

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 9:00 a.m. on February 14, 1996 in Room 514-S of the Capitol.

All members were present except: Representative Tim Carmody, excused

Committee staff present: Alan Conroy, Russell Mills, Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes; Mike Corrigan, Revisor
Tim Kukula, Appropriations Secretary; Todd Fertig, Administrative Aide

Others attending: See attached list

Chairman Jennison opened the meeting by recognizing Representative Mollenkamp to give the subcommittee report on the Judicial Branch. stated that the subcommittee concurs with the Governor's recommendations for FY 1996 and concurs with adjustments with FY 1997 (Attachment 1).

A motion was made by Representative Neufeld, seconded by Representative Gatlin, to strike paragraph #6 from the report under FY 1997 recommendations. The motion carried 11-10.

A motion was made by Representative Hochhauser, seconded by Representative Neufeld, to include language in the subcommittee report stating that before any change is made to the way the contract is written concerning OJA, the court trustees, and SRS the legislature review and approve it. The motion carried 11 to 10.

A motion was made by Representative Mollenkamp, seconded by Representative Wilson, to adopt the subcommittee report on the Judicial Branch as amended. The motion carried.

Chairman Jennison recognized Representative Mollenkamp to give the subcommittee report on the Board of Indigents' Defense Services. Representative Mollenkamp stated that the subcommittee concurs with the Governor's recommendations for FY 1996 and FY 1997 (Attachment 1).

A motion was made by Representative Mollenkamp, seconded by Representative Dean, to adopt the subcommittee report on the Board of Indigents' Defense Services. The motion carried.

Chairman Jennison recognized Representative Mollenkamp to give the subcommittee report on the Judicial Council. Representative Mollenkamp stated that the subcommittee concurs with the Governor's recommendations for FY 1996 and concurs with adjustments with the Governor's FY 1997 recommendations (Attachment 1).

A motion was made by Representative Mollenkamp, seconded by Representative Dean, to adopt the subcommittee report on the Judicial Council. The motion carried.

At 10:00 a.m., Chairman Jennison recessed the meeting until 1:30 p.m.

Chairman Jennison called the meeting to order at 1:30 p.m by recognizing Representative Reinhardt to give the subcommittee report on the Regents Institutions. Representative Reinhardt stated that the subcommittee concurs with observations, adjustments, and recommendations with the Governor's recommendations for FY 1996 and FY 1997 (Attachment 2).

Chairman Jennison recognized Representative Helgerson to give the Minority Report on Regents Institutions. Representative Helgerson read the report and answered questions by the committee (Attachment 3).

A motion was made by Representative Reinhardt, seconded by Representative Farmer, to adopt the Majority report and list the Minority report for consideration. The motion carried.

Chairman Jennison recognized Representative Kline to give an explanation of the Capital Improvements bill and give the Building Committee report (Attachment 4).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on February 14, 1996.

A motion was made by Representative Kline, seconded by Representative Dean to adopt the Building Committee report. The motion carried. Representative Edmonds voted no.

A motion was made by Representative Gatlin, seconded by Representative Farmer, to introduce a bill concerning the Special Committee on Telecommunications dealing with negotiations between League of Municipalities and Sprint United about franchise fees. The motion carried.

The meeting adjourned at 3:00.

The next meeting is scheduled for February 15, 1996.

LEGISLATIVE BUDGET COMMITTEE

1:30

DATE 2-14-96

NAME ADDRESS REPRESENTING

NAME	ADDRESS	REPRESENTING
Rich Sherman		KDFA
Elaine Frisbie	Topeka	DOB
SUE PETERSON	Manhattan	KANSAS STATE
WARREN CORMAN	TOPEKA	BD. OF REGENTS
David G. Mornick	"	Washburn University
Eric Lantz	Wichita	WSU
Nicky Tufoney	Wichita	self
Rick Olson	Manhattan	Wichita
Steve Stephens	Emporia	ESU
Bob Wunsch		KUMC
John Hanna	Topeka	Assoc. Press
Jon Jassegard	Lawrence	UN
Ken Salikhan	Beaumont	Kansas League
Roger Francois	Topeka	FEC
BILL STANHOPE	COLWICH	
Walter Bergkamp	Colwich	
Anna C. Bergkamp	Colwich	Older Kansans
Markus Kern	Lawrence	KU

FY 1996 AND FY 1997

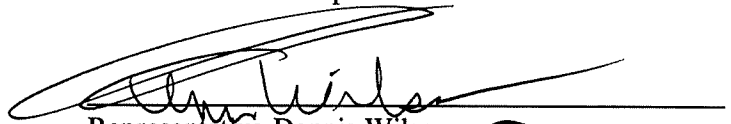
**House Subcommittee on
Taxation, Transportation, and Commerce**

Report for:

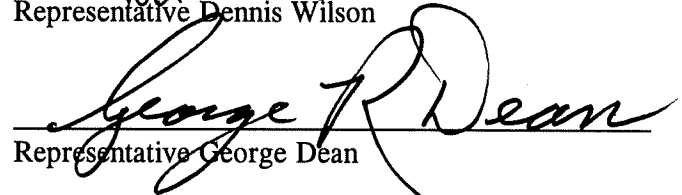
**Judicial Branch
Judicial Council
Board of Indigents' Defense Services**



Representative Gayle Mollenkamp
Subcommittee Chairperson



Representative Dennis Wilson



Representative George Dean

2-14-96

tax.sig/pb

House Appropriations

Attachment

1

JUDICIAL BRANCH

The Kansas Courts' constitutional and statutory duty is to administer justice in the most equitable manner possible, while maintaining a high level of effectiveness.

Subcommittee Report

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97*
All Funds:					
Operating Expenditures	\$ 66,566,468	\$ 71,095,047	\$ 69,632,005	\$ 72,844,857	\$ 71,744,708
Capital Improvements	0	0	0	0	0
Total	<u>\$ 66,566,468</u>	<u>\$ 71,095,047</u>	<u>\$ 69,632,005</u>	<u>\$ 72,844,857</u>	<u>\$ 71,744,708</u>
State General Fund:					
Operating Expenditures	\$ 63,678,123	\$ 67,719,846	\$ 66,257,790	\$ 69,672,067	\$ 68,573,689
Capital Improvements	0	0	0	0	0
Total	<u>\$ 63,678,123</u>	<u>\$ 67,719,846</u>	<u>\$ 66,257,790</u>	<u>\$ 69,672,067</u>	<u>\$ 68,573,689</u>
Percentage Change:					
Operating Expenditures:					
All Funds	5.6%	6.8%	4.6%	2.5%	3.0%
State General Fund	6.2	6.3	4.1	2.9	3.5
FTE Positions	1,733.0	1,746.0	1,746.0	1,764.0	1,746.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>1,733.0</u>	<u>1,746.0</u>	<u>1,746.0</u>	<u>1,764.0</u>	<u>1,746.0</u>

* Reflects adjustments for Governor's Budget Amendment No. 1, Item 5, which adds \$64,090 from the State General Fund for judicial retirement costs, and Item 6, which adds \$139,752 from the State General Fund for longevity.

HIGHLIGHTS OF THIS BUDGET

- ▶ **New Positions.** For FY 1997, the Judicial Branch requests a total of 19.0 new FTE positions, at a total cost of \$476,768, including fringe benefits. Included are 5.0 FTE positions for the law library and the Court of Appeals staff, and 13.0 FTE positions (administrative assistants and transcriptionists) for the District Courts. The Governor does not recommend any of the new positions.
- ▶ **Judicial Salary Increases.** The Judicial Branch is requesting \$411,441 for a 2.5 percent base salary increase for all justices and judges in FY 1997. The Governor's recommen-

ation includes a 2.5 percent full-year base pay increase for all Judicial Branch employees.

- ▶ The Governor recommends \$1,500,723 for the **Juvenile Intake and Assessment Program** in FY 1997 for grants (\$1,456,003) and program administration (\$44,720). The Judicial Branch did not request FY 1997 funding for the program, which is a 24-hour uniform statewide juvenile intake assessment program for juvenile offenders and children in need of care. The Judicial Branch stated that it believed the program would be administered by the Juvenile Justice Authority.

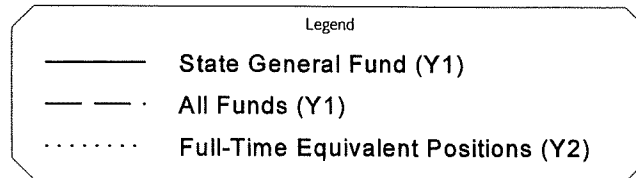
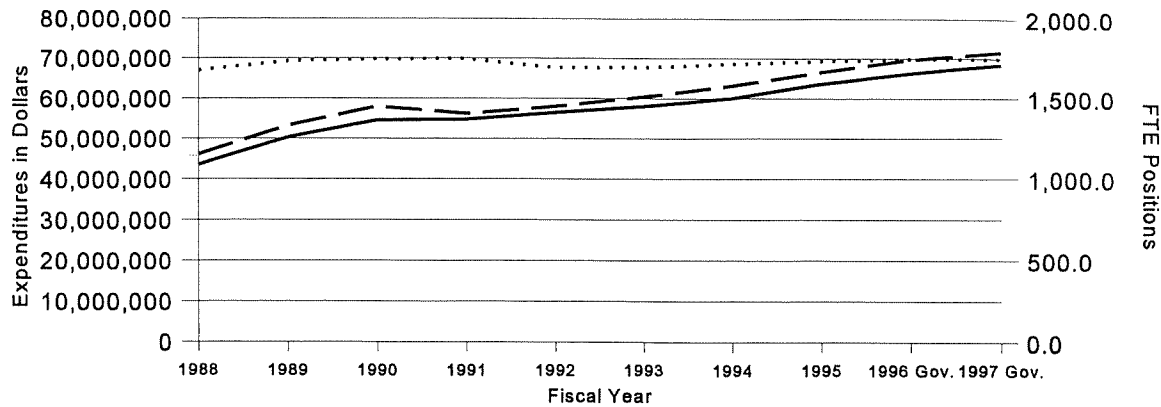
- ▶ The Governor recommends \$98,836 for postretirement judicial service contracts in FY 1997. The 1995 Legislature established a procedure for retired judges and justices (excluding magistrate judges) to enter into written agreements with the Supreme Court providing that, after retirement, the judge or justice will perform judicial duties for no more than 104 days, or 40 percent of the year. In exchange, the judge or justice is to receive a stipend equal to 25 percent of the current monthly salary of judges of justices serving in the same position as held by the retirant at the time of retirement.

FY 1996 -- CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 -- BUDGET YEAR CHANGE FROM FY 1996 (State Operations)			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ 81,394*	\$ (1,380,662)	\$ 3,390,958	\$ 2,094,791	5.1%	3.2%
All Other Funds	466,304	465,318	(202,411)	(203,196)	(6.0)	(6.0)
TOTAL	<u>\$ 547,698</u>	<u>\$ (915,344)</u>	<u>\$ 3,188,547</u>	<u>\$ 1,891,595</u>	<u>4.6%</u>	<u>(2.8)%</u>
FTE Positions	2.0	2.0	18.0	0.0		

* This reflects the expenditure in FY 1996 of \$100,000 SGF approved for security measures in FY 1995. This is a shift of expenditures between fiscal years rather than an increase in expenditures. This increase is offset by a reduction of \$18,606.

BUDGET TRENDS

OPERATING EXPENDITURES FY 1988-FY 1997



LEGISLATIVE CONSIDERATION

House Subcommittee Recommendation

FY 1996. The House Subcommittee Concurs with the recommendations of the Governor.

FY 1997. The House Subcommittee Concurs with the recommendations of the Governor with the following adjustments:

1. The House Subcommittee concurs with Governor's Budget Amendment No. 1, Item 5, which would add \$64,090 from the State General Fund for judicial retirement costs, which were understated by that amount in the Governor's budget recommendation.
2. The House Subcommittee concurs with Governor's Budget Amendment No. 1, Item 6, which would add \$139,752 (including \$138,752 from the State General Fund and \$1,000 from special revenue funds) to fund longevity for those employees at the end of their pay grade. This amount was omitted from the Governor's recommendation and would fund longevity in the manner the Governor recommends for all state employees.
3. The Subcommittee recommends that the Court of Appeals implement a trial program using video conferencing to hear appellate arguments from locations outside of Topeka. The Subcommittee notes that Court of Appeals judges traveled a total of approximately 35,800 miles in FY 1995 and 26,900 miles in FY 1994 to hear docketed cases. The Subcommittee further notes that there has been a dramatic increase in the number of cases docketed in the Court of Appeals in recent years. The Subcommittee believes that video conferencing offers an alternative that would save judicial time, but would allow

the Court to accomplish its goals of making the appellate process easier, more accessible, and more economical.

4. The Subcommittee requested information about the impact of the four new district court judge positions added by the 1995 Legislature. The Judicial Branch provided the information included in the table below, which compares the caseloads in those districts for half of FY 1995 with the caseloads for the first half of FY 1996. The Judicial Branch notes that none of the judges began on the first day of the fiscal year and cautions that, because of the short period of time involved, the statistics noted may be more anecdotal than significant or may be based on other factors. The Subcommittee notes that the Judicial Branch will continue to compile this information and recommends that the information be reviewed on an annual basis.

District	Counties	Date Judge Began	Major Cases		Chapter 60, Felony, and Domestic Relations	
			½ of FY 1995 Per Judge*	1st Half of FY 1996 Per Judge*	½ of FY 1995 Per Judge**	1st Half of FY 1996 Per Judge**
10th	Johnson	Oct.13, 1995	554	492	273	226
16th	Clark, Comanche, Ford, Gray, Kiowa, and Meade	Aug. 1, 1995	329	280	301	194
18th	Sedgwick	Sept. 1, 1995	694	650	276	263
25th	Finney, Greeley, Hamilton, Kearny, Scott, and Wichita	Aug. 18, 1995	534	459	249	141
Statewide			437	401	249	220

* All judges of the district court

** District judges only (Only district judges can hear these cases.)

5. The Subcommittee received testimony about the Juvenile Intake and Assessment Program, which is a 24-hour uniform statewide program for juvenile offenders and children in need of care that was implemented by the 1994 Legislature. The purpose of the program is to determine the appropriate placement for children picked up by law enforcement officers and to place each child in the least restrictive placement possible, given the child's need for safety and the community's need for protection. The Governor recommends a total of \$1,500,723 for the program in FY 1997, including \$1,456,003 for grants to local units and \$44,720 for administration costs. The Judicial Branch testified that, if the program were to be funded fully for FY 1997, a total of \$2,952,114 would be needed for grants (\$2,900,000) and administration costs (\$52,114). The Subcommittee recommends that this item be considered for Omnibus review.
6. The Subcommittee recommends the introduction of legislation to repeal K.S.A. 20-301b, which requires that in each county there shall be at least one judge who is a resident of that county and has a principal office in that county. The Subcommittee believes that the Chief Justice could administer the distribution of judges if this statute were repealed.

DISTRICT COURT CASELOADS -- STATEWIDE FY 1986 -- FY 1995

Not included in the following statistics are traffic cases, decedent estates, fish and game cases, guardianship and conservatorship proceedings, trusts, and other actions. "Civil-limited action" cases are those involving claims of \$10,000 or less, or seeking judgement for an unsecured debt not sounding in tort or arising out of a contract for the provision of goods, services, or money.

9-1

Filings	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	Percent Change FY 86-95
Criminal-Felonies	11,111	11,500	12,188	12,631	12,197	11,436	13,412	13,229	14,423	15,267	37.4%
Criminal-Misdemeanors	<u>12,604</u>	<u>13,369</u>	<u>13,234</u>	<u>14,171</u>	<u>15,362</u>	<u>16,919</u>	<u>16,986</u>	<u>16,386</u>	<u>17,762</u>	<u>18,850</u>	49.6%
Subtotal-Criminal	23,715	24,869	25,422	26,802	27,559	28,355	30,398	29,615	32,185	34,117	43.9%
Civil-Regular	25,117	26,385	25,237	24,041	25,733	23,751	23,735	22,347	23,287	21,831	(13.1)%
Civil-Domestic Relations	23,128	23,497	25,351	26,404	29,486	30,210	30,717	33,124	36,469	38,099	64.7%
Civil-Limited Actions	53,396	54,526	57,070	62,051	68,525	77,480	84,514	80,404	90,044	99,030	85.5%
Subtotal-Civil	<u>101,641</u>	<u>104,408</u>	<u>107,658</u>	<u>112,496</u>	<u>123,744</u>	<u>131,441</u>	<u>138,966</u>	<u>135,875</u>	<u>149,800</u>	<u>158,960</u>	56.4%
TOTAL Civil and Criminal	<u><u>125,356</u></u>	<u><u>129,277</u></u>	<u><u>133,080</u></u>	<u><u>139,298</u></u>	<u><u>151,303</u></u>	<u><u>159,796</u></u>	<u><u>169,364</u></u>	<u><u>165,490</u></u>	<u><u>181,985</u></u>	<u><u>193,077</u></u>	<u><u>54.3%</u></u>

COURT OF APPEALS CASES DOCKETED BY CALENDAR YEAR

Calendar	1992	1993	1994	1st Half 1995
Cases Docketed	1,436	1,506	2,028	1,106

9

BOARD OF INDIGENTS' DEFENSE SERVICES

The purpose of the Board of Indigents' Defense Services is to efficiently and economically provide the constitutionally and statutorily required counsel for each indigent felony defendant.

Subcommittee Report

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97
All Funds:					
Operating Expenditures	\$ 11,171,512	\$ 12,365,720	\$ 12,193,363	\$ 16,038,932	\$ 12,504,104
Capital Improvements	0	0	0	0	0
Total	\$ 11,171,512	\$ 12,365,720	\$ 12,193,363	\$ 16,038,932	\$ 12,504,104
State General Fund:					
Operating Expenditures	\$ 10,963,368	\$ 12,214,720	\$ 12,042,363	\$ 15,900,932	\$ 12,366,104
Capital Improvements	0	0	0	0	0
Total	\$ 10,963,368	\$ 12,214,720	\$ 12,042,363	\$ 15,900,932	\$ 12,366,104
Percentage Change:					
Operating Expenditures:					
All Funds	21.3%	10.7%	9.1%	29.7%	2.5%
State General Fund	21.5	11.4	9.8	30.2	2.7
FTE Positions					
FTE Positions	113.0	146.0	146.0	182.0	146.0
Unclassified Temp. Positions	0.0	1.0	1.0	0.0	1.0
Total	113.0	147.0	147.0	182.0	147.0

HIGHLIGHTS OF THIS BUDGET

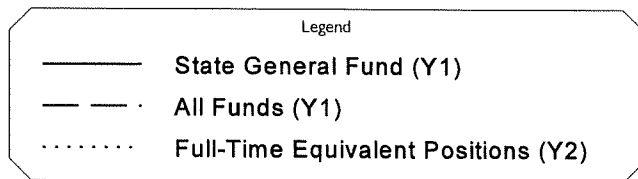
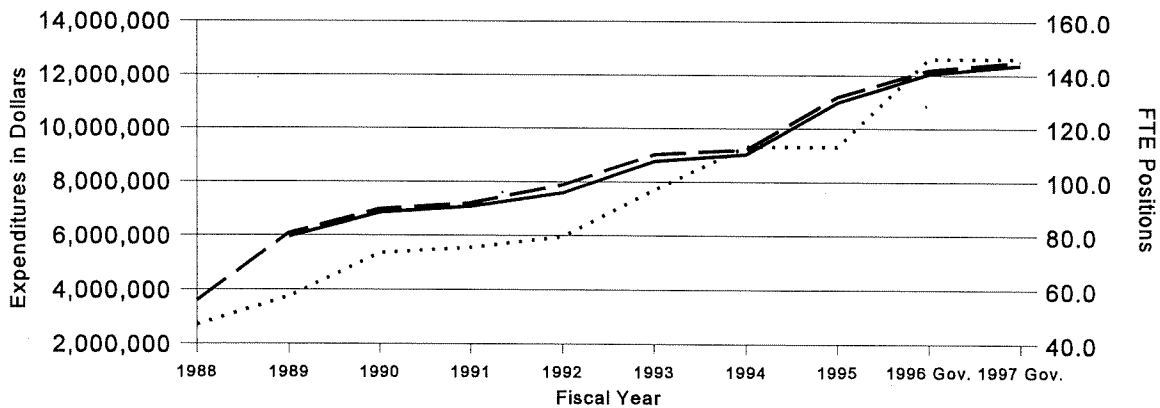
- ▶ The budget document states that the agency will request no supplemental funding for assigned counsel claims in FY 1996 if certain changes recommended by the agency administration are implemented by the Board, including reducing the hourly rates of compensation for assigned counsel; opening new public defender offices; tightening indigency guidelines; increasing recoupment efforts; and adopting stricter assigned counsel guidelines.
- ▶ **The Governor's recommendation** for FY 1997 includes \$85,000 to provide the Corrections Ombudsman function through contractual services payments to Legal Services for Prisoners, Inc.
- ▶ For FY 1997, the agency requests a total of 35.0 new FTE positions, at a total cost of \$1,118,699, including fringe benefits. Included are 20.0 FTE attorneys, 3.0 investigators, 2.0 FTE social workers, and 15.0 other FTE positions. **The Governor does not recommend** any of the requested new positions.
- ▶ The agency estimates that, to pay assigned counsel claims at the rate of \$50 per hour, it would need assigned counsel funding of \$6,522,526 in FY 1997. **The Governor recommends** \$5,211,690 for assigned counsel in FY 1997, a decrease of \$1,310,836 from the agency request of \$6,522,526.

- ▶ BIDS requests a total of \$313,712 in FY 1997 to implement a career ladder for its unclassified attorneys that includes pay grade movement comparable to the pay grades in effect for attorneys in the classified state service. **The Governor does not recommend** the reclassification and career ladder.
- ▶ In FY 1995 and FY 1996, the Wichita University Hugo Wall School of Urban and Public Affairs completed *Indigent Defense in Kansas: A Report on State Policy and Management*.

FY 1996 -- CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 -- BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ 867	\$ (171,490)	\$ 3,686,212	\$ 323,741	30.2%	2.7%
All Other Funds	(22,000)	(22,000)	(13,000)	(13,000)	(8.6)	(8.6)
TOTAL	<u>\$ (21,133)</u>	<u>\$ (193,490)</u>	<u>\$ 3,673,212</u>	<u>\$ 310,741</u>	<u>29.7%</u>	<u>2.5%</u>
FTE Positions	17.0	17.0	35.0	0.0		

BUDGET TRENDS

OPERATING EXPENDITURES FY 1988-FY 1997



House Subcommittee Recommendation

FY 1996. The House Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. The Subcommittee notes that, for the first time in recent years, this agency is not requesting a supplemental appropriation to pay assigned counsel claims. The Subcommittee commends the agency for the giant strides it has taken in providing managerial oversight of services and implementing cost containment measures. Some of the actions taken by the agency include reminding district court judges of their responsibility in the determination of indigency; advising the judiciary that the board of Indigents' Defense Services (BIDS) will no longer pay for services without proof that an affidavit of indigency was filed and that the judge found the defendant to be indigent in part or in full; entering into contracts for private defense services at a rate of less than \$50 per hour where possible, such as the contract entered into with the Leavenworth County Bar that voluntarily reduces claims for out-of-court time to \$35 per hour; working with the courts to initiate changes that will provide for more efficient administration of justice, including reducing costly "wait time" for attorneys; and continuing to expand public defender services in areas where those services are more cost effective than private assigned counsel. Numerous other actions have been taken or are being considered by agency staff and the Board.
2. The Subcommittee concurs with the agency's request that its current year expenditure status be reviewed as an Omnibus item. The agency can provide better information as to whether it anticipates any funding from the capital defense operations or regional expansion line items could be shifted to the operating expenditures account to enable the agency to make it through the fiscal year without a supplemental appropriation.

FY 1997. The House Subcommittee concurs with the Governor's recommendations, with the following adjustments:

1. The Subcommittee concurs with the agency's request to introduce legislation that would allow the agency to retain money collected as reimbursement from indigent and partially indigent defendants. Currently, that funding (which is estimated to be \$850,000 in FY 1996 and \$950,000 in FY 1997) is deposited directly into the State General Fund. The Subcommittee notes that this would decrease the agency's reliance on the State General Fund and could provide an incentive for increased recoupment efforts by the courts, court services officers, and BIDS attorneys.
2. The Subcommittee concurs with the agency's request that it be allowed to establish an Inservice Education Workshop Fee Fund, with a proviso that would allow the agency to charge and collect fees for workshops and conferences that are designed to recover all or a part of the costs incurred for the conferences. This would enable the agency to charge a fee to attorneys from outside the agency who attend workshops or conferences held for agency attorneys.
3. The Subcommittee concurs with the agency's request to introduce legislation that would allow the court to assess an "up-front" administrative fee of \$50 in order to receive the services of court-appointed counsel. The court would be allowed to waive all or part of the fee if warranted by the defendant's indigency status or other factors. The fee would be paid to the clerk of the district court, who would remit the fee to BIDS for deposit into the Indigents' Defense Services Fund.

4. The Subcommittee concurs with the agency's request to introduce legislation that would amend K.S.A. 1995 Supp. 79-5211, which specifies the disbursement of amounts collected as delinquent taxes and penalties resulting from enforcement of the Drug Stamp Tax Act (K.S.A. 79-5201 *et seq.*). Under current law, 25 percent of the amount collected is deposited into the State General Fund and 75 percent is credited to a special law enforcement trust fund of the city, county, or state law enforcement agency that conducted the investigation. The requested amendment would divide any amounts collected between the State General Fund (25 percent), the Indigents' Defense Services Fund (25 percent), and the city, county, or state law enforcement agency that conducted the investigation (50 percent).

5. The Subcommittee concurs with the agency's request to introduce legislation that would amend K.S.A. 60-4117, which specifies the disposition of proceeds when property is forfeited under the Kansas Standard Asset Seizure and Forfeiture Act, K.S.A. 60 4101 *et seq.* Current law provides that any amounts remaining after payment of court preserved security interests or liens, payment of expenses related to the forfeiture proceedings, payment of reasonable attorney fees, and repayment of law enforcement funds expended in purchasing contraband or controlled substances shall be deposited into the state treasury and credited to the state asset forfeiture fund of the law enforcement agency substantially involved in making the forfeiture. The requested amendment would credit half of the remaining proceeds to the Indigents' Defense Services Fund, with the remaining half distributed as provided under current law.

JUDICIAL COUNCIL

The Judicial Council was created by the Legislature in 1927 to survey and study the Judicial Branch of government and to recommend to the Legislature and Supreme Court any needed improvements.

Subcommittee Report

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97
All Funds:					
Operating Expenditures	\$ 254,939	\$ 306,755	\$ 304,211	\$ 291,276	\$ 281,650
Capital Improvements	0	0	0	0	0
Total	<u>\$ 254,939</u>	<u>\$ 306,755</u>	<u>\$ 304,211</u>	<u>\$ 291,276</u>	<u>\$ 281,650</u>
State General Fund:					
Operating Expenditures	\$ 222,732	\$ 236,615	\$ 234,071	\$ 242,257	\$ 232,631
Capital Improvements	0	0	0	0	0
Total	<u>\$ 222,732</u>	<u>\$ 236,615</u>	<u>\$ 234,071</u>	<u>\$ 242,257</u>	<u>\$ 232,631</u>
Percentage Change:					
Operating Expenditures:					
All Funds	0.3%	6.2%	5.1%	2.4%	(0.6)%
State General Fund	11.2	2.0	19.3	(5.1)	(7.4)
FTE Positions	4.0	4.0	4.0	4.0	4.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0	0.0
Total	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>

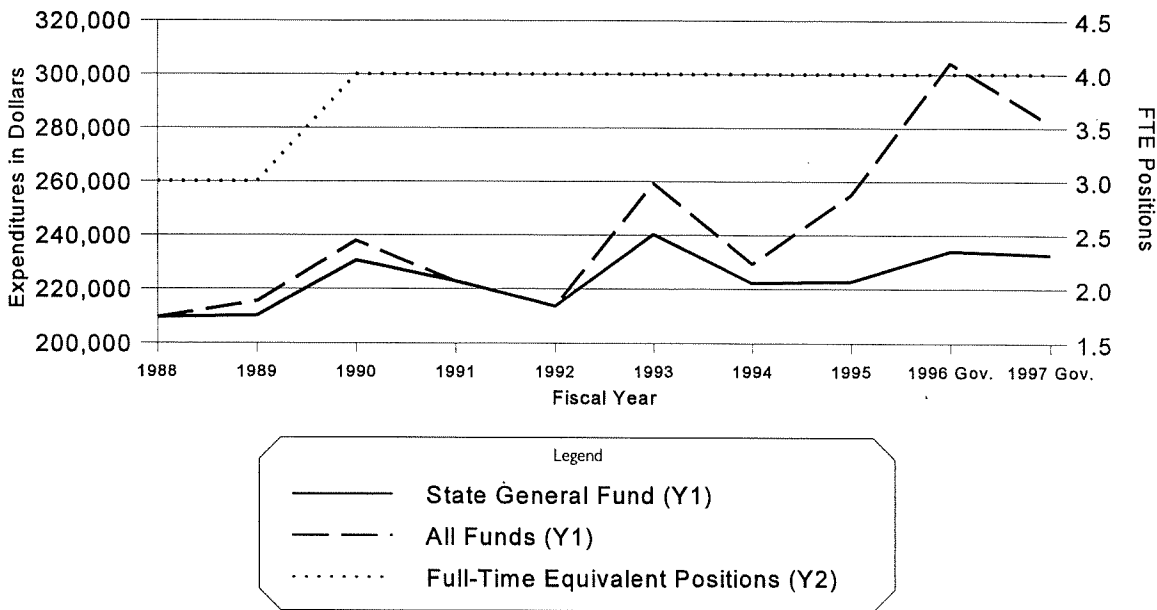
HIGHLIGHTS OF THIS BUDGET

- ▶ **Meetings.** The agency's FY 1996 estimate would fund approximately 37 meetings of the Council and its advisory committees. The FY 1997 request would fund approximately 38 meetings. In recent years, the Legislature has generally funded 38 meetings. The Governor's recommendations should fund approximately 37 meetings in FY 1996 and 37 or 38 meetings in FY 1997.
- ▶ **Publications.** The agency's FY 1996 estimate would fund the publication of a 1995 *PIK Criminal 3d* Supplement, a 1995 *Kansas Municipal Court Manual* supplement, and the *Kansas Probate Forms* supplement. The FY 1997 request would fund those publications as well as a *PIK Civil 2d* Supplement.

FY 1996 -- CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 -- BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ (3,603)	\$ (6,147)	\$ 5,642	\$ (1,440)	2.4%	(0.6)%
All Other Funds	37,430	37,430	(21,121)	(21,121)	(30.1)	(30.1)
TOTAL	<u>\$ 33,827</u>	<u>\$ 31,283</u>	<u>\$ (15,479)</u>	<u>\$ (22,561)</u>	<u>(5.1)%</u>	<u>(7.4)%</u>
FTE Positions	0.0	0.0	0.0	0.0		

BUDGET TRENDS

OPERATING EXPENDITURES FY 1988-FY 1997



LEGISLATIVE CONSIDERATION

House Subcommittee Recommendation

FY 1996. The House Subcommittee concurs with the Governor's recommendations.

FY 1997. The House Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Within the funding recommended by the Governor, allow the Judicial Council to give its four unclassified employees the equivalent of the 2.5 percent step movement authorized for classified employees. Because the four Judicial Council employees are unclassified, the Governor's recommendation provides the Judicial Council employees with the same 2.5 percent merit pool for six months recommended for all unclassified employees. The Subcommittee believes that the four Judicial Council employees (two clerical positions and two attorneys) should be treated in the same manner as classified employees and Judicial Branch employees and should receive the equivalent of step movement.

**FY 1996 and FY 1997
SUBCOMMITTEE REPORTS
FOR:**

REGENTS INSTITUTIONS

Emporia State University
Fort Hays State University
Kansas State University
KSU - Salina, College of Technology
KSU - Extension Systems and Agriculture Research Programs
KSU - Veterinary Medical Center
Pittsburg State University
University of Kansas
University of Kansas Medical Center
Wichita State University

BOARD OF REGENTS



Rep. Michael P. Farmer, Subcommittee Chairperson



Rep. John Edmonds

Rep. Henry M. Helgerson, Jr.



Rep. Richard Reinhardt



Rep. Kenny Wilk

REGENTS INSTITUTIONS

Subcommittee Report

The six state public universities are governed by the Board of Regents. Typically, funding decisions are made regarding these institutions on a systemwide basis. The institutions are the University of Kansas, including the Medical Center; Kansas State University, including the branch campus in Salina; Wichita State University; Emporia State University; Fort Hays State University; and Pittsburg State University.

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec.* FY 96	Agency Req. FY 97	Gov. Rec.* FY 97
Operating Expenditures:					
State General Fund	\$ 435,087,628	\$ 457,454,559	\$ 452,316,288	\$ 478,564,061	\$ 458,935,230
General Fees Fund	158,388,870	166,241,396	166,069,130	170,604,572	171,131,467
Other Funds	30,680,172	25,774,939	25,652,303	25,224,022	24,859,488
Subtotal General Use	\$ 624,156,670	\$ 649,470,894	\$ 644,037,721	\$ 674,392,655	\$ 654,926,185
Restricted Use Funds	374,265,021	360,083,914	360,502,599	365,632,301	365,496,491
TOTAL – Oper. Exp.	\$ 998,421,691	\$ 1,009,554,808	\$ 1,004,540,320	\$ 1,040,024,956	\$ 1,020,422,676
Capital Improvements:					
State General Fund	\$ 775,470	\$ 189,466	\$ 189,466	\$ 15,189,456	\$ 189,466
Educational Bldg. Fund	16,872,995	26,743,658	24,643,658	4,405,000	4,430,000
Other Funds	46,519,577	28,239,370	28,114,370	27,338,104	27,338,104
TOTAL – Cap. Impr.	\$ 64,168,042	\$ 55,172,494	\$ 52,947,494	\$ 46,932,560	\$ 31,957,570
GRAND TOTAL	\$ 1,062,589,733	\$ 1,064,727,302	\$ 1,057,487,814	\$ 1,086,957,516	\$ 1,052,380,246

Percentage Change:

Operating Expenditures:

All Funds	6.5%	1.1%	0.6%	3.0%	1.6%
General Use Funds	4.9%	4.1%	3.2%	3.8%	1.7%
State General Fund	4.7%	5.1%	4.0%	4.6%	1.5%

FTE Positions	15,656.6	15,797.0	15,797.0	15,868.5	15,818.6
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* As Amended by Governor's Budget Amendment No. 1.

HIGHLIGHTS OF THIS BUDGET

FY 1997 -- Budget Year

- ▶ The Regents institutions request a total general use budget increase of \$24.9 million, or **3.8 percent** in FY 1997. The Governor recommends an increase of \$10.9 million, or **1.7 percent** in FY 1997. State General Fund expenditures increase by **1.5 percent** in the Governor's FY 1997 recommendation.

- ▶ The Governor's recommended budget includes:
 - ▶ **Step Movement** for Classified employees (\$2.7 million), and **an unclassified merit increase** for faculty and other unclassified employees (including students) **for six months** in FY 1997 (\$4.8 million). The recommendation **deletes longevity funding** except for employees at the end of the pay range or who would otherwise have a salary reduction in FY 1997.
 - ▶ **No increase in other operating expenditures (OOE) was recommended by the Governor.** The Regents institutions had requested an increase of 2.0 percent except for libraries, where the requested increase was 8.0 percent.
 - ▶ The Governor recommends an increase of \$1.1 million and 29.1 FTE positions in FY 1997 for operating costs associated with servicing new buildings at the University of Kansas, Kansas State University, the University of Kansas Medical Center and Fort Hays State University.
 - ▶ The Universities requested a total of \$6.6 million in program enhancements in FY 1997, based on a request for one percent of each institution's State General Fund base, plus certain tuition-funded items. No funding for program enhancements is recommended except for those items funded through tuition or dedicated fees. **The Governor recommends a total of \$1.1 million in tuition-funded program enhancements**, including:
 - ▶ Funding of \$747,900 for KU (\$470,960) and KSU (\$276,940) associated with the **tuition accountability proposal**. The Governor recommends that these two institutions be permitted to maintain tuition totaling 25 percent of the requested tuition rate increase in FY 1997 to address priority equipment and OOE needs in their instructional programs. Under this recommendation, the enrollment adjustment is also eliminated.
 - ▶ Funding of \$200,000 is recommended from a tuition surcharge for the Pharm.D. program, the professional degree for Pharmacy students at the University of Kansas.
 - ▶ Funding of \$180,450 is recommended from increased tuition earnings at the Veterinary Medical Center related to the Center's plan to increase its class size from 90 to 100 students over a four-year period, with the additional revenue dedicated to program improvements, particularly in the area of animal agriculture.

Capital Improvements -- 15/15 EBF Plan

- ▶ **The Governor recommends that the Kansas Development Finance Authority issue bonds totaling \$156.5 million in FY 1997** to address a wide variety of rehabilitation, remodeling and building needs at the Regents institutions. The bond proceeds, along with interest earnings, would provide a total of \$163.6 million for projects on the campuses, including: \$90.6 million for rehabilitation and repair, Americans with Disabilities Act, life safety and classroom improvements; \$46.0 million for major remodeling of existing buildings; and \$27.0 million for new construction projects or building additions.

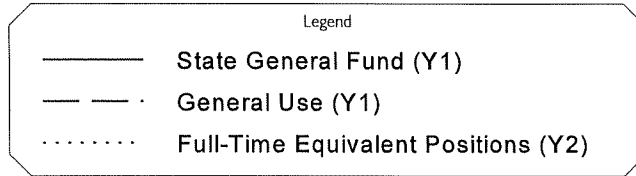
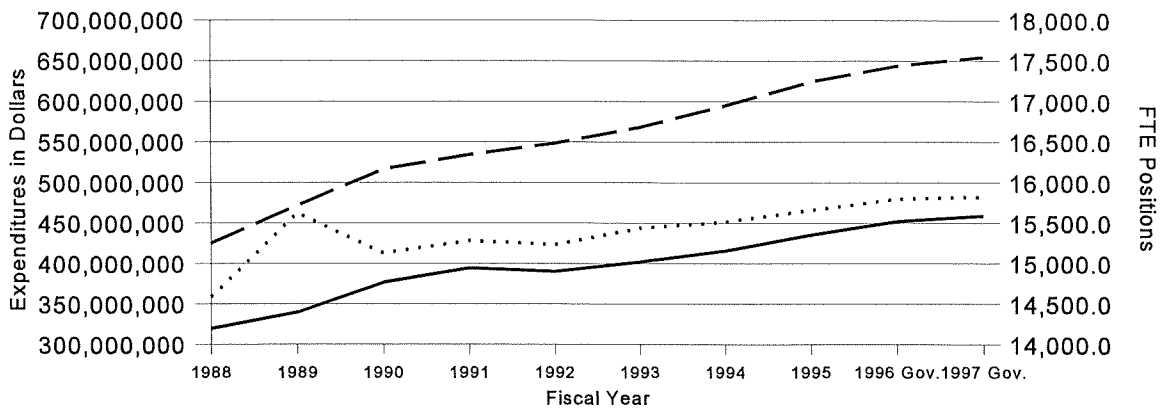
FY 1996 -- Current Year Adjustments

- ▶ The Governor's FY 1996 recommendation (as amended) for the Regents institutions is a **net increase of \$507,519 in State General Fund dollars from the approved budget**, with a net General Use budget reduction of \$2.8 million from the approved budget. Included within this recommendation are the following adjustments:
 - ▶ **Shift of \$3.6 million from the General Fees Funds (tuition) to the State General Fund based on fall enrollments and lower tuition estimates.** The majority of the shortfall is at the University of Kansas (\$1.9 million) and Wichita State University (\$1.2 million). A primary contributing factor to the shortfall at both institutions was a decline in attendance by nonresident students in Fall 1995.
 - ▶ **Increase of \$1.9 million from the State General Fund for utilities** to bring approved utilities funding in FY 1996 to the same level as approved in FY 1995.
 - ▶ **Reduction of \$4.9 million in salaries and wages** based on reductions in group health insurance rates.

FY 1996 -- CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 -- BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ 5,645,790	\$ 507,519	\$ 21,109,502	\$ 6,618,942	4.6%	1.5%
Other Funds	(3,045,584)	(3,340,486)	3,812,259	4,269,522	2.0%	2.1%
Total General Use	<u>\$ 2,600,206</u>	<u>\$ (2,832,967)</u>	<u>\$ 24,921,761</u>	<u>\$ 10,888,464</u>	<u>3.8%</u>	<u>1.7%</u>
FTE Positions	33.5	33.5	71.5	21.6		

BUDGET TRENDS

OPERATING EXPENDITURES FY 1988-FY 1997



Regents Institutions*

	State General Fund			General Use Funds			FTE FY 97
	Gov. Rec. FY 96	Gov. Rec. FY 97	% Change	Gov. Rec. FY 96	Gov. Rec. FY 97	% Change	
	Emporia State University	\$ 24,566,516	\$ 24,856,875	1.2%	\$ 32,593,325	\$ 32,992,629	
Fort Hays State University	25,013,953	25,145,442	0.5%	32,246,953	32,934,499	2.1%	695.6
Kansas State University	80,502,422	81,488,778	1.2%	118,344,310	120,607,793	1.9%	3,031.3
KSU - Extension & Agriculture Research	39,130,147	40,097,327	2.5%	46,804,971	47,311,661	1.1%	1,275.4
KSU - Salina	4,492,317	4,409,215	(1.9)%	5,305,508	5,375,478	1.0%	127.1
KSU Veterinary Medical Center	8,218,059	8,178,874	(0.5)%	14,725,997	14,762,799	0.2%	249.8
University of Kansas	110,293,350	111,807,205	1.4%	175,768,932	179,125,879	1.9%	4,507.5
Pittsburg State University	25,311,274	25,682,607	1.5%	35,393,340	35,909,119	1.5%	783.8
Wichita State University	53,187,175	53,433,034	0.5%	76,470,535	77,510,773	1.4%	1,719.0
University of Kansas Medical Center – excluding hospital	81,601,075	83,835,873	2.7%	106,383,850	108,395,555	1.9%	2,689.9
Subtotal	\$ 452,316,288	\$ 458,935,230	1.5%	\$ 644,037,721	\$ 654,926,185	1.7%	15,818.6
University of Kansas Medical Center Hospital	0	0	--	113,858,845	112,819,827	(0.9)%	1,989.6
TOTAL	\$ 452,316,288	\$ 458,935,230	1.5%	\$ 757,896,566	\$ 767,746,012	1.3%	17,808.2

* Includes Governor's Budget Amendments.

House Subcommittee Recommendation

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

FY 1996

Kansas State University

1. Concur with Governor's Budget Amendment No. 1 which adds \$425,198 from the State General Fund to Kansas State University budgets to correct an error in calculating group health insurance costs. The recommendation includes the addition of \$109,272 at the main campus, \$289,781 for KSU - Extension Systems and Agriculture Research Programs, and \$26,145 at the Veterinary Medical Center.

University of Kansas

2. Concur with Governor's Budget Amendment No. 1 which adds 89.3 FTE positions to the number reported for the University of Kansas as a technical adjustment.

Emporia State University

1. Concur with Governor's Budget Amendment No. 1 which deletes \$125,000 in parking fees at Emporia State University for parking lot repairs. This funding was not requested by the agency and should not have been a part of the Governor's recommendation.

All Institutions

1. Make technical adjustments to the appropriations bills to accurately reflect the Governor's recommendation.

FY 1997

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

Kansas State University

1. Concur with Governor's Budget Amendment No. 1 which adds \$416,429 from the State General Fund to Kansas State University budgets to correct an error in calculating group health insurance costs. The recommendation includes the addition of \$115,035 at the main campus, \$274,886 for KSU - Extension Systems and Agriculture Research Programs, and \$26,508 at the Veterinary Medical Center.

2. Concur with Governor's Budget Amendment No. 1 which adds \$17,182 from the general fees fund for other operating expenditures at KSU - Salina to correct an error in the Governor's recommendation.
3. Concur with Governor's Budget Amendment No. 1 which adds \$19,450 from the State General Fund for other operating expenditures to correct an error in the Governor's recommendation for KSU - Extension Systems and Agriculture Research Programs.
4. Concur with Governor's Budget Amendment No. 1 which deletes 1.0 FTE position in FY 1997 as a technical adjustment.

University of Kansas

1. Concur with Governor's Budget Amendment No. 1 which adds 89.3 FTE positions to the number reported for the University of Kansas as a technical adjustment.
2. The Subcommittee recommends that the expenditure limitation on the sponsored research overhead fund be increased from \$5.0 million to \$5.8 million as a technical adjustment.
3. The Subcommittee recommends a technical correction to the capital improvements bill (H.B. 2970) to allow expenditures to be made for the residence hall renovation project in both FY 1996 and FY 1997.

Wichita State University

1. The Subcommittee recommends that Wichita State University be included as a part of tuition accountability in FY 1997. Under this recommendation, WSU would retain tuition collected as a result of enrollment growth. However, unlike KU and KSU, WSU would not be included under the equity portion of the tuition accountability plan. The Subcommittee learned that Wichita State University may generate additional tuition revenue in FY 1997 through the lifting of its tuition cap (currently set at 15 hours). In the event that additional revenue is, in fact, generated through lifting of the cap, the Subcommittee is supportive of allowing the institution to retain the additional receipts. The Subcommittee recommends that the 1997 Legislature review this issue and make appropriate base adjustments at that time.

University of Kansas Medical Center

1. As a technical adjustment, add language authorizing the Chancellor to transfer moneys from the hospital revenue fund for debt service in FY 1996 and FY 1997.
2. As a technical adjustment, authorize expenditures from the Hospital Revenue Fund for official hospitality.

Fort Hays State University

1. Concur with Governor's Budget Amendment No. 1 which deletes \$250,000 from the State General Fund and adds \$250,000 from the general fees fund to accurately reflect the amount of money available for expenditure from the General Fees Fund in FY 1997.
2. The Subcommittee recommends extension of the authorization provided by the 1995 Legislature to raze McGrath Hall through FY 1997.

Pittsburg State University

1. The Subcommittee recommends that the language in the appropriations bill concerning the contiguous counties program be clarified to indicate that PSU may admit up to 100 new students each year under the program, up to a maximum of 400 students.
2. The Subcommittee notes that the Governor's recommendation for FY 1997 includes a transfer of \$2.0 million from the State General Fund to the Pittsburg State University gifts and donations to assist in meeting a shortfall in the financing plan for the new Technology Center, which is currently under construction. The Subcommittee understands that the original construction budget called for the raising of \$8.0 million in private funds; however, the revised estimate reduces the private gifts portion to \$6.0 million. The Subcommittee recommends that this issue be discussed further as the Session continues, including the possibility of substituting EDIF funding for the recommended State General Fund financing of \$2.0 million.

All Institutions

1. **Servicing New Buildings.** The Subcommittee concurs with the Governor's FY 1997 recommendation which provides funding totaling \$1.1 million and 29.1 FTE positions for servicing new buildings. However, the Subcommittee recommends that no additional staffing be provided to the institutions beginning in FY 1998, until an institution's physical plant staffing ratio for buildings actually maintained by the physical plant staff reaches a level of 1.0 FTE for each 12,500 gross square feet of space, which is the average for institutions in the central region of the United States as reported by the Association of Higher Education Facilities Officers.
2. The Subcommittee reviewed the Governor's 15/15 EBF bonding proposal. The Subcommittee has received some information regarding the use of the bond proceeds, but has yet to receive a full listing by campus of the specific projects to be completed. The Subcommittee has received correspondence from the Board of Regents indicating that the requested information will be available on Monday, February 19. The Subcommittee defers any recommendation on the 15/15 plan pending receipt of the Building Committee recommendations that will be reported as a part of Committee consideration of H.B. 2970, the capital improvements bill.
3. Make technical adjustments to the appropriations bills to accurately reflect the Governor's recommendation.
4. Although the Subcommittee's recommendations generally support the level of funding recommended by the Governor, the Subcommittee sees its work on these budgets as far from complete.

The Subcommittee believes that the proposed funding method recommended by the Governor is a good base from which to begin deliberation of changes to the current method of Regents funding. However, it is the Subcommittee's belief that these recommendations do not go far enough in providing flexibility. More importantly, the recommendations do not adequately provide for an enhanced level of accountability which must accompany such increased flexibility. It is the Subcommittee's intention to devote its time during the remaining weeks of the 1996 Session to development of a funding mechanism which includes both greater flexibility and accountability for the Regents system as a whole. The Subcommittee would note that the Governor's recommendation does not provide for tuition accountability and flexibility for all institutions.

Central to a new funding methodology is the early development of meaningful performance goals and criteria, measures and reported results by which to evaluate how well an institution is meeting these goals. The Subcommittee believes that the development of these goals and criteria, the accompanying measures and reported results will require diligent cooperation with the Board of Regents and the Regents institutions.

In the Subcommittee's mind, adequate oversight must also accompany this new funding methodology, and of critical importance is the development of an oversight mechanism.

The Subcommittee fully expects continued cooperation from the Board of Regents and the Regents institutions as it continues to meet to develop this new methodology and the accompanying accountability mechanisms. However, if agreement cannot be reached on such a method of funding and on accompanying performance criteria, the Subcommittee intends to reconsider its budgetary recommendations during the Omnibus Session.

BOARD OF REGENTS

Subcommittee Report

Article 6 of the Kansas Constitution directs the Legislature to provide for a State Board of Regents comprised of nine members appointed by the Governor, subject to confirmation by the Senate. The Board of Regents is responsible for supervising the operation of the six state Regents universities.

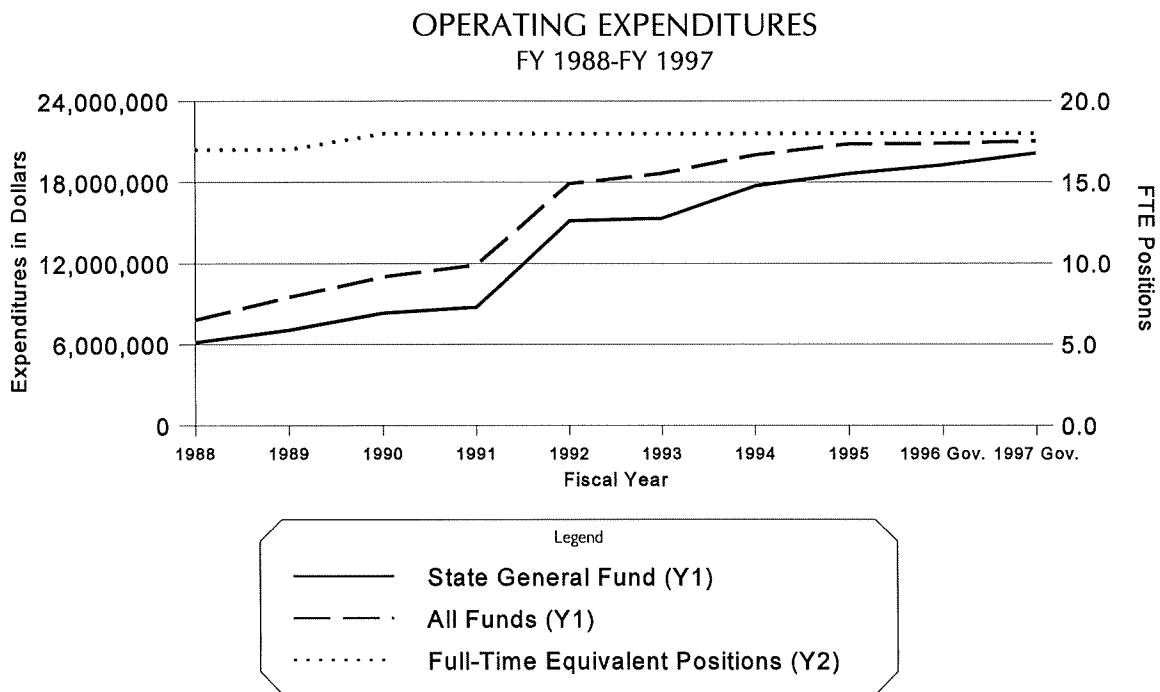
Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97
All Funds:					
Operating Expenditures	\$ 20,804,477	\$ 20,856,589	\$ 20,848,531	\$ 23,724,431	\$ 21,033,844
Capital Improvements	0	0	0	10,000,000	14,000,000
Total	<u>\$ 20,804,477</u>	<u>\$ 20,856,589</u>	<u>\$ 20,848,531</u>	<u>\$ 33,724,431</u>	<u>\$ 35,033,844</u>
State General Fund:					
Operating Expenditures	\$ 18,586,858	\$ 19,230,706	\$ 19,222,648	\$ 22,814,681	\$ 20,124,094
Capital Improvements	0	0	0	0	0
Total	<u>\$ 18,586,858</u>	<u>\$ 19,230,706</u>	<u>\$ 19,222,648</u>	<u>\$ 22,814,681</u>	<u>\$ 20,124,094</u>
Percentage Change:					
Operating Expenditures:					
All Funds	4.1%	0.3%	0.2%	13.8%	0.9%
State General Fund	4.9	3.5	3.4	18.6	4.7
FTE Positions	18.0	18.0	18.0	18.0	18.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>

HIGHLIGHTS OF THIS BUDGET

- ▶ **The Governor's recommendation** for Regents Board Office operations totals \$1,285,929, an increase of \$14,028, or 1.1 percent over the current year estimate.
- ▶ **The Governor recommends** \$12,579,765 for Student Financial Aid Programs and Other Special Programs in FY 1997, an increase of \$48,000 (or 0.4 percent) over the current year estimate.
- ▶ **The Governor recommends** \$7,168,150 (an increase of 1.8 percent, or \$123,285) for the Washburn University Operating Grant in FY 1997.
- ▶ **The Governor recommends** \$14.0 million from the Educational Building Fund in FY 1997 for various rehabilitation and repair projects at the Regents facilities.

FY 1996 -- CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 -- BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ (616,443)	\$ (624,501)	\$ 3,583,975	\$ 901,446	18.6%	4.7%
All Other Funds	(109,330)	(109,330)	(716,133)	(716,133)	(44.0)	(44.0)
TOTAL	\$ (725,773)	\$ (733,831)	\$ 2,867,842	\$ 185,313	13.8%	0.9%
FTE Positions	0.0	0.0	0.0	0.0		

BUDGET TRENDS



LEGISLATIVE CONSIDERATION

House Subcommittee Recommendation

FY 1996. The House Subcommittee concurs with the Governor's recommendation.

FY 1997. The House Subcommittee concurs with the Governor's recommendation, with the following adjustment:

1. As a technical amendment, add proviso language as recommended by the Division of Accounts and Reports concerning the consolidation of three accounts.

MINORITY REPORT

REGENTS INSTITUTIONS

AND

BOARD OF REGENTS



Representative Henry M. Helgerson, Jr.

MINORITY REPORT

I disagree with the Majority Subcommittee report and would make the following changes and additions to that report.

Specific Recommendations -- FY 1997

Pittsburg State University

1. I recommend that \$2.0 million in EBF funds from the allocation for rehabilitation and repair be used instead to fund the portion of the shortfall in funding at the Technology Center which the Governor has instead supported through a transfer from the State General Fund. This will result in a \$2.0 million savings in State General Fund dollars.
2. Although the Board of Regents has promised documentation regarding the manner in which they intend to prevent future problems such as those which occurred relating to waivers for international students at Pittsburg State University, I have yet to see a plan of corrective action which assures me that the Board of Regents have implemented the necessary safeguards to avert similar situations in the future. I believe that the Board of Regents must be accountable and responsible for the integrity of the Regents system.

Wichita State University

1. Add \$326,837 from the General Fees Fund in expenditure authority at Wichita State University as a part of the institution's participation in tuition accountability. I recommend that WSU be authorized to spend the additional tuition revenue it expects to generate through lifting of its linear tuition cap (currently set at 15 hours). I would note that Wichita State University will be included in the enrollment portion of tuition accountability along with KU and KSU and will be allowed to retain tuition generated through enrollment growth. However, I would note that WSU will not participate in the equity portion of tuition accountability. Under the equity provisions, KU and KSU are allowed to retain 25 percent of the additional tuition generated through tuition rate increases.

University of Kansas Medical Center

1. I recommend the deletion of \$112,500 from the State General Fund for the Medical Student

Loan Program. The University of Kansas Medical Center, in response to the request of the interim Special Committee on Ways and Means/Appropriations, has provided a list of options to reduce the demand on the State General Fund to support the medical student loan program in FY 1997 and in subsequent years. I recommend that the University reduce the living allowance from a maximum of \$1,500 per month to \$1,000 per month beginning with new awards in FY 1997. As new classes are phased in, the State General Fund savings will grow to an amount of \$450,000 in FY 2000.

2. Let me commend the Chancellor and Executive Vice-Chancellor for the changes that have been made in the administration of the Hospital. But, the problems that surfaced with regard to the heart transplant program are of such magnitude that close oversight of the Medical Center is warranted.

All Institutions

1. Delete \$887,570 from the State General Fund in FY 1997 to eliminate state replacement funding for bank card fees. I would note that the Governor's Budget Report noted that "the State General Fund is paying the cost of students' use of credit cards when paying tuition and fees. The Governor leaves these funds in universities' budgets [in FY 1997], but recommends that this fee not be borne by the state's taxpayers in the future." I recommend that this reduction take place in FY 1997. The reduction includes \$450,000 at the University of Kansas, \$207,370 at Kansas State University, \$113,000 at Wichita State University, \$37,800 at Emporia State University, \$30,000 at Fort Hays State University, \$35,000 at Pittsburg State University, \$13,000 at the KSU Veterinary Medical Center and \$1,400 at KSU - Salina.

2. **Utilities.** I recommend that the practice of funding utility costs at the Regents institutions at actual cost be ended beginning in FY 1997. Specifically, I recommend that FY 1996 utilities be funded at actual cost, based on the latest estimates available during the Omnibus Session. I further recommend that the funding level for FY 1996 become the base for FY 1997. Beginning in FY 1997, I recommend that the Regents institutions manage utility expenditures as a part of their total State General Fund appropriation. If savings accrue, the Regents may retain those savings for expenditure on other priorities. Additional expenses due to weather or rate changes would be absorbed by the institutions within their operating budgets. I believe that the weather pattern in the current year and the use of FY 1996 as a base should provide sufficient flexibility for transition to this new methodology.

3. **Performance Measures.** Delete all salary funding (\$1,031,028 State General Fund) from the Board of Regents office budget pending receipt by the Legislature of meaningful performance criteria and associated measures for the Board of Regents and the Regents institutions. This recommendation is intended to provide an incentive to the Board of Regents

to seriously continue the process of designing a means by which Regents institutions can be evaluated.

4. **Flexibility Proviso.** Add a proviso which would exempt for a **one year** time period the Regents institutions from current statutory requirements regarding the use of the State Printer, the statewide travel contract, state purchasing contracts, and required purchases from Correctional industries. I further recommend that the Regents report back to the 1997 Legislature with detailed information on the savings experienced in the first six months of this pilot project, including any issues or problems encountered and recommendations for permanent statutory changes. The institutions will be allowed to keep any accrued savings.

5. **Reallocation of Resources.** The added flexibility proposed for the Regents institutions carries with it added responsibilities as well. The Regents institutions must understand that they will be required to deal with many budget issues through reallocation of resources to their highest priority programs. The institutions should no longer expect the Legislature to provide additional state funds merely because funding from outside grant sources (*i.e.*, Kansas Health Foundation) is no longer available. Before accepting federal or private grants, the chief financial officers of each institution shall develop a long-range financial plan without requesting special funding from the state.

6. **Tuition and Fees.** I have observed that institutions have turned to relying more heavily on special fees to subsidize certain activities. In addition, the proposed new funding methodology is likely to result in an increased reliance on tuition revenues. I am concerned both about assuring access to the Regents institutions for students with financial need, and about institutions pricing themselves out of the market by their increased tuition rates and special fees. I believe it is crucial that sufficient state funding be sustained to provide an adequate financial base at the institutions. It is also crucial that the state develop a plan to financially assist Kansas students and their families.

7. **Kansas Council on the Future of Postsecondary Education.** This Council is currently meeting to make recommendations regarding the future direction of postsecondary education in Kansas. The Council will likely make recommendations which impact the Regents system, community colleges and other postsecondary entities. Changes in the current relationships between Regents institutions and community colleges and student attendance choices may financially impact the Regents institutions. Development of a new funding methodology for the Regents institutions must include a discussion of these potential impacts on the system.

8. **3-Year Operating Grant.** I recommend that we implement an operating grant for all

institutions. As a part of this process, I recommend the addition of a proviso stating that it is the Legislature's intent to provide a State General Fund increase of 3.0 percent for all institutions in FY 1998 and an additional 3.0 percent increase in FY 1999. Except for FY 1997, this amount of increase is less than has been provided in prior years. Establishment of a three-year plan will allow the Regents to plan for expenditures and make decisions regarding the rates of tuition increase necessary to support the system in the out years.

9. **Washburn University.** I recommend that Washburn be treated in a manner similar to the other Regents institutions. For FY 1997, FY 1998 and FY 1999, I recommend that the public funding base at Washburn be increased by 3.0 percent in each year. This would increase the recommended increase in State General Fund appropriations in FY 1997 from \$123,285 to \$332,464. I also recommend the introduction of legislation which would bring Washburn University into the Regents system while maintaining a local board as well. I believe that similar accountability mechanisms and evaluation criteria must also be established for Washburn as for the other Regents institutions.

10. **15/15 EBF Plan.** I commend and endorse the 15/15 EBF plan as recommended by the Governor.

Policy Questions to Be Resolved Prior to the Close of the 1996 Session

I feel that there are a number of critical policy questions which must be addressed this Session to ensure that the House, the Senate, and the Board of Regents and its institutions share the same expectations regarding the implementation of a new funding methodology. If these questions are not addressed this Session, I fear that the Legislature will be addressing the same questions next year and that an entire budget cycle under a new methodology will have been lost. Questions which I believe must be addressed are listed below:

1. If funding is appropriated in a more flexible manner in the form of a performance grant or an operating grant, on what basis will budgetary increases in future years be determined?
2. How will the success of Regents programs be evaluated?
3. How will progress in meeting performance goals impact the level of funding for an institution?
4. What mechanisms are necessary to ensure accountability by the Regents institutions?
5. What information should be reported to the Legislature each year to provide for adequate monitoring under this new funding methodology?

6. What is the appropriate role of the Board of Regents in implementing and overseeing a new budget methodology?

7. Will the Regents institutions continue to develop their budget request in the same incremental and formula manner, including the same budget components as in the past? If not, what will be utilized instead to develop the operating grant request?

I expect that the Governor's recommendations for the Regents system for FY 1998 will likely provide a specific percentage increase in funding rather than funding based on the existing budget components. I recommend that the Regents institutions report back to the Legislature each year on savings achieved through flexibility, institutional priorities, and institutional progress in meeting performance goals. I further recommend that the institutions' effectiveness in meeting their established goals be reviewed on the basis of a three year cycle.

SUBCOMMITTEE REPORT

House Bill No. 2970

*Attachment
4*

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 2 – Board of Agriculture						
FY 1996 Project						
Repair AC at Laboratory	\$ 54,400	\$ 25,473	\$ 25,473	\$ 25,473		
Financing						
State General Fund	\$ 54,400	\$ 25,473	\$ 25,473	\$ 25,473		
Sec. 3 – Kansas State Fair						
Rehab. and Repair of Fairground Facilities	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000		
Construction of New Horse Stall Barn	100,000	0	0	0		
ADA and EPA Compliance Projects	50,000	20,000	20,000	20,000		
Renovation of Commercial Building:						
a) Safety and ADA Concerns	585,827	0	0	0		
b) Structural and Utility Upgrade	403,695	0	0	0		
Debt Service on Grandstand Renovation – Principal	90,000	90,000	90,000	90,000		
Encampment Building	0	24,564	24,564	24,564		
TOTAL	<u>\$ 1,404,522</u>	<u>\$ 309,564</u>	<u>\$ 309,564</u>	<u>\$ 309,564</u>		
Financing:						
State General Fund	\$ 1,039,522	\$ 24,564	\$ 24,564	\$ 24,564		
Other Funds	360,000	285,000	285,000	285,000		
TOTAL	<u>\$ 1,399,522</u>	<u>\$ 309,564</u>	<u>\$ 309,564</u>	<u>\$ 309,564</u>		

House Appropriations

2-14-96

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 4 -- Department of Social and Rehabilitation Services						
SRS Institutions and Rehab. Facilities Rehabilitation and Repair (S-1)	\$ 10,016,200	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000		
SRS Office Facilities:						
Chanute Office Building Rehabilitation and Repair (S-2)	123,400	212,000	212,000	212,000		
State Complex West Rehabilitation and Repair (S-3)	881,600	397,028	397,028	397,028		
Remodel Chanute Office Building (S-4)	<u>1,164,300</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	<u>\$ 12,185,500</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>		
Financing						
State Institutions Building Fund	\$ 10,016,200	\$ 4,750,000	\$ 4,750,000	\$ 4,750,000		
State General Fund	1,560,272	0	0	0		
Other Funds	<u>609,028</u>	<u>609,028</u>	<u>609,028</u>	<u>609,028</u>		
TOTAL	<u>\$ 12,185,500</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>	<u>\$ 5,359,028</u>		
FY 1996 Project						
Youth Center Security Enhancements	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		
Financing						
State Institutions Building Fund	\$ 0	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		

Sec. 5 -- Larned State Hospital

On July 1, 1996 lapse all funds in SIBF account: construct/equip youth center at Larned building.

Concur

Concur

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 6 – Kansas State School for the Blind						
Major Maintenance	\$ 58,270	\$ 58,270	\$ 58,270	\$ 58,270		
Upgrade Alarm Systems	24,800	24,800	24,800	24,800		
Install Security Cameras	22,890	22,890	22,890	22,890		
Student Residence Project ^a	1,700,000 ^(a)	1,700,000	1,800,000	1,700,000		
TOTAL	\$ 1,805,960	\$ 1,805,960	\$ 1,905,960	\$ 1,805,960		
Funding:						
State Institutional Building Fund	\$ 1,805,960	\$ 1,805,960	\$ 1,905,960	\$ 1,805,960		

a) Previously appropriated. The 1994 legislature approved a multiyear appropriation from the Institutions Building Fund totaling \$4,550,000 to construct a new student residence dining facility, to renovate the Irwin Building for administrative space, and to demolish the old administration building. The appropriation includes \$750,000 in FY 1995, \$2,100,000 in FY 1996 and \$1,700,000 in FY 1997.

The Building Committee's \$100,000 increase for the student residence project is based on information not available to the Governor prior to his recommendation nor to the House Subcommittee prior to its recommendation. The residence project will incur \$100,000 in increased costs due to unanticipated construction complications.

Sec. 7 – Kansas School for the Deaf

Rehabilitation and Repair	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000		
Install Air Conditioning in Roth Dormitories and Roberts Academic Building	100,686	0	100,686	0		
Finish Diagnostic Service Area; Demolish Emery Hall; Grade Athletic Area; Finish Parents Suite and Furnishings	670,500	670,600	670,600	670,600		
Repair Steam Tunnel and Replace and Insulate New Piping in Steam Tunnel	169,910	0	169,910	0		
TOTAL	\$ 1,016,096	\$ 745,600	\$ 1,016,196	\$ 745,600		
Funding:						
State Institutional Building Fund	\$ 1,016,096	\$ 745,600	\$ 1,016,196	\$ 745,600		

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 8 – Department of Corrections						
Rehabilitation and Repair for Various Correctional Institutions	\$ 4,006,228	\$ 4,006,228	\$ 4,006,228	\$ 4,006,228		
Construct Three Housing Units at El Dorado Correctional Facility	28,510,500	0	0	0		
Construct a Fourth Housing Unit at El Dorado Correctional Facility	5,839,500	0	0	0		
Construct a New Reception and Diagnostic Unit at El Dorado Correctional Facility – Planning	425,000	0	0	0		
Construct Sexual Predator Commitment Treatment and Housing Unit at Larned Correctional Mental Health Facility – Planning	600,000	0	0	0		
Construct Industry-Maintenance Addition at Ellsworth Correctional Facility	484,130	0	0	0		
Construct Warehouse and Maintenance Building at Norton Correctional Facil.	514,750	0	0	0		
Debt Service Principal – Revenue Refinancing Bond (El Dorado and Larned)	4,210,000	4,210,000	4,210,000	4,210,000		
Debt Service Principal – Ellsworth Correctional Facility	765,000	765,000	765,000	765,000		
Debt Service Principal – Wichita Work Release Facility	100,000	100,000	100,000	100,000		
TOTAL	<u>\$ 45,455,108</u>	<u>\$ 9,081,228</u>	<u>\$ 9,081,228</u>	<u>\$ 9,081,228</u>		
Funding:						
State General Fund	\$ 40,450,000	\$ 3,075,000	\$ 3,075,000	\$ 3,075,000		
Correctional Institutions Building Fund	5,005,108	6,006,228	6,006,228	6,006,228		
TOTAL	<u>\$ 45,455,108</u>	<u>\$ 9,081,228</u>	<u>\$ 9,081,228</u>	<u>\$ 9,081,228</u>		

* In addition, funding of \$4,324,350, including \$4,043,350 from the State General Fund is included in the Department's operating budget for debt service interest.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 9 -- Kansas State Historical Society						
Emergency Repairs	\$ 25,000	\$ 0	\$ 0	\$ 0		
Cyclical Maintenance	100,000	50,000	50,000	50,000		
Kansas History Center – Entrance Road Replacement	160,000	0	0	0		
Kansas History Center – Flood Plain Improvements	141,783	0	0	0		
Historic Sites Preservation and Development	305,454	0	0	0		
Kansas Museum of History – Exterior Cleaning and Joint Sealing	175,000	0	0	0		
Center for Historical Research – Storage Bay No. 3	<u>2,037,417</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<u><u>\$ 2,944,654</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>		
Financing:						
State General Fund	\$ 907,237	\$ 50,000	\$ 50,000	\$ 50,000		
Economic Development Initiatives Fund (EDIF)	<u>2,037,417</u>	<u>0</u>	<u>0</u>	<u>0</u>		
Total	<u><u>\$ 2,944,654</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 50,000</u></u>		

Sec. 10 – State General Fund Transfer to SIBF

Sec. 10 transfers \$69,638 in FY 1997 from the State General Fund to the State Institutions Building Fund to replace reduced motor vehicle tax receipts created by the passage of 1995 S.B. 150

Concur

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 11 – Kansas Insurance Department						
Contingent Building Repairs	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		
Carpet Replacement	15,012	15,012	15,012	15,012		
Electric Wiring	20,105	20,105	20,105	20,105		
Window Replacement	47,225	27,458	27,458	27,458		
Soffit and Guttering	27,425	27,425	27,425	27,425		
Debt Service Principal	90,000	90,000	90,000	90,000		
TOTAL	\$ 209,767	\$ 190,000	\$ 190,000	\$ 190,000		
Financing:*						
Insurance Department Rehabilitation and Repair Fund	\$ 119,767	\$ 100,000	\$ 100,000	\$ 100,000		
Insurance Building Principal and Interest Payment Fund	90,000	90,000	90,000	90,000		
TOTAL	\$ 209,767	\$ 190,000	\$ 190,000	\$ 190,000		

* Actual receipts to pay for the expenditures would come from the agency's various fee funds by way of transfers to the funds listed above.

Sec. 12 – Department of Administration

State General Fund:

Energy Conservation Debt Service	\$ 1,340,000 ^a	\$ 1,340,000	\$ 1,340,000	\$ 1,340,000		
Rehabilitation and Repair – Statehouse, Judicial Center, and Governor's Res.	238,000	259,000	259,000	259,000		
Elevator Renovation – Statehouse	200,000	0	0	0		
Statehouse Office Remodeling – Rooms 231-N to 236-N	74,000	0	0	0		
Statehouse Office Remodeling – Rooms 141-N to 144-N	87,000	0	0	0		
Carpet Replacement – Judicial Center	64,000 ^m	0	0	0		
Roof Repair at Center Section and Rotunda – Statehouse	77,500	0	77,500	0		
Subtotal – SGF	\$ 2,080,500	\$ 1,599,000	\$ 1,676,500	\$ 1,599,000		

State Building Depreciation Fund:

Special Maintenance – Docking and Landon State Office Buildings, Forbes, and Heating Plant	246,400	\$ 246,400	\$ 246,400	\$ 246,400		
Convert Two Chillers to HCFC Refrigerants – Forbes Heating Plant	372,800	372,800	372,800	372,800		
Docking Building Roof Drain Line Replacement	193,000	193,000	193,000	193,000		
Roof Landon State Office Building	80,000	80,000	80,000	80,000		

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Landon Building Cooling Tower Replacement	88,300	88,300	88,300	88,300		
Docking Building Loading Dock Replacement	187,600	187,600	187,600	187,600		
Subtotal – State Building Depreciation Fund	<u>1,168,100</u>	<u>1,168,100</u>	<u>1,168,100</u>	<u>1,168,100</u>		
Building and Grounds Fund:						
Parking Lot Rehabilitation and Repair	32,000	32,000	32,000	32,000		
State Building Operating Fund:						
Landon State Office Building Debt Service (Purchase and Renovation)	834,023 ^b	834,023	834,023	834,023		
KDFA Bond Funds:						
Debt Service – Docking State Office Building Renovation Bond	130,000 ^c	130,000	130,000	130,000		
Intergov. Printing Service Fund:						
Debt Service – Construction of Printing Plant	99,102 ^d	99,102	99,102	99,102		
TOTAL	<u>\$ 4,343,725</u>	<u>\$ 3,862,225</u>	<u>\$ 3,939,725</u>	<u>\$ 3,862,225</u>		

- a) In addition to the principal (capital improvement) amount of \$1,340,000 included in the table, the sum of \$445,077 is included in the operating budget for interest, for a total debt service payment of \$1,785,077.
- b) In addition to the principal amount of \$834,023 included in the table, the sum of \$628,854 is included in the operating budget for interest, for a total debt service payment of \$1,462,877.
- c) In addition to the principal amount of \$130,000 included in the table, the sum of \$31,964 is included in the operating budget for interest, for a total debt service payment of \$161,964.
- d) In addition to the principal amount of \$99,102 included in the table, the sum of \$129,163 is included in the operating budget for interest, for a total debt service payment of \$228,265.

Sec. 13 – Department of Commerce and Housing

Maintenance of Travel Information Centers	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000		
Funding:						
Economic Development Initiatives Fund	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000		

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 14 -- Kansas Board of Regents						
Rehabilitation and Repair -- Regents Systemwide						
	\$ 10,000,000 ^(a)	\$ 14,000,000 ^(b)	\$ 14,000,000	\$ 14,000,000		
Financing:						
Educational Building Fund	\$ 10,000,000 ^(a)	\$ 14,000,000	\$ 14,000,000	\$ 14,000,000		

a) Funds previously appropriated during the 1991 Legislative Session, as part of a multiyear appropriation from the Kansas Educational Building Fund (EBF) for rehabilitation and repair projects at the Regents institutions. The 1993 Legislature extended the multiyear appropriation to FY 1996 (\$10,000,000) and FY 1997 (\$10,000,000).

b) The Governor recommends a multiyear appropriation from the EBF, in addition to the \$10.0 million previously appropriated, in the following amounts:

FY 1997	\$4.0 million
FY 1998	5.0 million
FY 1999	5.0 million
FY 2000	5.0 million
FY 2001	5.0 million

This funding would be utilized for rehabilitation and repair projects, ADA compliance, fire and life safety code compliance, and classroom improvement projects.

The Governor's 15/15 EBF Plan

The Governor recommends that the KDFB issue bonds totaling \$156.5 million in FY 1997 to address a wide variety of rehabilitation and repair projects at the universities. With interest earnings, a total of \$163.6 million would be available for projects on the campuses, and the Governor recommends that the proceeds be allocated as follows:

Projects	Amount
Rehabilitation & Repair, ADA, Life Safety & Improve Classrooms	\$ 90,619,644
Major Remodeling of Existing Buildings	46,000,000
New Construction	27,000,000
TOTAL	\$ 163,619,644

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
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Debt service for the projects over a 15-year period would total \$228.4 million, with each year's debt service payment totaling \$15.0 million. The Governor indicates that no project paid with bond proceeds would have a life expectancy of less than 20 years. The Governor indicates that because the current cost of borrowing money is less than the projected cost of inflation for construction, "it is more cost-effective to perform the repairs now and leverage the EBF, rather than incurring higher annual repair costs in the future." The Governor's recommendation leaves some balances in the EBF each year, including \$5.0 million in FY 1998, growing to an estimated \$13.4 million in FY 2011 for rehabilitation and repair projects in addition to those in the bond issuance. (Staff Note: The House Subcommittee has deferred any recommendation on this project for now. The Joint Committee on State Building Construction has endorsed the Governor's plan.)

Sec. 14 also transfers \$138,736 in FY 1997 from the State General Fund to the Educational Building Fund to replace reduced motor vehicle tax receipts created by the passage of 1995 S.B. 150

Concur

Sec. 15 – Fort Hays State University

ADA Improvements (A1)	\$ 926,268	See. Sec. 14	See. Sec. 14	See. Sec. 14
Fire and Life Safety Codes (A2)	68,132	See. Sec. 14	See. Sec. 14	See. Sec. 14
Classroom Improvements (A3)	786,842	See. Sec. 14	See. Sec. 14	See. Sec. 14
McCartney/Albertson/Martin Allen Halls Renovation (A4)	300,000 ^(p)	See. Sec. 14	See. Sec. 14	See. Sec. 14
Lewis Field Renovation – Phase II (A5)	800,000	800,000	800,000	800,000
Parking Lot Improvements (A6)	175,000	175,000	175,000	175,000
TOTAL	\$ 3,056,242	\$ 975,000	\$ 975,000	\$ 975,000

Financing:

State General Fund	\$ 1,781,242	\$ 0	\$ 0	\$ 0
Educational Building Fund	300,000	0	0	0
Private Gifts	800,000	800,000	800,000	800,000
Parking Fee Fund	175,000	175,000	175,000	175,000
TOTAL	\$ 3,056,242	\$ 975,000	\$ 975,000	\$ 975,000

p) Preliminary planning.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Secs. 16, 17, 29 – Kansas State University						
Americans with Disabilities Act	\$ 1,142,395	See Sec. 14	See Sec. 14	See Sec. 14		
Fire and Life Safety	1,021,978	See Sec. 14	See Sec. 14	See Sec. 14		
Improve Classrooms	410,526	See Sec. 14	See Sec. 14	See Sec. 14		
Farrell Library Renovation Furnishings	1,865,000	3,730,000 ^(a)	3,730,000	3,730,000		
King Hall Fume Hood Renovation	130,000 ^{p,m}	See Sec. 14	See Sec. 14	See Sec. 14		
Dormitory Maintenance	1,320,000	1,320,000	1,320,000	1,320,000		
Parking Projects	455,000	455,000	455,000	455,000		
Equipment/Pesticide Storage	65,000	65,000	65,000	65,000		
Debt Service – Aeronautical Center	189,466	189,466	189,466	189,466		
Other Debt Service	1,669,657	1,669,657	1,669,657	1,669,657		
TOTAL	<u>\$ 8,269,022</u>	<u>7,429,123</u>	<u>\$ 7,429,123</u>	<u>\$ 7,429,123</u>		
Financing:						
State General Fund	\$ 2,764,345	\$ 189,466	\$ 189,466	\$ 189,466		
Educational Building Fund	1,995,000	3,730,000	3,730,000	3,730,000		
Parking Fees	455,000	455,000	455,000	455,000		
Dormitory Funds	1,320,000	1,320,000	1,320,000	1,320,000		
Restricted Fees	1,734,657	1,734,657	1,734,657	1,734,657		
TOTAL	<u>\$ 8,269,022</u>	<u>\$ 7,429,123</u>	<u>\$ 7,429,123</u>	<u>\$ 7,429,123</u>		

a) Previously authorized. The Governor includes \$2.1 million from the EBF previously authorized for the Farrell renovation in FY 1997.

p) Planning Funds.

m) Multiyear funding requested.

4-11

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 18 -- Emporia State University						
ADA Improvements (A1)	\$ 586,636	See Sec. 14	See Sec. 14	See Sec. 14		
Fire and Life Safety Codes (A2)	306,593	See Sec. 14	See Sec. 14	See Sec. 14		
Classroom Improvements (A3)	786,842	See Sec. 14	See Sec. 14	See Sec. 14		
Beach Music Hall – Remodeling and Addition (A4)	180,000 ^p	See Sec. 14	See Sec. 14	See Sec. 14		
Parking Lot Improvements (A5)	90,000	90,000	90,000	90,000		
TOTAL	<u>\$ 1,950,071</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>		
Financing:						
State General Fund	\$ 1,680,071	\$ 0	\$ 0	\$ 0		
Educational Building Fund	180,000	0	0	0		
Parking Fee Fund	90,000	90,000	90,000	90,000		
TOTAL	<u>\$ 1,950,071</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>		

p) Preliminary Planning.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 19 – Pittsburg State University						
ADA Improvements (A1)	\$ 1,173,272	See Sec. 14	See Sec. 14	See Sec. 14		
Fire and Life Safety Codes (A2)	34,066	See Sec. 14	See Sec. 14	See Sec. 14		
Classroom Improvements (A3)	923,684	See Sec. 14	See Sec. 14	See Sec. 14		
Russ Hall Remodeling (A4)	300,000	See Sec. 14	See Sec. 14	See Sec. 14		
Kansas Technology Center	2,700,000 ^a	2,700,000 ^b	2,700,000	2,700,000		
Parking Lot Improvements (A5)	150,000	150,000	150,000	150,000		
Student Center Improvements (A6)	150,000	150,000	150,000	150,000		
Hospital and Student Health Improvements (A6)	20,000	20,000	20,000	20,000		
Housing System Maintenance and Improvements (A8)	50,000	50,000	50,000	50,000		
TOTAL	\$ 5,501,022	\$ 3,070,000	\$ 3,070,000	\$ 3,070,000		
Financing:						
State General Fund	\$ 2,131,022	\$ 0	\$ 0	\$ 0		
Educational Building Fund	1,000,000	700,000	700,000	700,000		
Private Gifts	2,000,000	2,000,000 ^b	2,000,000	(c)		
Parking Fee Fund	150,000	150,000	150,000	150,000		
Hospital and Student Health Fee Fund	20,000	20,000	20,000	20,000		
Overman Student Center Renovation Fund	150,000	150,000	150,000	150,000		
Housing System Operating Fund	50,000	50,000	50,000	50,000		
TOTAL	\$ 5,501,022	\$ 3,070,000	\$ 3,070,000	\$ 1,070,000		

a) \$700,000 of this amount was previously appropriated. The 1992 Legislature approved a multiyear appropriation for the Kansas Technology Center project totaling \$25,700,000. The revised cost estimate includes an additional \$2.0 million in private gifts.

b) The Governor recommends the transfer of \$2.0 million from the State General Fund to the Kansas Technology Center Gifts and Donations Fund in FY 1997.

c) The House Subcommittee makes no recommendation on this item at this time.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 20 – University of Kansas						
Americans with Disabilities Act	\$ 1,265,900	See Sec. 14	See Sec. 14	See Sec. 14		
Fire & Life Safety	1,430,760	See Sec. 14	See Sec. 14	See Sec. 14		
Improve Classrooms	1,676,300	See Sec. 14	See Sec. 14	See Sec. 14		
Murphy Hall Addition	300,000 ^(p,m)	See Sec. 14	See Sec. 14	See Sec. 14		
Department of Housing Projects	830,000	830,000	830,000	830,000		
Residence Hall Renovations - No. 1	5,435,000	5,435,000	5,435,000	5,435,000		
Parking Lot Improvements	200,000	200,000	200,000	200,000		
New Parking Garage - No. 2	10,025,000	10,025,000	10,025,000	10,025,000		
Health Center Improvements	50,000	50,000	50,000	50,000		
Raze Jayhawk Towers Garage	650,000	650,000	650,000	650,000		
Debt Service*	1,490,000	1,490,000	1,490,000	1,490,000		
TOTAL	\$ 23,352,960	\$ 18,680,000	\$ 18,680,000	\$ 18,680,000		
Financing:						
State General Fund	\$ 4,372,960	\$ 0	\$ 0	\$ 0		
Educational Building Fund	300,000	0	0	0		
Housing Funds	830,000	830,000	830,000	830,000		
Housing Revenue Bonds	5,435,000	5,435,000	5,435,000	5,435,000		
Parking Funds	850,000	850,000	850,000	850,000		
Parking Revenue Bonds	10,025,000	10,025,000	10,025,000	10,025,000		
Restricted Fees	1,540,000	1,540,000	1,540,000	1,540,000		
TOTAL	\$ 23,352,960	\$ 18,680,000	\$ 18,680,000	\$ 18,680,000		

p) Planning funds.

m) Multiyear funding requested.

* An additional \$1,058,778 in interest payments is included in the University's operating budget financed from restricted use funds.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 21 – University of Kansas Medical Center						
Americans with Disabilities Act	\$ 741,000	See Sec. 14	See Sec. 14	See Sec. 14	See Sec. 14	
Fire & Life Safety	102,200	See Sec. 14	See Sec. 14	See Sec. 14	See Sec. 14	
Improve Classrooms	239,500	See Sec. 14	See Sec. 14	See Sec. 14	See Sec. 14	
Nursing Education Building	230,000 ^(p,m)	See Sec. 14	See Sec. 14	See Sec. 14	See Sec. 14	
Parking Lot Maintenance	200,000	200,000	200,000	200,000	200,000	
Debt Service*	2,255,000	2,255,000	2,255,000	2,255,000	2,255,000	
Hospital Renovations, Repairs	525,000	525,000	525,000	525,000	525,000	
TOTAL	<u>\$ 4,292,700</u>	<u>\$ 2,980,000</u>	<u>2,980,000</u>	<u>2,980,000</u>	<u>2,980,000</u>	
Financing:						
State General Fund	\$ 1,082,700	\$ 0	\$ 0	\$ 0	\$ 0	
Educational Building Fund	230,000	0	0	0	0	
Parking Fees	200,000	200,000	200,000	200,000	200,000	
Hospital Revenue Fund	525,000	525,000	525,000	525,000	525,000	
Restricted Fees	2,255,000	2,255,000	2,255,000	2,255,000	2,255,000	
TOTAL	<u>\$ 4,292,700</u>	<u>\$ 2,980,000</u>	<u>\$ 2,980,000</u>	<u>\$ 2,980,000</u>	<u>2,980,000</u>	

p) Planning funds.

m) Multi-year funding requested.

* An additional \$460,450 in interest payments from restricted use funds is included in the operating budget.

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 22 – Wichita State University						
Americans With Disabilities Act	\$ 864,516	See Sec. 14	See Sec. 14	See Sec. 14		
Fire and Life Safety	136,264	See Sec. 14	See Sec. 14	See Sec. 14		
Improve Classroom	376,316	See Sec. 14	See Sec. 14	See Sec. 14		
Chemistry Building/McKinley Hall Major Remodeling	400,000 ^(p,m)	See Sec. 14	See Sec. 14	See Sec. 14		
Debt Service*	240,000	240,000	240,000	240,000		
TOTAL	\$ 2,017,096	\$ 240,000	\$ 240,000	\$ 240,000		
Financing:						
State General Fund	\$ 1,377,096	\$ 0	\$ 0	\$ 0		
Educational Building Fund	400,000	0	0	0		
Restricted Fees	240,000	240,000	240,000	240,000		
TOTAL	\$ 2,017,096	\$ 240,000	\$ 240,000	\$ 240,000		

b) Planning funds.

c) Multiyear funding requested.

* An additional \$777,404 in interest payments is included in the University's operating budget financed from restricted use funds.

Sec. 23 – Department of Human Resources

Rehabilitation and Repair	\$ 84,800	\$ 84,800	\$ 84,800	\$ 84,800		
Funding:						
Reed Act – Federal Funds	\$ 84,800	\$ 84,800	\$ 84,800	\$ 84,800		

Sec. 24 – Kansas Soldier's Home

Rehabilitation and Repair	\$ 150,000	\$ 100,000	\$ 100,000	\$ 100,000		
Power Plant Replacement	394,920	394,920	394,920	394,920		
Financing:						
State Institutions Building Fund	\$ 544,920	\$ 494,920	\$ 494,920	\$ 494,920		

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 25 – Kansas Bureau of Investigation						
Debt Service Payment – Headquarters Building	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000		
Rehabilitation and Repair	15,000	15,000	15,000	15,000		
Forensic Laboratory Air Conditioning and Ventilation	46,300	0	0	0		
Replace Carpeting in Headquarters Building	12,190 ^m	0	0	0		
Building Security Measures	379,530	0	0	0		
TOTAL	\$ 598,020	\$ 160,000	\$ 160,000	\$ 160,000		
Financing:						
State General Fund	\$ 598,020	\$ 160,000	\$ 160,000	\$ 160,000		

m) In addition to the principal (capital improvement) amount of \$145,000 included in the table, the sum of \$156,650 is included in the operating budget for interest, for a total debt service payment of \$301,650.

R) The Joint Committee on State Building Construction recommends Omnibus review of the forensic laboratory air conditioning and ventilation project.

Sec. 26 – Kansas Highway Patrol

Debt Service – Highway Patrol Training Center	\$ 245,000	\$ 245,000	\$ 245,000	\$ 245,000		
Mobile Command Center Storage Shed	32,973	32,973	32,973	32,973		
Motor Carrier Inspection Facilities – Rehabilitation and Repair	20,000	20,000	20,000	20,000		
Highway Patrol Training Center – Rehabilitation and Repair	20,000	20,000	20,000	20,000		
Motor Carrier Inspection – Purchase of Office Facility in Valley Center	96,500	96,500	96,500	96,500		
Motor Carrier Inspection – Replacement of Fixed Scales	162,984	0	0	0		
TOTAL	\$ 577,457	\$ 414,473	\$ 414,473	\$ 414,473		
Financing:						
Motor Carrier Inspection Fund	279,484	116,500	116,500	116,500		
Highway Patrol Training Center Fund	265,000	265,000	265,000	265,000		
General Forfeiture Funds	32,973	32,973	32,973	32,973		
TOTAL	\$ 577,457	\$ 414,473	\$ 414,473	\$ 414,473		

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Sec. 27 -- Adjutant General						
Reroof – Hutchinson Armory (A1)	\$ 191,321	\$ 0	\$ 0	\$ 0		
Reroof – Marysville Armory (A2)	57,396	0	0	0		
Reroof – Winfield Armory (A3)	99,486	0	0	0		
Construct New Addition – Iola Armory (A4)	1,538,660	0	R	0		
Structural Repairs – Burlington Armory (A5)	31,603	0	0	0		
Air Conditioning System – Topeka Armory (A6)	46,146	0	0	0		
Replace Heating System – Hiawatha Armory (A7)	49,033	0	0	0		
Air Conditioning System – Hutchinson Armory (A8)	50,318	0	0	0		
Repair and Rehabilitation Projects	0	400,000	400,000	400,000		
TOTAL	\$ 2,063,963	\$ 400,000	\$ 400,000	\$ 400,000		
Financing:						
State General Fund	\$ 909,968	\$ 200,000	\$ 200,000	\$ 200,000		
Military Fees Fund	1,153,995	200,000	200,000	200,000		
TOTAL	\$ 2,063,963	\$ 400,000	\$ 400,000	\$ 400,000		

R) The Building Committee recommends Omnibus review of the Iola Armory item.

Sec. 28 – Department of Wildlife and Parks

ADA Renovation Projects (A1)*	\$ 262,900	\$ 262,900	\$ 262,900	\$ 262,900		
Major Maintenance (A2)	475,000	475,000	475,000	475,000		
Flood Repair (A3)*	1,005,347	385,000	385,000	385,000		
Access Road Maintenance (A4)*	1,500,000	1,350,000	1,350,000	1,350,000		
Fisheries Projects (A5)	444,894	444,894	444,894	444,894		
Fisheries Projects-Enhancements (A6)	682,500	661,000	661,000	661,000		
Dam Repair-State Fishing Lake (A7)	1,550,000	800,000	800,000	800,000		
Cheyenne Bottoms Renovation (A8)	1,558,430	1,558,430	1,558,430	1,558,430		
Hillsdale State Park (A9)	50,000	0	0	0		
Wetlands Acquisition (A10)	300,000	300,000	300,000	300,000		
Wetlands Lakes (A11)	50,000	50,000	50,000	50,000		

Project	Agency Request	Governor's Rec.	Building Committee Rec.	House Subcommittee Rec.	Senate Rec.	Conference Committee Rec.
Boating Access/Safety (A12)	198,050	198,050	198,050	198,050		
Corps Payment-El Dorado S.P. (A13)	475,000	0	0	0		
TOTAL	\$ 8,552,121	\$ 6,485,274	\$ 6,485,274	\$ 6,485,274		
Financing:						
State General Fund	\$ 928,047	\$ 500,000	\$ 500,000	\$ 500,000		
Wildlife Fee Fund	4,108,724	3,337,224	3,337,224	3,337,224		
Parks Fee Fund	300,000	300,000	300,000	300,000		
Boating Fee Fund	198,050	198,050	198,050	198,050		
State Budget Stabilization Fund	717,300	0	0	0		
State Highway Fund	1,500,000	1,350,000	1,350,000	1,350,000		
State Water Plan Fund	500,000	500,000	500,000	500,000		
Migratory Waterfowl Fund	300,000	300,000	300,000	300,000		
TOTAL	\$ 8,552,121	\$ 6,485,274	\$ 6,485,274	\$ 6,485,274		
FY 1996 Project						
Marais Des Cygnes Wildlife Area	\$ 161,000	\$ 161,000	\$ 161,000	\$ 161,000		
Financing:						
Wildlife Fee Fund	\$ 80,500	\$ 80,500	\$ 80,500	\$ 80,500		
Migratory Waterfowl Fund	80,500	80,500	80,500	80,500		
TOTAL	\$ 161,000	\$ 161,000	\$ 161,000	\$ 161,000		

* These three projects are funded in H.B. 2970. The other projects are funded in the Department's regular appropriations bill.

Sec. 30-35 – Savings Clauses

Secs. 30-35 are the standard savings clauses authorizing State Finance Council approval for increases in expenditures from special revenue funds and for the reappropriation of FY 1996 unencumbered balances to FY 1997 for special revenue funds or the state building funds.

Sec. 36 – EBF Amendment

Sec. 36 amends K.S.A. 76-6602 (the statutory authorization for the Educational Building Fund) to specifically authorize the use of EBF revenues for the payment of debt service.

STATUS OF THE STATE BUILDING FUNDS PER GOVERNORS BUDGET RECOMMENDATIONS

EDUCATIONAL BUILDING FUND

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Beginning Balance	\$8,067,048	\$267,868	\$432,087	\$590,221	\$294,957	\$562,093
Receipts:						
Second Half Ad Valorum Taxes	5,290,087	6,598,802	6,813,262	7,000,628	7,193,144	7,390,956
First Half Ad Valorum Taxes	9,112,631	9,408,792	9,667,534	9,933,390	10,206,558	10,487,240
Motor Vehicle Taxes	2,443,498	2,447,890	2,379,856	2,299,816	2,193,763	2,102,384
Transfers In *	--	138,736	297,482	470,902	673,670	865,766
Subtotal - Receipts	\$16,846,216	\$18,594,219	\$19,158,134	\$19,704,736	\$20,267,136	\$20,846,346
Total Available	\$24,913,264	\$18,862,087	\$19,590,221	\$20,294,957	\$20,562,093	\$21,408,439
Expenditures	\$24,645,396	\$18,430,000	\$19,000,000	\$20,000,000	\$20,000,000	\$5,000,000
Ending Balance	\$267,868	\$432,087	\$590,221	\$294,957	\$562,093	\$16,408,439

STATE INSTITUTIONS BUILDING FUND

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Beginning Balance	\$2,690,129	\$1,009,063	\$2,509,693	\$12,088,760	\$21,941,128	\$32,074,695
Second Half Ad Valorum Taxes	2,645,044	3,299,401	3,406,631	3,500,314	3,596,572	3,695,478
First Half Ad Valorum Taxes	4,556,315	4,704,396	4,833,767	4,966,695	5,103,279	5,243,620
Motor Vehicle Taxes	1,221,747	1,223,945	1,189,928	1,149,908	1,096,881	1,051,192
Transfers In *	35,627	69,368	148,741	235,451	336,835	432,883
Subtotal - Receipts	\$8,458,733	\$9,297,110	\$9,579,067	\$9,852,368	\$10,133,568	\$10,423,173
Total Available	\$11,148,862	\$10,306,173	\$12,088,760	\$21,941,128	\$32,074,695	\$42,497,868
Expenditures	\$10,139,799	\$7,796,480	--	--	--	--
Ending Balance	\$1,009,063	\$2,509,693	\$12,088,760	\$21,941,128	\$32,074,695	\$42,497,868

CORRECTIONAL INSTITUTIONS BUILDING FUND

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Beginning Balance	\$3,192,137	\$1,116,316	\$110,088	\$5,110,088	\$10,110,088	\$15,110,088
Gaming Revenues	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Total Available	\$8,192,137	\$6,116,316	\$5,110,088	\$10,110,088	\$15,110,088	\$20,110,088
Less: Expenditures	\$7,075,821	\$6,006,228	--	--	--	--
Ending Balance	\$1,116,316	\$110,088	\$5,110,088	\$10,110,088	\$15,110,088	\$20,110,088

* Transfers for fiscal years subsequent to FY 1997 are estimates only.