\$30,258), and an increase of \$2,485 reflecting funding released by the State Finance Council for position reclassifications. The Governor's recommendations also shift \$2,186 in expenditures from the State General Fund to the hospital and diagnostic laboratory revenue fund, bringing expenditures from the special revenue fund back to the level approved by the 1994 Legislature. The net result is a reduction of \$32,582 in general use funds from the approved budget, all of which is from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center

Bill No. 2236

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 641

Budget Page No. 374

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,482,157	\$ 8,286,646	\$ (395,922)
General Fees Fund	4,162,616	4,162,616	0
Hosp. & Diagnostic Lab Fund	2,125,000	2,145,115	0
Subtotal General Use	<u>\$ 14,769,773</u>	<u>\$ 14,594,377</u>	<u>\$ (395,922)</u>
Restricted Use Funds*	2,477,420	2,477,420	0
TOTAL -- Oper. Exp.	<u><u>\$ 17,247,193</u></u>	<u><u>\$ 17,071,797</u></u>	<u><u>\$ (395,922)</u></u>
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL -- Cap. Impr.	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 <u><u>\$ 17,247,193</u></u>	 <u><u>\$ 17,071,797</u></u>	 <u><u>\$ (395,922)</u></u>
 FTE Positions:**			
Classified	149.6	149.6	--
Unclassified	99.2	99.2	--
TOTAL FTE	<u><u>248.8</u></u>	<u><u>248.8</u></u>	<u><u>--</u></u>
 Special Projects Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** The Veterinary Medical Center is not subject to a position limitation.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$666,682 in FY 1996, including an increase of \$592,125 in general use expenditures and an increase of \$74,557 in restricted use expenditures. The requested general use increase of 4.2 percent includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$44,438); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$86,704); (3) a 3.5 percent merit pool for

unclassified employees (\$247,230); (4) a 3.5 percent increase for student salaries (\$5,312); (5) a 3.5 percent increase for other operating expenditures (\$101,441); (6) a faculty salary enhancement pool of \$100,000; and (7) a mission-related program enhancement designed to increase the availability of computer networks (\$7,000).

For FY 1996, the Governor's recommendation reflects a general use increase of \$444,502, a 3.1 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$253,351 (3.2 percent), from tuition revenues by \$124,636 (3.1 percent) and from the hospital and diagnostic laboratory revenue fund by \$66,515 (3.2 percent).

The overall general use expenditure increase of \$444,502 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments (\$27,163); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$86,704); (3) a one percent base adjustment for classified employees (\$34,939); (4) a 3.5 percent merit pool for unclassified employees (\$246,904); (5) a 3.5 percent increase for student salaries (\$5,317); and (6) a 1.5 percent increase in other operating expenditures (\$43,475). The Governor does not recommend funding for the requested program enhancements. The Governor's recommendations increase expenditures from the hospital and diagnostic laboratory fund by \$20,115 from the agency request, based on the Governor's estimate of increased receipts. Further, the Governor recommends that the institution be allowed to transfer excess receipts in the fund to a special revenue fund for the purchase of equipment.

House Subcommittee Recommendation

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

1. Delete \$395,922 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$246,904); classified step movement (\$62,903); a one percent base adjustment for classified employees (\$34,939); a 3.5 percent increase for student salaries (\$5,317) and the longevity bonus (\$45,859) from individual agency budgets.
2. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: KSU-Salina, College
of Technology

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 635

Budget Page No. 369

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,451,827	\$ 4,413,600	\$ 0
General Fees Fund	739,004	764,004	0
Subtotal General Use	<u>\$ 5,190,831</u>	<u>\$ 5,177,604</u>	<u>\$ 0</u>
Restricted Use Funds*	2,002,499	2,002,499	0
TOTAL -- Oper. Exp.	<u>\$ 7,193,330</u>	<u>\$ 7,180,103</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	237,862	237,862	0
Other Funds	525,284	525,284	0
TOTAL -- Cap. Impr.	<u>\$ 952,592</u>	<u>\$ 952,592</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u><u>\$ 8,145,922</u></u>	 <u><u>\$ 8,132,695</u></u>	 <u><u>\$ 0</u></u>
FTE Positions:**			
Classified	36.0	36.0	--
Unclassified	91.1	91.1	--
TOTAL FTE	<u>127.1</u>	<u>127.1</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** The College of Technology is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$7,193,330 in FY 1995. Of the total request, general use expenditures account for \$5,190,831, an increase of 5.1 percent above actual FY 1994 expenditures. The agency's revised FY 1995 general use budget is a reduction of \$2,687 from the approved general use budget. The request (reflecting revised fee fund estimates based on fall enrollments) shifts

*2/23/95
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attachment 6*

financing in the amount of \$46,403 from the State General Fund to the General Fees Fund (tuition) based on the fall enrollments. According to the University, the estimate of tuition revenues is higher than the amount estimated last Spring due primarily to an increased enrollment of 33 students.

For FY 1995, the Governor recommends a total operating budget of \$7,180,103, of which general use expenditures are \$5,177,604. The Governor's general use current year recommendation for expenditures is a reduction of \$13,227 from the agency request reflecting a reduction in the budgeted health insurance rate for state employees. The Governor's recommendation also shifts an additional \$25,000 in expenditures in FY 1995 from the State General Fund to the General Fees Fund by reducing the projected ending balance. The net result is a reduction of \$15,914 in general use funds from the approved budget, with a State General Fund reduction of \$87,317 and an increase in expenditures from the General Fees Fund of \$71,403.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: KSU-Salina, College
of Technology

Bill No. 2236

Bill Sec. 6

Analyst: Howard

Analysis Pg. No. 635

Budget Page No. 369

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96***</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,641,876	\$ 4,538,773	\$ (140,462)
General Fees Fund	788,191	813,191	0
Subtotal General Use	<u>\$ 5,430,067</u>	<u>\$ 5,351,964</u>	<u>\$ (140,462)</u>
Restricted Use Funds*	2,065,642	2,065,642	0
TOTAL -- Oper. Exp.	<u>\$ 7,495,709</u>	<u>\$ 7,417,606</u>	<u>\$ (140,462)</u>
Capital Improvements:			
State General Fund	\$ 189,466	\$ 189,466	\$ 0
Educational Building Fund	0	0	0
Other Funds	25,000	25,000	0
TOTAL -- Cap. Impr.	<u>\$ 214,466</u>	<u>\$ 214,466</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u><u>\$ 7,710,175</u></u>	 <u><u>\$ 7,632,072</u></u>	 <u><u>\$ (140,462)</u></u>
 FTE Positions:**			
Classified	36.0	36.0	--
Unclassified	92.1	92.1	--
TOTAL FTE	<u><u>128.1</u></u>	<u><u>128.1</u></u>	<u><u>--</u></u>
Special Project Appointments	--	--	--

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** The College of Technology is not subject to a position limitation.

*** Adjusted for Governor's Budget Amendments.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$302,379 in FY 1996, including an increase of \$239,236 in general use expenditures and an increase of \$63,143 in restricted use expenditures. The requested general use increase of 4.6 percent includes: (1) annualization of FY 1995 cost-of-living

adjustment and base fringe benefit adjustments (\$15,897); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$19,761); (3) a 3.5 percent merit pool for unclassified employees (\$106,601); (4) a 3.5 percent increase for student salaries (\$1,757); (5) a 3.5 percent increase for other operating expenditures (\$29,767); (6) an additional 4.5 percent increase (for a total increase of 8.0 percent) for library OOE (\$2,160); (7) an enrollment adjustment request of \$36,293 and 1.0 FTE unclassified position; and (8) a faculty salary enhancement pool of \$27,000.

For FY 1996, the Governor's recommendation reflects a general use increase of \$171,491, a 3.3 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$122,304 (2.8 percent) and from tuition revenues by \$49,187 (6.4 percent). As in FY 1995, the Governor's recommendation reduces the projected ending balance in the General Fees Fund.

The overall general use expenditure increase of \$171,491 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments which reduce expenditures by \$13,100 from FY 1995; (2) classified step movement (approximately 2.5 percent) and longevity increases (\$19,761); (3) a one percent base adjustment for classified employees (\$8,060); (4) a 3.5 percent merit pool for unclassified employees (\$105,967); (5) a 3.5 percent increase for student salaries (\$1,754); (6) a 1.5 percent increase in other operating expenditures (\$12,756) and (7) \$36,293 and 1.0 FTE as requested for an enrollment adjustment. The Governor does not recommend funding for the requested program enhancement.

House Subcommittee Recommendation

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

1. Delete \$140,462 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$105,967); classified step movement (\$11,307); a one percent base adjustment for classified employees (\$8,060); a 3.5 percent increase for student salaries (\$1,755) and the longevity bonus (\$13,373) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 2, which adds \$2,869 from the State General Fund to correct an error made in calculating the recommended OOE increase.
3. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2234

Bill Sec. 3

Analyst: Mills

Analysis Pg. No. 658

Budget Page No. 183

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 22,795,071	\$ 22,657,173	\$ 0
General Fees Fund	8,261,173	833,198	0
Other Funds	163,334	163,334	0
Subtotal General Use	<u>\$ 31,219,578</u>	<u>\$ 31,152,488</u>	<u>\$ 0</u>
Restricted Use Funds*	12,979,043	12,979,043	0
TOTAL -- Oper. Exp.	<u><u>\$ 44,198,621</u></u>	<u><u>\$ 44,131,531</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
Educational Building Fund	\$ 1,047,446	\$ 1,047,446	\$ 450,000
Other Funds	460,000	460,000	0
TOTAL -- Cap. Impr.	<u><u>\$ 1,507,446</u></u>	<u><u>\$ 1,507,446</u></u>	<u><u>\$ 450,000</u></u>
 GRAND TOTAL	 <u><u>\$ 45,706,067</u></u>	 <u><u>\$ 45,638,977</u></u>	 <u><u>\$ 450,000</u></u>
FTE Positions:**			
Classified	319.2	319.2	0.0
Unclassified	396.9	396.9	0.0
TOTAL FTE	<u><u>716.1</u></u>	<u><u>716.1</u></u>	<u><u>0.0</u></u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion, except that they must be used in a manner consistent with the conditions attached to the receipt of funds and they must be spent within basic guidelines set by the Legislature.

** Emporia State University is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget in FY 1995 of \$44,198,621, an increase of 7.5 percent above actual FY 1994 expenditures. Of the total request, general use expenditures account for \$31,219,578, an increase of 5.2 percent over actual FY 1994 general use expenditures. The agency's revised FY 1995 general use budget is equal to the approved general use budget. The request (reflecting revised fee fund estimates based on fall enrollments) shifts financing in the amount of \$59,673 from the

*2/23/95
Appropriations Committee
Attachment 7*

State General Fund to the General Fees Fund (tuition) based on the fall enrollments. According to the University, the estimate of tuition revenues is higher than the amount estimated last spring.

For FY 1995, the Governor recommends a total operating budget of \$44,131,531, of which general use expenditures are \$31,152,488. The Governor's general use current year recommendation for expenditures is a reduction of \$67,090 from the agency request and includes adjustments for the following: (1) an increase of \$1,767 reflecting funding released by the State Finance Council for position reclassifications; and (2) a reduction in the budgeted health insurance rates for state employees (\$68,857). The net result is a reduction of \$67,090 in general use expenditures from the approved budget, with a reduction of \$197,571 from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1995, with the following adjustment:

1. Add \$450,000 (Educational Building Fund) for repairs and equipment to restore Peterson Planetarium: the planetarium was severely damaged in December, 1994, by flooding due to a ruptured water main. The Joint Committee on State Building Construction has reviewed the program statement for the repair project and recommends that the project be approved, with funding in FY 1995 from available balances in the EBF.

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 2236

Bill Sec. 7

Analyst: Mills

Analysis Pg. No. 658

Budget Page No. 183

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96***</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 24,544,722	\$ 24,036,103	\$(1,054,760)
General Fees Fund	8,651,473	8,587,335	0
Other Funds	23,000	23,000	0
Subtotal General Use	<u>\$ 33,219,195</u>	<u>\$ 32,646,438</u>	<u>\$ (1,054,760)</u>
Restricted Use Funds*	12,874,558	12,874,558	0
TOTAL -- Oper. Exp.	<u>\$ 46,093,753</u>	<u>\$ 45,520,996</u>	<u>\$ (1,054,760)</u>
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	439,563	439,563	0
TOTAL -- Cap. Impr.	<u>\$ 439,563</u>	<u>\$ 439,563</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u><u>\$ 46,533,316</u></u>	 <u><u>\$ 45,960,559</u></u>	 <u><u>\$ (1,054,760)</u></u>
FTE Positions:**			
Classified	324.7	324.7	0.0
Unclassified	403.4	398.4	0.0
TOTAL FTE	<u>728.1</u>	<u>723.1</u>	<u>0.0</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion, except that they must be used in a manner consistent with the conditions attached to the receipt of funds and they must be spent within basic guidelines set by the Legislature.

** Emporia State University is not subject to a position limitation.

*** Includes GBA No. 2 adjustment.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$1,895,132, of which \$1,999,617 is general use expenditures (with an offsetting decrease of \$104,485 in restricted use funds). The requested general use increase of 6.4 percent includes:

1. annualization of FY 1995 cost-of-living adjustment and base fringe benefits adjustments (\$94,976);
2. classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$154,005);
3. a 3.5 percent merit pool for unclassified employees (\$630,661);
4. a 3.5 percent increase for student salaries (\$29,017);
5. a 3.5 percent increase for other operating expenditures (\$151,626);
6. an additional 4.5 percent increase (for a total increase of 8.0 percent for library OOE (\$26,007);
7. an enrollment adjustment request of \$251,458 and 3.5 FTE positions;
8. servicing new buildings (\$118,867 and 3.5 FTE positions);
9. faculty salary enhancements (\$150,000);
10. library enhancement (\$100,000); and
11. mission-related University improvements totaling \$293,000, which includes initiatives relating to the University's information technology strategic plan (\$280,000 and 5.0 FTE positions) and funds for the replacement of scientific equipment (\$13,000).

For FY 1996, the Governor's recommendation reflects a general use increase of \$1,484,037, a 4.8 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$1,369,017 (6.0 percent), from the general fees fund by \$255,354 (3.1 percent), and by decreasing expenditures from the State Budget Stabilization Fund by \$140,334 (100.0 percent). The Governor's recommendation shifts salary expenditures funded from the Budget Stabilization Fund in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$1,484,037 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefits adjustments (\$59,698); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$154,005); (3) a one percent base adjustment for classified employees (\$60,115); (4) a 3.5 percent merit pool for unclassified employees (\$637,689); (5) a 3.5 percent increase for student salaries (\$29,017); (6) a 1.5 percent increase in other operating expenditures (\$73,746); (7) \$251,458 and 2.5 FTE positions for an enrollment adjustment; (8) \$118,309 and 3.5 new FTE positions for servicing new buildings; and (9)

\$100,000 for a systemwide library enhancement program. The Governor does not recommend funding for the remaining requested program enhancements.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1996, with the following adjustments:

1. Delete \$1,054,760 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$773,706); classified step movement (\$86,797); a 1 percent base adjustment for classified employees (\$60,115); a 3.5 percent increase for student salaries (\$29,017); and the longevity bonus (\$105,125) from individual agency budgets.
2. In conjunction with the recommendation in Item 1, reduce the expenditure limitation on the State General Fund operating expenditures account for GTA salaries from \$508,687 to \$491,485 to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the limitation be adjusted during the Omnibus Session to reflect any percentage increase approved for unclassified salaries.
3. Concur with Governor's Budget Amendment No. 2, which adds \$9,913 from the State General Fund to correct an error made in calculating the recommended OOE increase.
4. The House Subcommittee notes that Emporia State University requested \$150,000 in FY 1996 for faculty salary enhancements: more specifically, faculty salary enhancements directed toward efforts to obtain accreditation for the ESU School of Business for the American Assembly of Collegiate Schools of Business (AACSB). No funding was recommended by the Governor. The Subcommittee supports this accreditation effort and believes that the stature of the Business School will be enhanced by accreditation. However, given the financial status of the state at this time, the Subcommittee does not believe that additional funds should be recommended. The Subcommittee encourages ESU to attempt to reallocate available financial resources to continue the accreditation effort.
5. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2234

Bill Sec. 5

Analyst: Mills

Analysis Pg. No. 672

Budget Page No. 421

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 24,278,980	\$ 24,195,915	\$ 0
General Fees Fund	10,220,076	10,220,076	0
Other Funds	152,419	152,419	0
Subtotal General Use	<u>\$ 34,651,475</u>	<u>\$ 34,568,410</u>	<u>\$ 0</u>
Restricted Use Funds*	11,911,344	11,911,344	0
TOTAL -- Oper. Exp.	<u>\$ 46,562,819</u>	<u>\$ 46,479,754</u>	<u>\$ 0</u>
Capital Improvements:			
Educational Building Fund	\$ 692,597	\$ 692,597	\$ 0
Special Capital Impmt Fund	3,006,173	3,006,173	0
Other Funds	7,502,082	7,502,082	0
TOTAL -- Cap. Impr.	<u>\$ 11,200,852</u>	<u>\$ 11,200,852</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u><u>\$ 57,763,671</u></u>	 <u><u>\$ 57,680,606</u></u>	 <u><u>\$ 0</u></u>
FTE Positions:**			
Classified	316.2	316.2	0.0
Unclassified	463.6	463.6	0.0
TOTAL FTE	<u>779.8</u>	<u>779.8</u>	<u>0.0</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion, except that they must be used in a manner consistent with the conditions attached to the receipt of funds and they must be spent within basic guidelines set by the Legislature.

** Pittsburg State University is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$46,562,819 in FY 1995. Of the total request, general use expenditures account for \$34,651,475, an increase of 6.9 percent above actual FY 1994 expenditures. The agency's revised general use budget request is equal to the approved general use budget. The request (reflecting revised fee fund estimates based on fall enrollments) shifts financing in

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the amount of \$852,904 from the General Fees Fund (tuition) to the State General Fund, which amount is requested as a State General Fund supplemental appropriation. According to the University, the PSU shortfall is the result of a combination of factors, including the loss of 212 students in Fall 1994; an FY 1994 accounting error which overstated the original FY 1995 fee estimate by approximately \$100,000; and a carryover balance from FY 1994 which was \$185,796 smaller than anticipated.

For FY 1995, the Governor recommends a total operating budget of \$46,479,754, of which general use expenditures are \$34,568,410. The Governor's general use current year recommendation for expenditures is a reduction of \$83,065 from the agency request and includes adjustments for the following: (1) a reduction in the budgeted health insurance rates for state employees (\$84,977); (2) an increase of \$396 reflecting funding released by the State Finance Council for position reclassifications; and (3) other fringe benefits adjustments (\$1,516). The Governor's recommendation concurs with the agency request to shift financing of \$852,904 from the general fees fund to the State General Fund based on fall enrollments. The net result is a reduction of \$83,065 in general use expenditures from the approved budget, with an increase of \$769,839 from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1995.

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 2236

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 672

Budget Page No. 421

Expenditure Summary	Agency Request FY 96	Governor's Recommendation FY 96***	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 26,176,265	\$ 25,522,606	\$(1,468,445)
General Fees Fund	10,403,059	10,409,729	483,829
Other Funds	0	0	0
Subtotal General Use	\$ 36,579,324	\$ 35,932,335	\$ (984,616)
Restricted Use Funds*	12,376,938	12,376,938	0
TOTAL -- Oper. Exp.	\$ 48,956,262	\$ 48,309,273	\$ (984,616)
 Capital Improvements:			
Educational Building Fund	\$ 4,000,000	\$ 4,000,000	\$ 0
Special Capital Impmt Fund	0	0	0
Other Funds	997,000	997,000	0
TOTAL -- Cap. Impr.	\$ 4,997,000	\$ 4,997,000	\$ 0
 GRAND TOTAL	 \$ 53,953,262	 \$ 53,321,583	 \$ (984,616)
 FTE Positions:**			
Classified	319.0	316.2	0.0
Unclassified	465.8	466.6	0.0
TOTAL FTE	784.8	782.8	0.0
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion, except that they must be used in a manner consistent with the conditions attached to the receipt of funds and they must be spent within basic guidelines set by the Legislature.

** Pittsburg State University is not subject to a position limitation.

*** Includes GBA No. 2 adjustments.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$2,393,443 in FY 1996, including an increase of \$1,927,849 in general use expenditures and an increase of \$465,594 in restricted use

expenditures. The requested general use increase of 5.6 percent includes: (1) annualization of FY 1995 cost-of-living adjustment, a base shrinkage rate adjustment, and base fringe benefit adjustments (\$247,694); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$130,087); (3) a 3.5 percent merit pool for unclassified employees (\$721,758); (4) a 3.5 percent increase in student salaries (\$28,483); (5) a 3.5 percent increase for other operating expenditures (\$160,973); (6) an additional 4.5 percent increase (for a total increase of 8.0 percent) for library OOE (\$23,154); (7) a systemwide enhancement for university libraries (\$88,000); (8) a faculty salary enhancement (\$397,000); and (9) two specific university enhancements regarding a Wichita/Kansas City technology outreach program (\$77,000 and 1.0 FTE position) and the Nurse Practitioner Program (\$53,700 and 1.0 FTE position).

For FY 1996, the Governor's recommendation reflects a general use increase of \$1,379,235, a 4.0 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$1,342,001 (5.5 percent), from the general fees fund by \$189,653 (1.9 percent), and by decreasing expenditures from the State Budget Stabilization Fund (\$152,419). The Governor's recommendation shifts salary expenditures funded from the Budget Stabilization Fund in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$1,379,235 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefits adjustments (\$231,358); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$130,087); (3) a 1 percent base adjustment for classified employees (\$62,972); (4) a 3.5 percent merit pool for unclassified employees (\$707,319); (5) a 3.5 percent increase for student employees (\$28,524); (6) a 1.5 percent increase in other operating expenditures (\$80,975); and (7) \$138,000 for the systemwide library enhancements. The Governor does not recommend funding for the remaining requested program enhancements.

House Subcommittee Recommendation

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

1. Delete \$984,616 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$707,320); classified step movement (\$89,098); a 1 percent base adjustment for classified employees (\$62,972); a 3.5 percent increase for student salaries (\$28,523); and the longevity bonus (\$96,703).
2. In conjunction with the recommendation in Item 1, reduce the expenditure limitation on the State General Fund operating expenditures account for GTA salaries from \$350,814 to \$338,951 to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the limitation be adjusted during the Omnibus Session to reflect any percentage increase approved for unclassified salaries.
3. Based on the recommendation of the full Committee, delete \$483,829 from the State General Fund recommended by the Governor to finance the university's FY 1996 operating budget and add \$483,829 from the General Fees Fund (tuition).

The 1996 Legislature could consider the need for a State General Fund supplemental appropriation based on actual Fall 1995 tuition receipts and enrollments.

4. Concur with Governor's Budget Amendment No. 2, which deleted \$15,310 from the State General Fund to correct an error made in calculating the recommended OOE increase.
5. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2234

Bill Sec. 15

Analyst: Howard

Analysis Pg. No. 593

Budget Page No. 533

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 106,867,282	\$ 106,435,664	\$ 0
General Fees Fund	63,113,068	63,113,068	0
EDIF	829,735	829,735	0
Other Funds	821,898	821,898	0
Subtotal General Use	<u>\$ 171,631,983</u>	<u>\$ 171,200,365</u>	<u>\$ 0</u>
Restricted Use Funds*	115,600,844	115,600,844	0
TOTAL -- Oper. Exp.	<u><u>\$ 287,232,827</u></u>	<u><u>\$ 286,801,209</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	
Educational Building Fund	5,728,421	5,728,421	\$ 0
Special Cap. Impr. Fund	16,438,427	16,438,427	0
Other Funds	7,590,428	7,590,428	0
TOTAL -- Cap. Impr.	<u><u>\$ 29,757,276</u></u>	<u><u>\$ 29,757,276</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 <u><u>\$ 316,990,103</u></u>	 <u><u>\$ 316,558,485</u></u>	 <u><u>\$ 0</u></u>
FTE Positions:**			
Classified	1,990.4	1,990.4	--
Unclassified	2,506.8	2,506.8	--
TOTAL FTE	<u><u>4,497.2</u></u>	<u><u>4,497.2</u></u>	<u><u>--</u></u>
Special Project Appointments	--	--	--

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** The University of Kansas is not subject to a position limitation.

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Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$287,232,827 in FY 1995. Of the total request, general use expenditures account for \$171,631,983, an increase of 6.1 percent above actual FY 1994 expenditures. The agency's revised FY 1995 general use budget is an increase of \$99,942 above the approved budget, reflecting the University's request for a supplemental State General Fund appropriation to finance settlement of a Fair Labor Standards Act lawsuit. The request also seeks supplemental financing from the State General Fund totaling \$3,249,359, with a like reduction in financing from the General Fees Fund (tuition). The request reflects revised fee fund estimates based on fall enrollments. According to the University, the estimate of tuition revenues is lower than the amount estimated last Spring due primarily to a Fall, 1994 enrollment decrease of 791 students, including 377 non-residents.

For FY 1995, the Governor recommends a total operating budget of \$286,801,209, of which general use expenditures are \$171,200,365. The Governor's general use current year recommendation for expenditures is a reduction of \$431,618 from the agency request and includes adjustments for: (1) a reduction in the budgeted health insurance rate for state employees (\$348,330); (2) an increase of \$16,654 reflecting funding released by the State Finance Council for position reclassifications and (3) deletion of the requested supplemental appropriation totaling \$99,942 for overtime pay. The Governor concurs with the agency request to shift financing of \$3,249,359 from the State General Fund to the general fees fund based on fall enrollments. The net result is a reduction of \$331,676 in general use expenditures from the approved budget, with an increase of \$2,917,683 from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 2236

Bill Sec. 9

Analyst: Howard

Analysis Pg. No. 593

Budget Page No. 533

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96***</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 112,691,523	\$ 110,499,870	\$ (8,377,125)
General Fees Fund	67,833,737	67,975,357	3,421,366
EDIF	862,290	0	0
Other Funds	22,000	22,000	0
Subtotal General Use	<u>\$ 181,409,550</u>	<u>\$ 178,497,227</u>	<u>\$ (4,955,759)</u>
Restricted Use Funds*	117,741,743	117,741,743	0
TOTAL -- Oper. Exp.	<u><u>\$ 299,151,293</u></u>	<u><u>\$ 296,238,970</u></u>	<u><u>\$ (4,955,759)</u></u>
Capital Improvements:			
State General Fund	\$ 3,800,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Special Cap. Impr. Fund	0	0	0
Other Funds	3,087,000	6,887,000	0
TOTAL -- Cap. Impr.	<u><u>\$ 6,887,000</u></u>	<u><u>\$ 6,887,000</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 <u><u>\$ 306,038,293</u></u>	 <u><u>\$ 303,125,970</u></u>	 <u><u>\$ (4,955,759)</u></u>
FTE Positions:**			
Classified	2,000.4	1,996.0	--
Unclassified	2,517.4	2,508.8	--
TOTAL FTE	<u><u>4,517.8</u></u>	<u><u>4,504.8</u></u>	<u><u>--</u></u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** The University of Kansas is not subject to a position limitation.

*** Adjusted for Governor's Budget Amendments.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$11,918,466 in FY 1996, including an increase of \$9,777,567 in general use expenditures and an increase of \$2,140,899 in restricted use expenditures. The requested general use increase of 5.7 percent includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$406,241); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$1,023,734); (3) a 3.5 percent merit pool for unclassified employees (\$3,765,654); (4) a 3.5 percent increase for student salaries (\$65,261); (5) a 3.5 percent increase for other operating expenditures (\$834,057); (6) an additional 4.5 percent increase (for a total increase of 8.0 percent) for library OOE (\$197,806); (7) \$426,756 and 5.6 FTE for costs to service new buildings; (8) \$318,000 as part of a systemwide library enhancement project; and (9) mission-related program enhancements totaling \$2,840,000 and 15.0 FTE for the following: instructional equipment financed through a 2 percent tuition surcharge (\$515,000); law school improvements financed through a special law school fee (\$200,000); supplemental tuition to support the Pharm. D. program (\$120,000); health services administration (\$300,000); an exceptional faculty salary merit pool (\$500,000); an executive MBA program (\$500,000); health and safety infrastructure needs (\$115,000); and an instructional equipment pool (\$590,000).

For FY 1996, the Governor's recommendation reflects a general use increase of \$7,298,512, a 4.3 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$4.1 million (3.8 percent), from the general fees fund by \$4.9 million (7.7 percent), and by decreasing expenditures from the EDIF and State Budget Stabilization Fund (\$1,629,633). The Governor's recommendation shifts expenditures funded from the EDIF in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$7,298,512 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments (\$369,012); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$1,023,734); (3) a one percent base adjustment for classified employees (\$299,980); (4) a 3.5 percent merit pool for unclassified employees (\$3,680,552); (5) a 3.5 percent increase for student salaries (\$65,256); (6) a 1.5 percent increase in other operating expenditures (\$414,930); (7) \$390,048 and 5.6 FTE for servicing new buildings; (8) \$220,000 for the systemwide library proposal; (9) \$515,000 for equipment financed by a 2 percent resident tuition surcharge; (10) \$200,000 from special law school fees; and (11) \$120,000 and 2.0 FTE from supplemental tuition in the Pharm. D. program. The Governor does not recommend funding for the remaining requested program enhancements. The Governor's capital improvements recommendation shifts \$3.8 million in funding already approved for Hoch Auditorium renovations from the State General Fund to the State Budget Stabilization Fund.

House Subcommittee Recommendation

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

1. Delete \$4,955,759 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$3,680,551); classified step movement (\$502,723); a one percent base adjustment for classified employees (\$299,980); a 3.5 percent increase for student salaries (\$65,256) and the longevity bonus (\$407,249) from individual agency budgets.

2. In conjunction with the recommendation in item 1, reduce the expenditure limitation on the State General Fund operating expenditures account for GTA salaries from \$8,487,000 to \$8,200,000 to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the limitation be adjusted during the Omnibus Session to reflect any percentage increase approved for unclassified salaries.
3. Based on the recommendation of the full Committee, delete \$3,421,366 from the State General Fund recommended by the Governor to finance the university's FY 1996 operating budget and add \$3,421,366 from the General Fees Fund (tuition). The 1996 Legislature could consider the need for a State General Fund supplemental appropriation based on actual Fall 1995 tuition receipts and enrollments.
4. Concur with Governor's Budget Amendment No. 2, which deletes \$1,650 from the State General Fund to correct an error made in calculating the recommended OOE increase.
5. The Subcommittee heard testimony from the Kansas Petroleum Council regarding a proposal for a public/private partnership to study the Hugoton Gas Field. The Council is proposing a comprehensive study of the oil and gas resources of the Hugoton area by the Kansas Geological Survey, to be done in cooperation with local producers, royalty owners, and other interested groups and individuals. The Subcommittee makes no recommendations on this proposal at the current time.
6. Make several technical adjustments to the bill to accurately reflect the Governor's recommendation. The adjustments include the addition of proviso language regarding supplemental tuition for the Pharm.D. program, a correction to a proviso regarding a law school fee, and an increase to the expenditure limitation for the sponsored research overhead fund.

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center **Bill No.** 2234

Bill Sec. 23

Analyst: Howard

Analysis Pg. No. 603

Budget Page No. 535

Education Program

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 77,528,986	\$ 77,271,462	\$ 0
General Fees Fund	8,872,588	8,872,588	0
Hospital Overhead Reimb.	14,982,875	14,982,875	0
Medical Loan Repayment	1,000,000	1,000,000	0
EDIF	346,500	346,500	0
Other Funds	521,051	521,051	0
Subtotal General Use	<u>\$ 103,252,000</u>	<u>\$ 102,994,476</u>	<u>\$ 0</u>
Restricted Use Funds	48,165,840	48,165,840	0
TOTAL -- Oper. Exp.	<u>\$ 151,417,840</u>	<u>\$ 151,160,316</u>	<u>\$ 0</u>
Capital Improvements:			
Educational Building Fund	\$ 3,867,347	\$ 3,867,347	\$ 0
Other Funds	4,492,643	4,492,643	0
TOTAL -- Cap. Impr.	<u>\$ 8,359,990</u>	<u>\$ 8,359,990</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 159,777,830</u>	 <u>159,520,306</u>	 <u>\$ 0</u>
FTE Positions:			
Classified	1,290.8	1,290.8	--
Unclassified	1,398.5	1,398.5	--
TOTAL FTE	<u>2,689.3</u>	<u>2,689.3</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

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Appropriations Cmte
attachment 10*

Hospital Program

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
Hospital Revenue Fund	\$ 111,500,000	\$ 111,222,025	\$ 0
Restricted Use Funds	37,262,849	37,262,849	0
TOTAL -- Oper. Exp.	<u>\$ 148,762,849</u>	<u>\$ 148,484,874</u>	<u>\$ 0</u>
Capital Improvements:			
Educational Building Fund	\$ 1,738	\$ 1,738	\$ 0
Hospital Revenue Fund	1,430,176	1,430,176	0
Other Funds	1,695,000	1,695,000	0
TOTAL -- Cap. Impr.	<u>\$ 3,126,914</u>	<u>\$ 3,126,914</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 151,889,763</u>	 <u>\$ 151,611,788</u>	 <u>\$ 0</u>
 FTE Positions:			
Classified	846.1	846.1	--
Unclassified	1,279.5	1,279.5	--
TOTAL FTE	<u>2,125.6</u>	<u>2,125.6</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

Agency Estimate/Governor's Recommendation

KUMC requests a total operating budget of \$300,180,689 in FY 1995. Of the total request, general use expenditures account for \$214,752,000, an increase of 3.9 percent above actual FY 1994 expenditures. The agency's revised FY 1995 general use budget is an increase of \$5,430,953 above the approved budget, almost all of which is increased expenditures in the hospital portion of the budget (\$5,065,448). The current year changes to the hospital budget include increased expenditures for the following: \$250,000 to defray costs of new pathology faculty to support faculty working in clinical labs; \$250,000 for advertising and related marketing; a budget contingency fund of \$750,000; \$350,000 to finance garage parking fees for patients and their families; \$1.6 million for new hardware and software applications; \$1.2 million in response to inflation in other operating expenditures (OOE) and increases in capital equipment (approximately \$600,000).

The requested changes to the educational portion of the budget approved by the 1994 Legislature include: (1) shifting of \$346,500 in EDIF expenditures for an integrated computer system from FY 1994 to FY 1995; and (2) an increase of \$19,005 in expenditures from the Hospital Overhead Reimbursement Fund. The request also seeks supplemental financing from the State General Fund totaling \$298,518, with a like reduction in financing from the General Fees Fund (tuition). The request reflects revised fee fund estimates based on fall enrollments. According to the University, the estimate of tuition revenues is lower than the amount estimated last Spring due primarily to a reduction in the average fee

collected from each student. This decline is attributable to more students having prepaid tuition last spring, and to a reduction in the number of non-resident students.

For FY 1995, the Governor recommends a total operating budget of \$299,645,190, of which general use expenditures are \$214,216,501. The Governor's general use current year recommendation for expenditures is \$535,499 less than the agency request and includes adjustments for the following: a reduction in the budgeted health insurance rate for state employees (\$538,900), and an increase of \$3,401 reflecting funding released by the State Finance Council for position reclassifications. The Governor's recommendation concurs with the agency request for increased expenditures of \$5.4 million, including \$5.1 million in the hospital budget. The Governor also concurs with the requested shift in financing from the General Fees Fund to the State General Fund (\$298,518) reflecting tuition estimates based on fall enrollments. The net result is a recommended increase of \$4,895,454 in general use funds from the approved budget, including a State General Fund increase of \$40,994.

House Subcommittee Recommendation

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

1. The Subcommittee received information regarding potential shortfalls in revenue to the Medical Student Loan Repayment fund in both FY 1995 and FY 1996. At its February meeting, the Board of Regents authorized the University of Kansas Medical Center to seek an additional appropriation from the State General Fund totaling \$1,000,000 in FY 1995 and \$652,189 in FY 1996. For FY 1995, the supplemental would finance operating expenditures of the Medical Center funded from the repayment fund in the approved budget. For FY 1996, the additional funding would be used to finance loans to medical students. The University intends to seek a Governor's Budget Amendment. The Subcommittee recommends the Legislature consider this item upon receipt of a GBA.

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center **Bill No.** 2236

Bill Sec. 10

Analyst: Howard

Analysis Pg. No. 603

Budget Page No. 535

Education Program

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96*</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 86,770,351	\$ 81,781,175	\$ (2,847,642)
General Fees Fund	9,737,760	9,737,760	69,118
Hospital Overhead Reimb.	15,016,088	15,016,088	0
Medical Loan Repayment	0	0	0
EDIF	0	0	0
Other Funds	0	0	0
Subtotal General Use	<u>\$ 111,524,199</u>	<u>\$ 106,535,023</u>	<u>\$ (2,778,524)</u>
Restricted Use Funds	51,359,323	50,277,797	0
TOTAL -- Oper. Exp.	<u>\$ 162,883,522</u>	<u>\$ 156,812,820</u>	<u>\$ (2,778,524)</u>
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	987,000	987,000	0
TOTAL -- Cap. Impr.	<u>\$ 987,000</u>	<u>\$ 987,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 163,870,522</u>	 <u>\$ 157,799,820</u>	 <u>\$ (2,778,524)</u>
FTE Positions:			
Classified	1,305.0	1,301.0	--
Unclassified	1,411.0	1,400.5	--
TOTAL FTE	<u>2,716.0</u>	<u>2,701.5</u>	<u>--</u>

Special Project Appointments

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* Adjusted to reflect Governor's Budget Amendments.

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Hospital Program

Expenditure Summary	Agency Request FY 96	Governor's Recommendation FY 96	House Subcommittee Adjustments
Operating Expenditures:			
Hospital Revenue Fund	\$ 116,416,156	\$ 112,721,551	\$ (3,568,999)
Restricted Use Funds	38,543,186	38,543,186	0
TOTAL -- Oper. Exp.	<u>\$ 154,959,342</u>	<u>\$ 151,264,737</u>	<u>\$ (3,568,999)</u>
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	400,000	400,000	0
Other Funds	1,800,000	1,800,000	0
TOTAL -- Cap. Impr.	<u>\$ 2,200,000</u>	<u>\$ 2,200,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 157,159,342</u>	 <u>\$ 153,464,737</u>	 <u>\$ (3,568,999)</u>
FTE Positions:			
Classified	846.1	846.1	--
Unclassified	1,279.5	1,279.5	--
TOTAL FTE	<u>2,125.6</u>	<u>2,125.6</u>	<u>--</u>
Special Project Appointments	--	--	--

Agency Request/Governor's Recommendation

For FY 1996, KUMC requests an operating budget of \$317,842,864, of which general use expenditures are \$227,940,355. The University's request for general use expenditures reflects an increase of \$13,188,355, or 6.1 percent over the FY 1995 estimate. Of the total requested increase, \$8,272,199 is for the education budget (an 8.0 percent increase) and \$4,916,156 is for the hospital (a 4.4 percent increase).

The Governor's recommendation for general use expenditures at KUMC is an increase of \$5.0 million (2.4 percent) from the Governor's FY 1995 recommendation. Of the total recommended increase, \$3.5 million is in the education budget (a 3.4 percent increase) and \$1.5 million is in the hospital budget (a 1.3 percent increase).

Education. The requested general use increase of \$8,272,199 includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$36,882); (2) deletion of one-time OOE from FY 1995 (\$423,291); (3) a 27th payroll (\$3,247,000); (4) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$367,235); (5) a 3.5 percent merit pool for unclassified employees (\$1,589,786); (6) a 3.5 percent increase for student salaries (\$16,779); (7) a 3.5 percent increase for house staff (resident) salaries (\$339,988); (8) a 3.5 percent increase for health care worker salaries (\$21,212); (9) a 3.5 percent increase for other operating

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expenditures (\$515,987); (10) an additional 4.5 percent increase (for a total increase of 8.0 percent) for library OOE (\$28,711); (11) \$240,633 and 10.2 FTE to service new buildings; (12) \$124,000 as part of a systemwide library enhancement project; and (13) mission-related program enhancements totaling \$2,184,459 and 14.5 FTE for the following: nurse practitioner grant replacement (\$125,000); annualization of FY 1995 enhancements (\$829,459); health services administration (\$300,000); primary care rural residencies (\$230,000); rural health institute (\$338,000); preventive medicine distinguished professor (\$85,000); and nurse anesthesia outreach (\$277,000).

For FY 1996, the Governor's recommendation reflects a general use increase for the education program of \$3,538,898, a 3.4 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$4,508,064 (a 5.8 percent increase), from the general fees fund by \$865,172 (a 9.8 percent increase), from the hospital overhead reimbursement fund by \$33,213 (a 0.2 percent increase), and by decreasing expenditures from all other funds by \$1,867,551, including \$1.0 million from the medical student loan repayment fund, \$346,500 from the EDIF, and \$521,051 from the State Budget Stabilization Fund. The Governor's recommendation finances no operating expenditures from the medical student loan repayment fund in FY 1996.

The general use increase for the education program recommended by the Governor of \$3,538,898 includes: (1) base adjustments, including FY 1995 salary annualization (a reduction of \$528,647); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$367,235); (3) a one percent base salary adjustment for classified employees (\$217,730); (4) a 3.5 percent merit pool for unclassified employees and health care workers (\$1,926,342); (5) a 3.5 percent merit pool for student salaries (\$16,779); (6) a 1.5 percent increase in other operating expenditures (\$267,453); (7) \$193,547 and 10.2 FTE for servicing new buildings; (8) \$124,000 for the systemwide library proposal; (9) \$829,459 to annualize health care enhancements approved in FY 1995; and (10) \$125,000 and 2.0 FTE for the advanced registered nurse practitioner program to replace a grant from the Kansas Health Foundation. The Governor does not recommend funding for the remaining requested program enhancements.

Hospital. The requested general use increase of \$4,916,156 includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$143,638); (2) deletion of one-time OOE from FY 1995 (\$1,600,000); (3) a 27th payroll (\$3,053,000); (4) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$236,127); (5) a 3.5 percent merit pool for unclassified employees (\$568,172); (6) a 3.5 percent increase for student salaries (\$10,388); (7) a 3.5 percent increase for health care worker salaries (\$1,370,118); and (8) a 3.5 percent increase for other operating expenditures (\$1,157,923).

For FY 1996, the Governor's recommendation reflects a general use increase of \$1,499,526, a 1.3 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the Hospital Revenue Fund. The general use increase recommended by the Governor for the hospital budget includes: (1) deletion of one-time OOE from FY 1995 (\$1.6 million); (2) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments (\$341,187); (3) classified step movement (approximately 2.5 percent) and longevity increases (\$236,127); (4) a one percent base salary adjustment for classified employees (\$146,568); (5) a 3.5 percent merit pool for unclassified employees and health care workers (\$1,868,910); (6) a 3.5 percent increase for student salaries (\$10,388); and (7) a 1.5 percent increase in other operating expenditures (\$496,346).

House Subcommittee Recommendation

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

1. Delete \$6,266,470 in salaries, including \$2,697,471 from the State General Fund for the Education program and \$3,568,999 from the Hospital Revenue Fund for the Hospital program, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$3,800,477); classified step movement (\$458,044); a one percent base adjustment for classified employees (\$366,091); a 3.5 percent increase for student salaries (\$27,167) and the longevity bonus (\$1,614,691) from individual agency budgets.
2. Based on the recommendation of the full Committee, delete \$69,118 from the State General Fund recommended by the Governor to finance the university's FY 1996 operating budget and add \$69,118 from the General Fees Fund (tuition). The 1996 Legislature could consider the need for a State General Fund supplemental appropriation based on actual Fall 1995 tuition receipts and enrollments.
3. Concur with Governor's Budget Amendment No. 2, which adds \$1,649 from the State General Fund to correct an error made in calculating the recommended OOE increase.
4. Delete \$81,053 from the State General Fund from the Wichita residents contract to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the contract be adjusted during the Omnibus Session to reflect any percentage increase approved for unclassified salaries.
5. The Subcommittee received information regarding potential shortfalls in revenue to the Medical Student Loan Repayment fund in both FY 1995 and FY 1996. At its February meeting, the Board of Regents authorized the University of Kansas Medical Center to seek an additional appropriation from the State General Fund totaling \$1,000,0000 in FY 1995 and \$652,189 in FY 1996. For FY 1995, the supplemental would finance operating expenditures of the Medical Center funded from the repayment fund in the approved budget. For FY 1996, the additional funding would be used to finance loans to medical students. The University intends to seek a Governor's Budget amendment. The Subcommittee recommends the Legislature consider this item upon receipt of a GBA.
6. The Subcommittee heard testimony that the Medical Center anticipates receiving a grant from the Kansas Health Foundation (KHF) of \$15.0 million over a five-year period to implement changes designed to position the Medical Center as a leader in primary care teaching, service and research, and to expand teaching, research and health care services to be responsive to the needs of Kansas. The Medical Center reported that a plan has been developed with the assistance of over a hundred interested individuals that should encourage more students to enter primary care and eventually practice in underserved areas. The plan addresses how students are selected, how they are encouraged to go into primary care, how they are training, and how they are supported after they go into practice. The Subcommittee was told that funding will be reallocated internally to match KHF

funding, and that no additional state funds will be requested. KUMC has agreed to convert approximately \$500,000 in faculty salaries from tertiary to primary care, and to convert some residency slots from specialty to primary care. The Medical Center also testified that no replacement state funds will be requested when this grant funding expires.

7. The Subcommittee spent considerable time discussing state support for residency programs and the effect a residency program has on where a physician chooses to practice. The Subcommittee received testimony that the state expends \$10.0 million to fund 283 resident slots at the University of Kansas Medical Center in Kansas City, and another \$2.3 million to fund 80 - 85 resident slots in Wichita. In addition, the state supports 12 residents at the Smoky Hill Residency Program in Salina at a cost of approximately \$500,000. The state support provided to the programs varies considerably, as does the level of local contribution. For example, at the Smoky Hill program, resident receive a stipend of over \$37,000, which is \$10,000 greater than that provided to those in the Wichita program. The Subcommittee believes it is important to continue a dialogue regarding the state's role in residency programs, and the types of programs and level of state support in which the state should participate. Such a dialogue should include a reassessment of the current way in which support is allocated and the most appropriate residency program structures in this changing health care environment.
8. The Subcommittee reviewed the policy of the University of Kansas Medical Center and its hospital regarding abortion. The University of Kansas Medical Center policy on termination of pregnancy complies with federal and state laws and regulations. Under the policies of the institution, no person (employee, student, resident or faculty member) is required to participate in the termination of pregnancies and refusal to participate is not grounds for dismissal or harassment. The Subcommittee also received information indicating that programs that train doctors in obstetrics will be required to teach abortion skills under a policy adopted on February 14, 1995 by the Accreditation Council for Graduate Medical Education. Programs refusing to do so risk losing accreditation, which teaching hospitals need in order to qualify for federal reimbursement for services that medical residents provide to patients. In addition, most doctors must graduate from accredited training programs to be certified as competent in their specialties.
9. The Subcommittee notes four Senate Bills affecting the University of Kansas Medical Center, particularly the operations of the University Hospital. These bills (S.B. 170, 171, 173, 174) codify certain authorities granted by the 1993 and 1994 Legislature through appropriations bill provisos and are in part a response to a series of recommendations made in a comprehensive management audit of the Medical Center. S.B. 170 exempts acquisitions of data processing hardware or software for the University hospital information systems from current statutory procedures and requirements for such purposes and further authorizes such acquisitions through sole source negotiation. S.B. 171 authorizes KUMC to negotiate and enter into contracts and leases on behalf of the University Hospital for the purposes of affiliations, joint ventures, partnerships, and equity ownerships with other health care providers and third parties. Such contracts or leases would be exempted from the competitive bid process and from prior approval by the

Secretary of Administration. S.B. 173 authorizes KUMC to lease and operate off-campus medical care facilities, without the prior approval of the Secretary of Administration. S.B. 174 increases the Medical Center's direct purchasing authority to \$25,000 for any individual purchase, and authorizes the Medical Center to enter into contracts with consortiums of health care providers and other purchasing groups, and exempts such purchases and acquisitions from current statutory purchasing requirements. The University anticipates substantial savings from purchases through the University Hospital Consortium.

10. The Subcommittee recommends that the Medical Center convene a blue ribbon Committee, including representation from the Chancellor, the Board of Regents and the Medical Center, to assess the future of the Medical Center, and in particular the University Hospital. Such a panel should look at the needs and opportunities which exist in the rapidly changing health care arena, and should assess the manner in which the Medical Center and the Hospital should be operated in this environment, including opportunities for privatization.
11. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 2234

Bill Sec. 16

Analyst: Howard

Analysis Pg. No. 647

Budget Page No. 549

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 50,328,306	\$ 50,159,096	\$ 0
General Fees Fund	23,672,470	23,672,470	0
EDIF	393,686	393,686	0
Other Funds	301,604	301,604	0
Subtotal General Use	\$ 74,696,066	\$ 74,526,856	\$ 0
Restricted Use Funds*	37,601,219	37,601,219	0
TOTAL -- Oper. Exp.	\$ 112,297,285	\$ 112,128,075	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 1,248,766	\$ 1,245,707	\$ 0
Special Cap. Impr. Fund	0	0	0
Other Funds	124,000	124,000	0
TOTAL -- Cap. Impr.	\$ 1,372,766	\$ 1,369,707	\$ 0
 GRAND TOTAL	 <u>\$ 113,670,051</u>	 <u>\$ 113,497,782</u>	 <u>\$ 0</u>
 FTE Positions:**			
Classified	675.9	675.9	--
Unclassified	1,046.1	1,046.1	--
TOTAL FTE	<u>1,722.0</u>	<u>1,722.0</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** Wichita State University is not subject to a position limitation.

Agency Estimate/Governor's Recommendation

The University requests a total operating budget of \$112,297,285 in FY 1995. Of the total request, general use expenditures account for \$74,696,066, an increase of 4.7 percent above actual FY 1994

*2/23/95
Appropriations Cmte
attachment 11*

expenditures. The agency's revised FY 1995 general use budget is an increase of \$181,725 above the approved budget, reflecting the University's request for a supplemental State General Fund appropriation to finance costs associated with the lease of two off-campus sites. The request also seeks supplemental financing from the State General Fund totaling \$68,267, with a like reduction in financing from the General Fees Fund (tuition). The request reflects revised fee fund estimates based on fall enrollments. According to the University, the estimate of tuition revenues is lower than the amount estimated last Spring. The decrease in revenue results from an enrollment decline of 334 students, but is partially offset by an increase in the average fee collected and a larger than anticipated carryforward from FY 1994.

For FY 1995, the Governor recommends a total operating budget of \$112,128,075, of which general use expenditures are \$74,526,856. The Governor's general use current year recommendation for expenditures is a reduction of \$169,210 from the agency request and includes adjustments for: a reduction in the budgeted health insurance rate for state employees (\$171,410); and an increase of \$2,200 reflecting funding released by the State Finance Council for position reclassifications. The Governor concurs with the agency request to shift financing of \$68,267 from the State General Fund to the general fees fund based on fall enrollments. The net result is an increase of \$12,515 in general use expenditures from the approved budget, with an increase of \$80,782 from the State General Fund.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 2236

Bill Sec. 11

Analyst: Howard

Analysis Pg. No. 647

Budget Page No. 549

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96***</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 53,612,142	\$ 52,647,766	\$ (2,340,278)
General Fees Fund	24,525,520	24,542,020	362,872
EDIF	408,826	0	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal General Use	\$ 78,546,488	\$ 77,189,786	\$ (1,977,406)
Restricted Use Funds*	<u>38,076,323</u>	<u>38,076,323</u>	<u>0</u>
TOTAL -- Oper. Exp.	\$ 116,622,811	\$ 115,266,109	\$ (1,977,406)
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Special Cap. Impr. Fund	0	0	0
Other Funds	<u>214,000</u>	<u>214,000</u>	<u>0</u>
TOTAL -- Cap. Impr.	\$ 214,000	\$ 214,000	\$ 0
 GRAND TOTAL	 <u>\$ 116,836,811</u>	 <u>\$ 115,480,109</u>	 <u>\$ (1,977,406)</u>
 FTE Positions:**			
Classified	675.9	675.9	--
Unclassified	<u>1,051.1</u>	<u>1,045.9</u>	<u>--</u>
TOTAL FTE	<u>1,727.0</u>	<u>1,721.8</u>	<u>--</u>
 Special Project Appointments	 --	 --	 --

* In practice, the Legislature does not adjust "restricted use" expenditures. Although subject to appropriation, these funds are generally "no limit" and are used at the agency's discretion; however, the funds must be used in a manner consistent with the conditions attached to the receipt of the funds, and they must be spent within basic guidelines set by the Legislature.

** Wichita State University is not subject to a position limitation.

*** Adjusted for Governor's Budget Amendments.

Agency Request/Governor's Recommendation

The University requests an operating budget increase of \$4,325,526 in FY 1996, including an increase of \$3,850,422 in general use expenditures and an increase of \$475,104 in restricted use

expenditures. The requested general use increase of 5.2 percent includes: (1) annualization of FY 1995 cost-of-living adjustment and base fringe benefit adjustments (\$234,589); (2) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees (\$344,837); (3) a 3.5 percent merit pool for unclassified employees (\$1,516,176); (4) a 3.5 percent increase for student salaries (\$47,220); (5) a 3.5 percent increase for other operating expenditures (\$346,963); (6) an additional 4.5 percent increase (for a total increase of 8.0 percent) for library OOE (\$79,573); (7) \$83,419 for costs to service new buildings; (8) \$84,000 as part of a systemwide library enhancement project; and (9) mission-related program enhancements totaling \$1,113,645 and 5.0 FTE for the following: reduction of shrinkage from 2.84 to 2.0 percent (\$508,000); bridge program (\$332,000); Master of Public Health program (\$62,601); Family Nurse Practitioner (\$85,238); occupational therapy assistant (\$99,313); and physical therapy assistant (\$26,493).

For FY 1996, the Governor's recommendation reflects a general use increase of \$2,670,855, a 3.6 percent increase over the Governor's FY 1995 recommendation. The increase is financed by increasing expenditures from the State General Fund by \$2.5 million (5.0 percent), from the general fees fund by \$869,550 (3.7 percent), and by decreasing expenditures from the EDIF and State Budget Stabilization Fund (\$695,290). The Governor's recommendation shifts expenditures funded from the EDIF in FY 1995 to the State General Fund in FY 1996.

The overall general use expenditure increase of \$2,670,855 is composed of the following: (1) base adjustments, including FY 1995 salary annualization and base fringe benefit adjustments (\$130,869); (2) classified step movement (approximately 2.5 percent) and longevity increases (\$344,837); (3) a one percent base adjustment for classified employees (\$126,460); (4) a 3.5 percent merit pool for unclassified employees (\$1,449,264); (5) a 3.5 percent increase for student salaries (\$47,200); (6) a 1.5 percent increase in other operating expenditures (\$173,052); (7) \$83,334 for servicing new buildings; (8) \$168,000 for the systemwide library proposal; and (9) \$147,839 to continue health care programs initiated with funding from the Kansas Health Foundation. The Governor does not recommend funding for the remaining requested program enhancements.

House Subcommittee Recommendation

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

1. Delete \$1,977,406 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$1,449,265); classified step movement (\$199,403); a one percent base adjustment for classified employees (\$126,460); a 3.5 percent increase for student salaries (\$47,200) and the longevity bonus (\$155,078) from individual agency budgets.
2. In conjunction with the recommendation in item 1, reduce the expenditure limitation on the State General Fund operating expenditures account for GTA salaries from \$1,197,627 to \$1,157,128 to eliminate the recommended 3.5 percent increase. The Subcommittee recommends that the limitation be adjusted during the Omnibus Session to reflect any percentage increase approved for unclassified salaries.
3. Based on the recommendation of the full Committee, delete \$362,872 from the State General Fund recommended by the Governor to finance the university's FY 1996 operating budget and add \$362,872 from the General Fees Fund (tuition). The 1996

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Legislature could consider the need for a State General Fund supplemental appropriation based on actual Fall 1995 tuition receipts and enrollments.

4. Concur with Governor's Budget Amendment No. 2, which deletes \$7,925 from the State General Fund to correct an error made in calculating the recommended OOE increase.
5. The Subcommittee reviewed shrinkage rates at the Regents institutions. Wichita State University has the highest budgeted shrinkage rate (2.84%) of all the institutions excluding the University of Kansas Medical Center. This shrinkage is essentially forced. The Subcommittee believes that a review of current policy regarding shrinkage is appropriate, not just for Regents institutions but for all state agencies. The Subcommittee recommends an interim study of shrinkage, including alternatives which would allow for a review of the authorized number of FTE and use of shrinkage rates reflecting natural attrition.
6. Concur with the recommendation of the Joint Committee on State Building Construction to authorize Wichita State University to raze its old communications building.
7. As a part of its presentation to the Subcommittee, Wichita State University discussed the concept of a procurement credit card for small purchases. The University detailed for the Subcommittee the large numbers of vouchers it processes for purchases of very small dollar amounts compared to its peer institutions and other institutions of higher education engaged in a benchmarking process. The Subcommittee did not have time to pursue this issue, but recommends that Wichita State University and the Board of Regents work with the Department of Administration and present a plan to the Senate Subcommittee. The Subcommittee encourages this effort and expects no fiscal note, but rather savings to the state from such a system.
8. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 680

Budget Page No. 427

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,818,657	\$ 1,789,892	\$ 0
Aid to Local Units	6,806,633	6,806,633	0
Other Assistance	12,263,538	12,079,538	(81,351)
Subtotal -- Operating	<u>\$ 20,888,828</u>	<u>\$ 20,676,063</u>	<u>\$ (81,351)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 20,888,828</u></u>	<u><u>\$ 20,676,063</u></u>	<u><u>\$ (81,351)</u></u>
State General Fund:			
State Operations	\$ 1,648,750	\$ 1,619,985	\$ 0
Aid to Local Units	6,806,633	6,806,633	0
Other Assistance	10,320,867	10,309,227	(113,240)
TOTAL	<u><u>\$ 18,776,250</u></u>	<u><u>\$ 18,735,845</u></u>	<u><u>\$ (113,240)</u></u>
FTE Positions	18.0	18.0	--
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u><u>18.0</u></u>	<u><u>18.0</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The agency's revised estimate of operating expenditures for FY 1995 totals \$20,888,828, which is \$70,895 more than approved by the 1994 Legislature as adjusted by State Finance Council action. State General Fund expenditures are reduced by \$37,863 from the approved budget. The revised estimate includes the following adjustments to the approved budget: (1) an increase of \$18,592 in the ethnic minority scholarship program financed from discontinued attendance funds; (2) an increase of \$64,000 in the ethnic minority fellowship program (financed by an executive directive transferring this funding from the nursing student scholarship program); (3) a reduction of \$12,349 in the teacher scholarship program, including \$11,408 from the State General Fund; (4) a shift of \$26,455 in state operations from the State General Fund to federal funds based on the receipt of funds under the Eisenhower Mathematics and Science Program; and (5) an increase of \$652 in state operations. Although the Governor transferred \$64,000 from the State General Fund account of the nursing student scholarship program to the ethnic minority fellowship program, total expenditures from sponsor and repayment funds are increased accordingly, so expenditures for the nursing scholarship program are unaffected.

The Governor recommends expenditures of \$20,676,063 in FY 1995, including \$18,735,845 from the State General Fund. The recommendation is a reduction of \$212,765 from the Board estimate,

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Attachment 12*

including a reduction of \$40,405 from the State General Fund. The Governor's recommendation makes the following adjustments to the agency estimate: (1) reduces expenditures for the nursing scholarship program by \$156,000, including \$11,640 from the State General Fund and \$144,360 from sponsor funds based on September participation figures; (2) reduces the osteopathic scholarship program by \$28,000 (repayment fund) based on September participation figures; (3) reduces State General Fund expenditures for the Regents Distinguished Professorship program by \$27,000 based on one existing vacancy; and (4) reduces State General Fund salaries and wages by \$1,765, primarily due to downward revisions to health insurance rates.

House Subcommittee Recommendation

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

1. Delete \$113,240 from the State General Fund, and add \$31,889 from discontinued attendance funds (for a total program reduction of \$81,351) in the nursing scholarship program based on actual usage and savings to date. The Subcommittee recommends that the State General Fund savings be reappropriated to FY 1996 and used to supplement funding in the State Scholarship program and the Regents Honors Academy as detailed in the FY 1996 report.

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 2236

Bill Sec. 12

Analyst: Howard

Analysis Pg. No. 680

Budget Page No. 427

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's* Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,962,309	\$ 1,816,197	\$ (23,858)
Aid to Local Units	7,284,071	7,044,865	0
Other Assistance	14,256,252	12,002,321	118,649
Subtotal -- Operating	<u>\$ 23,502,632</u>	<u>\$ 20,863,383</u>	<u>\$ 94,791</u>
Capital Improvements	10,000,000	10,000,000	0
TOTAL	<u><u>\$ 33,502,632</u></u>	<u><u>\$ 30,863,383</u></u>	<u><u>\$ 94,791</u></u>
State General Fund:			
State Operations	\$ 1,893,909	\$ 1,787,797	\$ (23,858)
Aid to Local Units	7,284,071	7,044,865	0
Other Assistance	12,569,647	10,367,845	86,760
TOTAL	<u><u>\$ 21,747,627</u></u>	<u><u>\$ 19,200,507</u></u>	<u><u>\$ 62,902</u></u>
FTE Positions	19.0	18.0	--
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u><u>19.0</u></u>	<u><u>18.0</u></u>	<u><u>--</u></u>

* Includes Governor's Budget Amendments.

Agency Request/Governor's Recommendation

The Board's request for total expenditures of \$33,502,632 in FY 1996 includes \$1,378,284 for the general administration of the Board office, \$14,840,277 for special programs including the financial aid programs administered by the Board, \$7,284,071 for the Washburn University operating grant, and \$10.0 million from the Educational Building Fund for rehabilitation and repair projects at the Regents' institutions. The operating budget request is an increase of \$2.6 million from the FY 1995 estimate, including an increase of \$2,971,377 from the State General Fund, and reductions in federal funds (\$26,455) and other special revenue funds (\$331,118).

The Governor's total FY 1996 recommendation of \$30,625,151 (a reduction of \$2.9 million from the request), includes \$1,278,897 for general administration of the Board office (a reduction of \$99,387); \$6,806,633 for the Washburn University Operating Grant (a reduction of \$477,438); \$12.5 million for special programs including financial aid programs (a reduction of \$2.3 million from the agency request); and \$10.0 million (already appropriated) from the EBF for rehabilitation and repair projects at the Regents' institutions. The FY 1996 operating budget recommendation is a reduction of \$50,912 from recommended expenditures for FY 1995. With regard to financing, the FY 1996 recommendation reflects an increase in

State General Fund expenditures of \$226,430 from the FY 1995 recommendation, with reductions in federal funds (\$126,455) and other special revenue funds (\$150,887).

House Subcommittee Recommendation

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

1. Delete \$36,858 from the State General Fund in salaries based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$28,528); classified step movement (\$1,403); a one percent base adjustment for classified employees (\$1,581) and the longevity bonus (\$5,346) from individual agency budgets.
2. Add \$13,000 from the State General Fund for the Regents Honors Academy to provide a total of \$113,000 for the Regents Honors Academy in FY 1996, an increase from \$100,000 in FY 1995.
3. Add \$100,000 from the State General Fund for the State Scholarship Program to restore funding for the program to its FY 1995 level. The Subcommittee recommendation replaces a loss in federal funds.
4. Delete \$113,240 from the State General Fund in the nursing student scholarship program in FY 1996, and increase funding from the discontinued attendance fund by \$31,889 (for a total program reduction of \$81,351), as recommended in FY 1995. The Subcommittee further recommends that the Board of Regents evaluate the current nursing student scholarship program, and present a proposal for modifications to the 1996 Legislature.
5. Add \$100,000 from the State General Fund for the Regents Supplemental Grant Program. The recommendation increases funding for the program to \$2,877,000 in FY 1996, an increase of \$100,000 from the current year.
6. The Subcommittee heard testimony regarding the need-based scholarship and financial aid programs administered through the State Board of Regents. The Subcommittee believes that the need for financial assistance will continue to increase as more reliance is placed on tuition to support increases in university budgets. The Subcommittee believes it is important to address the financial need and access issues which arise from such increases. The Subcommittee recommends introduction of a bill modeled after 1994 H.B. 3033, which died in the House during the 1994 Session. The bill recommended for introduction would consolidate the need-based grant programs (state scholarship program, Regents supplemental grant, tuition grant) for purposes of simplifying the application process and program administration. The Subcommittee states that it does not intend such a consolidation to result in the shifting of resources between Regents institutions and private schools or vice versa.

7. The Subcommittee concurs with the Governor's Budget Amendment which adds \$238,232 from the State General Fund for a 3.5 percent increase to the state operating grant for Washburn University.
8. The Subcommittee recommends that the Board of Regents discuss ways in which to assist the Regents institutions in benefiting financially from the research activities and inventions of their faculty and research staff. The Subcommittee believes there is potential for development of new revenue streams for the Regents institutions. The Subcommittee encourages the Board of Regents to look at restraints to generating funds in this manner and recommends that the Board further explore the issue of intellectual property rights and report any recommendations to the 1996 Legislature.
9. The Subcommittee recommends that the Regents develop a model of enrollment growth in order to more accurately predict the number of student in the system in upcoming years, including the proportion of residents and non-residents. Such a model should also predict the amount of tuition revenue which will be available to finance Regents budgets in future years. The Subcommittee believes it is important to have a more accurate predictive model for use in budget planning, and recommends that the Regents incorporate the results of such a model in their budget document to the 1996 Legislature.
10. Make technical adjustments to the bill to accurately reflect the Governor's recommendation.
11. Performance measures included in the Governor's recommendations for the Regents institutions and the Board of Regents Office are included as Attachment 1.

**PERFORMANCE MEASURES INCLUDED IN GOVERNOR'S RECOMMENDATIONS FOR THE
BOARD OF REGENTS AND REGENTS INSTITUTIONS
As Listed by Institution**

12-6

University of Kansas

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Graduation rate after five years	50.8%	50.8%	50.8%
Ratio of tenure track faculty to student credit hours generated	218.0	218.0	218.0
Total value of research grants (in millions)	\$34.6	\$34.6	\$34.6

University of Kansas Medical Center -- Education

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Student Passing Board Exams on First Attempt			
School of Medicine -- Part I	99.4%	99.4%	99.4%
School of Medicine -- Part II	97.0	97.0	97.0
School of Nursing	89.4	89.4	89.4

University of Kansas Medical Center -- Hospital

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Occupancy Rate			
Adult and Child	63.6%	64.5%	65.8%
Newborn	25.4	26.3	26.8
Average Length of stay (days)	7.2	7.0	7.0
Total Patient Days	109,154	110,208	110,208
Outpatient Visits	304,233	320,851	327,008

Kansas State University

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Graduation rates after 5 years	42.0%	42.0%	42.0%
Ratio of ranked faculty to student FTE	16.6	16.5	18.0
Job placement percentage	88.0	85.0	85.0

12-7

Kansas State University -- Salina, College of Technology

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Attrition rates for freshman class	48.0%	47.0%	45.0%
Ratio of instructional FTE to student FTE	13.2	13.2	13.2
Ratio of ranked faculty to student credit hours	197.9	197.9	197.9

Kansas State University -- Extension System and Agriculture Research Programs

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Number of new research grants	348	355	359
Number of renewed research grants	152	155	157
Number of face-to-face contacts with public	1,806,000	1,842,000	1,879,000
Number of new public service grants	32	33	32
Number of renewed public service grants	28	8	8

Kansas State University Veterinary Medical Center

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Number of accredited graduate programs	4	4	4
Dollar value of educational grant receipts	\$ 239,000	\$ 244,000	\$ 244,000
Number of educational grants worked on	3	3	3

Fort Hays State University

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Five-year graduate rate	36.8%	40.0%	43.0%
SCH generated by ranked faculty	75.0	76.0	76.0
Value of public service grants	\$ 967,270	\$ 980,000	\$ 990,000

Emporia State University

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Five-year graduation rate	37.0%	38.0%	38.0%
Five-year job placement rate in major field	76.9	78.0	78.0

Pittsburg State University

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.
Five-year graduation rate	39.5%	46.0%	46.0%
SCH generated by ranked faculty	70.1	N/A	N/A
Value of public service grants	\$ 1,239,007	\$ 1,300,000	\$ 1,400,000
Value of education research grants	\$ 290,000	\$ 290,000	\$ 300,000
Total library collection (inc. periodicals)	596,415	N/A	N/A

Board of Regents

<u>Performance Measures</u>	<u>FY 94 Actual</u>	<u>FY 95 Est.</u>	<u>FY 96 Est.</u>
Optometry education scholarships	34	40	37
Osteopathic medicine scholarships	37	31	33
Tuition grants	3,406	3,537	3,537
State scholarships	1,103	1,145	1,036
Vocational scholarships	113	131	130
Minority scholarships	221	207	203
Teacher scholarships	97	78	75
Nursing scholarships	255	197	197
Regents supplemental grants	2,830	3,489	3,489
Minority fellowships	12	19	20

12-8

County Extension Agent Salaries and County Extension Costs

County	State Cost for 2 Agents	Number of Additional Agents	State Cost for Remainder	Total Agents	Total State Cost	Current County Appropriation	Per Capita County Cost	County Cost Per Capita w/ Addit. Agents	County Population
Allen	41,096	0	0	2	41,096	76,840	\$5.25	\$5.25	14,638
Anderson	38,777	0	0	2	38,777	75,720	9.70	9.70	7,803
Atchison	39,936	0	0	2	39,936	81,571	4.82	4.82	16,932
Barber	38,451	0	0	2	38,451	78,898	13.43	13.43	5,874
Barton	39,141	3	43,552	5	82,693	192,125	6.54	8.02	29,382
Bourbon	40,409	0	0	2	40,409	76,115	5.09	5.09	14,966
Brown	39,874	0	0	2	39,874	58,500	5.26	5.26	11,128
Butler	43,177	2	30,845	4	74,022	244,242	4.81	5.42	50,737
Chase*	18,651	0	0	1	18,651	58,000	19.20	19.20	3,021
Chautauqua	40,621	0	0	2	40,621	50,326	11.42	11.42	4,407
Cherokee	39,401	2	28,125	4	67,526	127,300	5.96	7.27	21,374
Cheyenne	40,127	0	0	2	40,127	72,610	22.39	22.39	3,243
Clark	40,216	0	0	2	40,216	50,169	20.75	20.75	2,418
Clay	39,139	0	0	2	39,139	88,993	9.72	9.72	9,158
Cloud	39,261	0	0	2	39,261	78,624	7.13	7.13	11,023
Coffey	38,328	0	0	2	38,328	105,604	12.57	12.57	8,404
Comanche	39,224	0	0	2	39,224	55,000	23.78	23.78	2,313
Cowley	41,217	1	14,017	3	55,234	123,834	3.35	3.73	36,915
Crawford	39,044	1	15,685	3	54,729	141,081	3.96	4.41	35,582
Decatur	39,924	0	0	2	39,924	61,700	15.34	15.34	4,021
Dickinson	40,310	1	14,706	3	55,016	120,285	6.34	7.12	18,958
Doniphan*	19,186	0	0	1	19,186	42,000	5.16	5.16	8,134
Douglas	42,028	3	50,074	5	92,102	327,370	4.00	4.61	81,798
Edwards	39,318	0	0	2	39,318	59,700	15.76	15.76	3,787
Elk	39,752	0	0	2	39,752	51,956	15.62	15.62	3,327
Ellis	41,148	2	28,591	4	69,739	154,544	5.93	7.02	26,076

2/23/95
 Appropriations Contd
 Attachment 13

County Extension Agent Salaries and County Extension Costs

County	State Cost for 2 Agents	Number of Additional Agents	State Cost for Remainder	Total Agents	Total State Cost	Current County Appropriation	Per Capita County Cost	County Cost Per Capita w/ Addit. Agents	County Population
Ellsworth	39,451	0	0	2	39,451	70,000	10.63	10.63	6,586
Finney	43,044	1	14,522	3	57,566	181,000	5.47	5.91	33,070
Ford	42,024	1	14,782	3	56,806	150,000	5.46	6.00	27,463
Franklin	38,411	1	14,816	3	53,227	126,323	5.74	6.42	21,994
Geary	38,519	0	0	2	38,519	134,267	4.38	4.38	30,648
Gove	38,240	0	0	2	38,240	63,000	19.50	19.50	3,231
Graham	40,447	0	0	2	40,447	61,000	17.22	17.22	3,543
Grant	44,276	1	15,867	3	60,143	156,974	21.93	24.14	7,159
Gray	38,347	0	0	2	38,347	79,081	14.66	14.66	5,396
Greeley	39,380	0	0	2	39,380	57,540	32.44	32.44	1,774
Greenwood	39,177	0	0	2	39,177	80,697	10.28	10.28	7,847
Hamilton	37,164	0	0	2	37,164	67,140	28.12	28.12	2,388
Harper	39,683	0	0	2	39,683	63,152	8.86	8.86	7,126
Harvey	40,816	2	31,225	4	72,041	184,594	5.95	6.96	31,028
Haskell	40,362	0	0	2	40,362	64,708	16.65	16.65	3,886
Hodgeman	39,640	0	0	2	39,640	62,900	28.89	28.89	2,177
Jackson	40,499	0	0	2	40,499	67,800	5.88	5.88	11,525
Jefferson	41,609	0	0	2	41,609	94,286	5.91	5.91	15,960
Jewell	38,060	0	0	2	38,060	65,355	15.37	15.37	4,251
Johnson	42,324	4	61,843	6	104,167	422,262	1.19	1.36	355,021
Kearny	40,070	0	0	2	40,070	95,500	23.71	23.71	4,027
Kingman	39,198	0	0	2	39,198	80,379	9.69	9.69	8,292
Kiowa	39,780	0	0	2	39,780	60,600	16.56	16.56	3,660
Labette	37,603	1	14,978	3	52,581	130,814	5.52	6.15	23,693
Lane	37,402	0	0	2	37,402	64,325	27.08	27.08	2,375
Leavenworth	40,721	1	14,359	3	55,080	163,724	2.54	2.77	64,393
Lincoln	37,744	0	0	2	37,744	67,412	18.45	18.45	3,653

13-2

County Extension Agent Salaries and County Extension Costs

County	State Cost for 2 Agents	Number of Additional Agents	State Cost for Remainder	Total Agents	Total State Cost	Current County Appropriation	Per Capita County Cost	County Cost Per Capita w/ Addit. Agents	County Population
Linn	41,268	0	0	2	41,268	103,120	12.49	12.49	8,254
Logan	39,427	0	0	2	39,427	53,000	17.20	17.20	3,081
Lyon	41,500	2	30,339	4	71,839	167,522	4.82	5.70	34,732
Marion	39,650	0	0	2	39,650	78,878	6.12	6.12	12,896
Marshall	40,248	0	0	2	40,248	85,400	7.30	7.30	11,705
McPherson	42,524	1	15,393	3	57,917	165,000	6.05	6.62	27,268
Meade	40,523	0	0	2	40,523	80,000	18.84	18.84	4,247
Miami	40,776	1	14,059	3	54,835	118,002	5.03	5.63	23,466
Mitchell	39,969	0	0	2	39,969	73,530	10.21	10.21	7,203
Montgomery	39,483	1	14,046	3	53,529	188,755	4.86	5.22	38,816
Morris	38,510	0	0	2	38,510	61,941	9.99	9.99	6,198
Morton	41,840	0	0	2	41,840	79,500	22.84	22.84	3,480
Nemaha	39,646	0	0	2	39,646	74,235	7.11	7.11	10,446
Neosho	39,636	0	0	2	39,636	79,296	4.65	4.65	17,035
Ness	39,030	0	0	2	39,030	62,500	15.50	15.50	4,033
Norton	37,508	0	0	2	37,508	69,000	11.60	11.60	5,947
Osage	38,711	0	0	2	38,711	58,744	3.85	3.85	15,248
Osborne	40,727	0	0	2	40,727	68,000	13.97	13.97	4,867
Ottawa	40,133	0	0	2	40,133	73,000	12.96	12.96	5,634
Pawnee	39,960	0	0	2	39,960	86,605	11.46	11.46	7,555
Phillips	39,864	0	0	2	39,864	65,280	9.91	9.91	6,590
Pottawatomie	41,105	0	0	2	41,105	136,558	8.47	8.47	16,128
Pratt	40,298	0	0	2	40,298	98,395	10.14	10.14	9,702
Rawlins	38,572	0	0	2	38,572	65,000	19.10	19.10	3,404
Reno	42,018	3	44,082	5	86,100	285,653	4.58	5.29	62,389
Republic	38,762	0	0	2	38,762	75,000	11.57	11.57	6,482
Rice	37,828	0	0	2	37,828	95,000	8.95	8.95	10,610

13-3

County Extension Agent Salaries and County Extension Costs

County	State Cost for 2 Agents	Number of Additional Agents	State Cost for Remainder	Total Agents	Total State Cost	Current County Appropriation	Per Capita County Cost	County Cost Per Capita w/ Addit. Agents	County Population
Riley	41,258	3	46,751	5	88,009	254,044	3.78	4.48	67,139
Rooks	39,340	0	0	2	39,340	71,904	11.91	11.91	6,039
Rush	38,196	0	0	2	38,196	57,546	14.98	14.98	3,842
Russell	42,499	0	0	2	42,499	99,000	12.64	12.64	7,835
Saline	39,397	4	62,247	6	101,644	261,988	5.31	6.58	49,301
Scott	41,514	0	0	2	41,514	77,000	14.56	14.56	5,289
Sedgwick	46,440	10	164,681	12	211,121	853,933	2.12	2.52	403,662
Seward	39,472	0	0	2	39,472	69,500	3.71	3.71	18,743
Shawnee	44,303	3	46,237	5	90,540	345,000	2.14	2.43	160,976
Sheridan	39,883	0	0	2	39,883	56,000	18.40	18.40	3,043
Sherman	40,941	0	0	2	40,941	91,954	13.28	13.28	6,926
Smith	38,875	0	0	2	38,875	60,000	11.82	11.82	5,078
Stafford	40,680	0	0	2	40,680	78,750	14.68	14.68	5,365
Stanton	41,699	0	0	2	41,699	111,440	47.77	47.77	2,333
Stevens	45,975	0	0	2	45,975	146,253	28.97	28.97	5,048
Sumner	41,899	0	0	2	41,899	123,719	4.79	4.79	25,841
Thomas	42,669	0	0	2	42,669	93,700	11.35	11.35	8,258
Trego	40,809	0	0	2	40,809	63,310	17.14	17.14	3,694
Yabaunsee*	20,738	0	0	1	20,738	47,929	7.26	7.26	6,603
Wallace	38,466	0	0	2	38,466	49,860	27.38	27.38	1,821
Washington	38,256	0	0	2	38,256	73,683	10.42	10.42	7,073
Wichita	38,456	0	0	2	38,456	63,000	22.84	22.84	2,758
Wilson	39,984	0	0	2	39,984	59,410	5.77	5.77	10,289
Woodson	38,871	0	0	2	38,871	53,512	13.00	13.00	4,116
Wyandotte	44,755	3	47,918	5	92,673	282,250	1.74	2.04	162,026
TOTAL	4,156,638	58	893,740	265	5,050,378	11,759,539	4.75	5.11	2,478,099

13-4

Substitute for Item 10 in Subcommittee Report

The Subcommittee recommends that the Board of Regents convene a blue ribbon committee, including representation from the Chancellor, the Board of Regents, former Regents, and experts from the private sector and private foundations, to assess the future of the Medical Center, and in particular the University Hospital. Such a panel should look at the needs and opportunities which exist in the rapidly changing health care arena, and should assess the manner in which the Medical Center and the Hospital should be operated in this environment, including opportunities for privatization. The Subcommittee was informed that the Medical Center expects the number of staffed beds at the University Hospital to decline from the present complement of 300 beds to approximately 150 beds over the next five years. In addition, KUMC is also proposing to make substantial reallocations of its resources as it attempts to respond to the needs of Kansans and compete in this rapidly changing environment. The Subcommittee believes it is essential to have oversight of these changes to ensure that state funds totaling over \$80 million are being expended in the most appropriate and effective manner.

2/23/95
Appropriations Cmte
Attachment 14

The Subcommittee would note that Wichita State University sought authorization to raze a portion of Cessna Stadium. The project was approved by the Joint Committee on State Building Construction and was included in Senate Bill 143. The Senate Ways and Means Committee deleted the section of S.B. 143 authorizing the razing. The Subcommittee wants to commend Dr. Hughes for addressing this difficult issue and encourages him to work with all factions in developing a plan to improve the athletic program.

2/23/95
Appropriations Cmte
Attachment 15