

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 21, 1996 in Room 123-S of the Capitol.

All members were present except: Senator Vancrum, who was excused

Committee staff present: Laura Howard, Legislative Research Department
Russell Mills, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

SB 466 **Appropriations for FY 97, for state board of regents and higher education institutions**

University of Kansas

Senator Burke reviewed the FY 96 and FY 97 subcommittee reports for the University of Kansas (Attachment 1).

University of Kansas Medical Center

The FY 96 and FY 97 subcommittee reports were presented by Senator Morris (Attachment 2). It was noted that the report contains a number of significant policy confirmations, one of which is a change in the medical student loan program (item 3 of the FY 97 report). Members of the subcommittee stated that, after studying options outlined by the Medical Center to address problems associated with maintaining the current program with declining receipts, the only alternative that seemed to make sense was one of delaying entrance into the program for one year. Senator Brady expressed concern that the option chosen by the subcommittee might preclude some students who are in need of financial assistance from entering the program. Mr. Bob Wunsch, Legislative Liaison for KUMC, stated that there are sources for financial aid for students who are in need. Senator Kerr noted that the program has never been based on needs of the students, but has been based on the need to provide physicians in underserved areas.

Senator Rock expressed concern that hospitals in the Kansas City area are diverting ambulances to the Medical Center in order to avoid caring for indigent patients and that one major health care provider does not permit use of the Medical Center (item 9 of the FY 97 report). In response to Senator Salisbury, the Chairman stated that he would write a letter to the Health Care Commission requesting that contracts for health insurance include the University of Kansas Medical Center as an eligible provider.

Senator Petty inquired whether the Medical Center requires that medical students take out a specific insurance policy. Mr. Wunsch stated that with the exception of students who have group coverage with their family or spouse, all medical students are required to have medical insurance with a carrier with whom the Medical Center has negotiated.

Senator Moran raised the topic of the faculty locum tenens program at KUMC and mentioned concerns of rural practitioners who have paid for motels, meals, mileage, etc. of the those faculty members who provide the services. Mr. Wunsch noted that the demand for the program is greater than the supply. He stated that KUMC is engaging in conversations with the Kansas Medical Society and that there may be a combined effort from these two entities to increase coverage next year.

Wichita State University

Senator Petty presented the FY 96 and FY 97 subcommittee reports (Attachment 3). In answer to Senator Moran, Mr. Eric Sexton, Legislative Liaison for Wichita State University, stated that \$127,290 constitutes replacement dollars for the expanded physician assistant program which has 46 slots. Senator Rock stated that he believes the program is a good one, but inquired why the percentage of students who stay in Kansas and practice in medically underserved areas isn't higher. The Chairman requested that Mr. Sexton provide that information before the bill is heard in the Senate.

Kansas State University

Senator Moran reviewed the FY 96 and FY 97 subcommittee reports on Kansas State University (Attachment 4). There were no questions.

KSU-Salina College of Technology

The FY 96 and FY 97 subcommittee reports were read by Senator Moran (Attachment 5). There was no discussion.

KSU - Extension Systems and Agriculture Research Programs

Senator Moran reviewed the FY 96 and FY 97 subcommittee reports (Attachment 6). In response to reservations about using the EDIF as a funding source for the plant science technician (item 4 of the FY 97 report), Senator Moran stated that the subcommittee would have chosen the Water Plan Fund, but there is a prohibition against using Water Plan monies to pay salaries. Senator Salisbury moved, Senator Morris seconded, that item 4 of the FY 97 subcommittee report be amended to reflect that the funding source for the plant science technician be the State General Fund. The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Salisbury that a bill be introduced to remove the prohibition against funding FTE positions from the Water Plan Fund. The motion carried on a voice vote.

KSU Veterinary Medical Center

The subcommittee reports for the KSU Veterinary Medical Center were reviewed by Senator Moran (Attachment 7).

Emporia State University

Senator Moran reviewed the FY 96 and FY 97 subcommittee reports for Emporia State University (Attachment 8).

Pittsburg State University

The FY 96 and FY 97 subcommittee reports on Pittsburg State University were reviewed by Senator Moran (Attachment 9). In answer to Senator Kerr, Mr. Bill Hollenbeck, Legislative Liaison for PSU, stated that students in the contiguous county program pay in-state tuition and those monies are deposited in a restricted fee account to be used only for the purchase of instructional equipment. It was noted that the state does not contribute any monies for this program. Mr. Ray Hauck, Board of Regents, stated that the program has not been a factor in the tuition waivers that have been provided because it was not operational last year. He commented that he did not know where the numbers will show up next year, but the amounts can be tracked in the budgetary process.

Fort Hays State University

Senator Lawrence reviewed the FY 96 and FY 97 subcommittee reports for Fort Hays State University (Attachment 10).

Board of Regents

The FY 96 and FY 97 subcommittee reports for the Board of Regents were presented by Senator Lawrence (Attachment 11).

It was moved by Senator Rock and seconded by Senator Karr that the subcommittee reports as amended be approved. The motion carried on a voice vote.

Senator Karr moved, Senator Morris seconded, that SB 466 as amended be recommended favorably for passage. The motion carried on a roll call vote.

A motion was offered by Senator Lawrence and seconded by Senator Brady that bill draft 5 RS 2414 as requested by Senator Lawrence be introduced. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Rock that the minutes of the February 19 meeting be approved. The motion carried on a voice vote.

Senator Moran moved, Senator Morris seconded, that bill draft 5 RS 2210 as requested by Senator Moran be introduced. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:15 P.M.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: February 21, 1996

NAME	REPRESENTING
Paul Cohen	Manhattan Mercury
David G. Monical	Washburn University
Andrew KERN	KADW
SUE PETERSON	K-State
Sally Strauss	6th 6th grade Amanda Arnold
Nicole L. Newwen	6th grade Amanda Arnold
Annette M. Roman	6th grade Amanda Arnold
MIDR	6th 6th grade Amanda Arnold
Bob Wunsch	KJMC
Vin Laayford	DOB
Elaine Frisbie	Dir. of the Budget
TED D. AYLES	REGENTS STAFF
Ray Hauke	Regents Staff
ERIC SEXTON	WSU
Bill Hollenbeck	PSU
Valerie Jeto	Amanda Arnold School Manhattan, Ks.
Summer Hamil	Amanda Arnold School Manhattan, Ks.
Elizabeth Campbell	Amanda Arnold School Manhattan Ks.
Meghan Folts	Amanda Arnold School Manhattan, Ks.

Judy Lee 6th grade Amanda Arnold School Manhattan, Ks.

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 488

Bill Sec. 9

Analyst: Howard

Analysis Pg. No. 149

Budget Page No. 529

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 111,458,274	\$ 110,293,350	\$ 0
General Fees Fund	65,453,582	65,453,582	0
EDIF	0	0	0
Other Funds	22,000	22,000	0
Subtotal-General Use	<u>\$ 176,933,856</u>	<u>\$ 175,768,932</u>	<u>\$ 0</u>
Restricted Use Funds	115,877,328	115,868,638	0
TOTAL – Oper. Exp.	<u><u>\$ 292,811,184</u></u>	<u><u>\$ 291,637,570</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Bldg. Fund	5,589,009	5,589,009	0
Special Cap. Impr. Fund	2,028,648	2,028,648	0
Other Funds	13,356,574	13,356,574	0
TOTAL – Cap. Impr.	<u><u>\$ 20,974,231</u></u>	<u><u>\$ 20,974,231</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 313,785,415	 \$ 312,611,801	 \$ 0
 FTE Positions	 4,501.9	 4,501.9	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>4,501.9</u></u>	<u><u>4,501.9</u></u>	<u><u>0.0</u></u>

* Includes Governor's Budget Amendment No. 1.

Agency Estimate/Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$370,634 in total expenditures from the approved budget. State General Fund expenditures increase by \$2.3 million from the approved budget.

The Governor's FY 1996 recommendation for general use expenditures includes a reduction of \$794,290 in total expenditures from the approved budget. State General Fund expenditures are increased by \$1.1 million from the approved budget. The Governor:

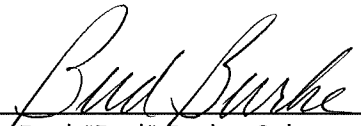
*Senate Ways & Means
February 21, 1996
Attachment 1*

- Concur with the shift of \$1.9 million from the General Fees Fund to the State General Fund based on revised tuition estimates.
- Concur with the requested funding for utilities.
- Deletes \$1,132,380 from the State General Fund in salaries based on downward revisions in group health insurance rates.
- Reduces the FY 1996 salary budget by \$32,544 in savings related to retirement reductions.

Senate Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment Number 1 which adds 89.3 FTE positions as a technical adjustment to correct an omission in the Governor's recommendation.
2. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.



Senator Paul "Bud" Burke, Subcommittee Chair



Senator Jerry Karr

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 466

Bill Sec. 9

Analyst: Howard

Analysis Pg. No. 149

Budget Page No. 529

Expenditure Summary	Agency Req. FY 97	Gov. Rec. FY 97*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 116,652,934	\$ 111,807,205	\$ (2,458,121)
General Fees Fund	67,294,579	67,297,334	450,000
EDIF	0	0	0
Other Funds	20,000	21,340	0
Subtotal-General Use	\$ 183,967,513	\$ 179,125,879	\$ (2,008,121)
Restricted Use Funds	115,599,671	115,530,630	0
TOTAL – Oper. Exp.	\$ 299,567,184	\$ 294,656,509	\$ (2,008,121)
Capital Improvements:			
State General Fund	\$ 4,372,960	\$ 0	\$ 0
Educational Bldg. Fund	300,000	0	0
Special Cap. Impr. Fund	0	0	0
Other Funds	18,680,000	18,680,000	0
TOTAL – Cap. Impr.	\$ 23,352,960	\$ 18,680,000	\$ 0
 GRAND TOTAL	 \$ 322,920,144	 \$ 313,336,509	 \$ (2,008,121)
 FTE Positions	 4,511.0	 4,507.5	 (0.9)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4,511.0	4,507.5	(0.9)

* Includes Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$7.0 million requested by the University would result in a 4.0 percent increase in general use expenditure authority for the University in FY 1997. The request would add 9.2 FTE positions, including 5.6 through the servicing new buildings formula and 3.6 in program enhancements. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the

requested increase are detailed in the following table, and items specific to the University of Kansas are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$3.4 million (1.9 percent) from FY 1996. The recommendation would add 5.6 FTE new positions associated with servicing new buildings. Tuition-funded enhancements requested by the university are recommended, but no other enhancements are funded.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees (including faculty) for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** Except for OOE associated with servicing new buildings, no base increases are recommended for OOE in FY 1997.
- **Program Enhancements.** The Governor recommends funding for the tuition accountability proposal and the Pharm.D. program in FY 1997, both of which are funded from tuition, but does not recommend the other requested program enhancements.

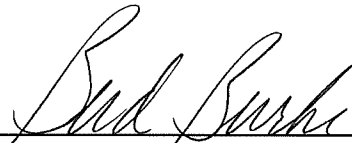
Restricted Use. The FY 1997 restricted use budget totals \$115.6 million, a reduction of \$338,008 (0.3 percent) from FY 1996.

Senate Subcommittee Recommendation

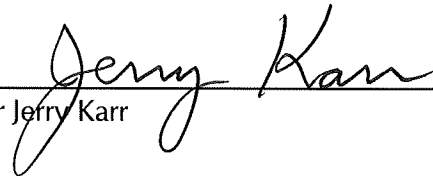
The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. **Salaries.** Delete \$1,992,600 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$1,375,698); classified step movement (\$466,182); and the longevity bonus (\$150,720) from individual agency budgets.
2. **Systemwide – Servicing New Buildings.** Delete \$18,417 from the State General Fund and 0.9 FTE positions in conjunction with the systemwide recommendation to modify the staffing component of the servicing new buildings formula to a rate of 1.0 FTE for each 12,500 gross square feet of new space.
3. **Systemwide – Bank Card Fees.** Delete \$450,000 from the State General Fund and increase budgeted expenditures from the General Fees Fund by a like amount to eliminate state replacement funding for bank card fees.

4. Concur with Governor's Budget Amendment No. 1 which adds 89.3 FTE positions as a technical adjustment to correct an omission in the Governor's recommendation.
5. Add \$2,896 from the State General Fund as a technical adjustment related to the Pharm.D. program enhancement and recalculations of health insurance costs in the Governor's recommendation.
6. Remove the limit on the Sponsored Research Overhead Fund. The Subcommittee believes that the University is best able to manage expenditures from this fund which receives its revenue from federal grants.
7. The Subcommittee reviewed the status of course offerings at the Regents Center (Edwards Campus) in light of the recommendation by the 1995 Legislature which allows the institution to retain tuition generated at that campus for reinvestment at that site. According to testimony received by the Subcommittee, enrollment at the Regents Center has grown by 15 percent in the last year, with a 26 percent increase in business courses. The University estimates that over the course of FY 1996, they will have generated and reinvested at that site approximately \$200,000 in tuition revenue.
8. A copy of the performance measures provided to the Subcommittee is attached to this report.
9. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.



Senator Paul "Bud" Burke, Subcommittee Chair



Senator Jerry Karr

Proposed Performance Measures

1-6

University of Kansas

1. Student Retention Rates

ACT Range	Percent Retained After One Year			Goal	Goal
	Fall 1992	Fall 1993*	Fall 1994 preliminary	Fall 1999/ FY 2000	Fall 2001/ FY 2002
0-20	71	63	64		
21-25	80	77	76		
26-36	87	84	87		
All Students	79	75	76	80	80

* The one-year attrition rate for the first-time freshman class of Fall 1993 (those who did not enroll Fall 1994) climbed to 25.1%. This is an increase of 4.5% from the 1992 one-year attrition rate of 20.6%. This change, in part, can be attributed to the new dismissal policy implemented by the College of Liberal Arts and Sciences. This policy essentially monitors students at the freshman/sophomore level as opposed to the junior/senior level. As such, students who formerly may have been dismissed from the University later in their academic careers are dismissed earlier. Since this is primarily a timing issue, the policy is not expected to significantly impact graduation rates.

2. Student Graduation Rates

	Percent Graduating After Four Years		
ACT Range	Fall 1988	Fall 1989	Fall 1990
0 - 20	13	14	12
21 - 25	29	28	25
26 - 36	34	35	33
All Students	25	25	24

	Percent Graduating After Five Years		
ACT Range	Fall 1987	Fall 1988	Fall 1989
0 - 20	35	34	33
21 - 25	53	57	55
26 - 36	64	64	63
All Students	49	51	50

Goal	Goal
Fall 1999/ FY 2000	Fall 2001/ FY 2002
52	55

	Percent Graduating After Six Years		
ACT Range	Fall 1986	Fall 1987	Fall 1988
0 - 20	38	40	40
21 - 25	59	58	63
26 - 36	70	71	71
All Students	55	56	58

Goal	Goal
Fall 1999/ FY 2000	Fall 2001/ FY 2002
60	63

Attrition and graduation rates are calculated according to national guidelines: initial pool is based on first semester status of full-time enrollment as new freshmen.

1-7

8-1

3. Undergraduate Student Credit Hour Production

	Fall 1993	Fall 1994
1. Percent of undergraduate student credit hours taught by faculty	72.4	73.0
2. Percent of undergraduate student credit hours taught by graduate teaching assistants	27.6	27.0

Goal	Goal
Fall 1999/ FY 2000	Fall 2001/ FY 2002
76.0	78.0
24.0	22.0

Includes undergraduate courses numbered 000 - 699.
Faculty include tenured/tenure-track faculty and other regular faculty.

4. Graduate and Research Program (KU and KUMC)

	FY 1992	FY 1993	FY 1994
1. Academic Science and Engineering Research and Development Expenditure			
a. In millions of dollars	\$75.00	\$85.13	\$95.70
b. *National ranking	87/460	79/681	73/500
2. National ranking on federally financed research and development	100/460	95/681	90/500

Goal	Goal
Fall 1999/ FY 2000	Fall 2001/ FY 2002
\$110.00	\$120.00
70/500	70/500
85/500	85/500

NSF survey on Academic Science and Engineering: R & D Expenditures.
* Full survey of institutions conducted every five years; selected sample done otherwise.

5. Regents Center

	FY 1993	FY 1994	FY 1995
Student credit hours taught at the Regents Center	19,433	19,891	24,104

Goal	Goal
Fall 1999/ FY 2000	Fall 2001/ FY 2002
30,000	32,000

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center **Bill No.** 488

Bill Sec. 10

Analyst: Howard

Analysis Pg. No. 162

Budget Page No. 531

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 82,822,722	\$ 81,601,075	\$ 0
General Fees Fund	9,420,187	9,420,187	0
Hospital Revenue Fund	114,780,000	113,858,845	0
EDIF	346,500	346,500	0
Hosp. Overhead			
Reimb. Fund	15,016,088	15,016,088	0
Other Funds	0	0	0
Subtotal General Use	<u>\$ 222,385,497</u>	<u>\$ 220,242,695</u>	<u>\$ 0</u>
Restricted Use Funds	88,146,876	88,132,553	300,000
TOTAL – Oper. Exp.	<u><u>\$ 310,532,373</u></u>	<u><u>\$ 308,375,248</u></u>	<u><u>\$ 300,000</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	525,000	525,000	0
Educational Building Fund	3,671,490	3,671,490	0
Other Funds	2,827,075	2,827,075	0
TOTAL – Cap. Impr.	<u><u>\$ 7,023,565</u></u>	<u><u>\$ 7,023,565</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 317,555,938	 \$ 315,398,813	 \$ 300,000
 FTE Positions	 4,729.7	 4,729.7	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>4,729.7</u></u>	<u><u>4,729.7</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$1.0 million in total expenditures from the approved budget. State General Fund expenditures increase by \$683,456 from the approved budget.

The Governor's FY 1996 recommendation for general use expenditures for the education program at the University of Kansas Medical Center includes a reduction of \$191,691 in total expenditures from the approved budget. State General Fund expenditures are reduced by \$538,191 from the approved budget. The Governor:

*Senate Ways & Means
February 21, 1996
Attachment 2*

- Concurs with the shift of \$346,500 in EDIF funding from FY 1995 to FY 1996.
- Concurs with the requested funding for utilities.
- Deletes \$894,584 from the State General Fund in salaries based on downward revisions in group health insurance rates.
- Reduces the FY 1996 salary budget by \$27,064 in savings related to retirement reductions.
- Concurs with the requested supplemental of \$59,702 and 3.1 FTE positions to service the new Women's Research and Primary Care Center in Wichita.
- Does not recommend supplemental funding requested for the Medical Student Loan Program.

Senate Subcommittee Recommendation

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

1. Authorize additional expenditures of \$300,000 from the medical student loan repayment fund (restricted use funds) and increase expenditures from the fund accordingly. The Medical Center requested a supplemental appropriation of \$300,000 from the State General Fund for the medical student loan program in FY 1996 because of shortfalls in revenue to the repayment fund. According to recent estimates from the agency, it is likely that sufficient revenues will accrue to the repayment fund to support the program at its current level in FY 1996, but the Subcommittee recommends further review of the status of the repayment fund during the Omnibus Session. The Governor did not recommend the supplemental appropriation from the State General Fund and inadvertently failed to increase authorized expenditures from the repayment fund by the same amount.
2. As a technical adjustment, add language to the appropriations bill authorizing the Medical Center to transfer funds from the hospital revenue fund for debt service.



Senator Stephen Morris, Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center **Bill No.** 466

Bill Sec. 10

Analyst: Howard

Analysis Pg. No. 162

Budget Page No. 531

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 86,687,562	\$ 83,835,873	\$(1,531,512)
General Fees Fund	9,387,794	9,387,794	0
Hospital Revenue Fund	114,475,000	112,819,827	(890,654)
EDIF	0	0	0
Hosp. Overhead			
Reimb. Fund	15,171,888	15,171,888	0
Other Funds	0	0	0
Subtotal General Use	<u>\$ 225,722,244</u>	<u>\$ 221,215,382</u>	<u>\$ (2,422,166)</u>
Restricted Use Funds	89,218,461	89,218,462	0
TOTAL -- Oper. Exp.	<u><u>\$ 314,940,705</u></u>	<u><u>\$ 310,433,844</u></u>	<u><u>\$ (2,422,166)</u></u>
Capital Improvements:			
State General Fund	\$ 1,082,700	\$ 0	\$ 0
Hospital Revenue Fund	525,000	525,000	0
Educational Building Fund	230,000	0	0
Other Funds	2,455,000	2,455,000	0
TOTAL -- Cap. Impr.	<u><u>\$ 4,292,700</u></u>	<u><u>\$ 2,980,000</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 319,233,405	 \$ 313,413,844	 \$ (2,422,166)
 FTE Positions	 4,682.5	 4,679.5	 (0.6)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>4,682.5</u></u>	<u><u>4,679.5</u></u>	<u><u>(0.6)</u></u>

Agency Req./Governor's Recommendation

The **general use** operating budget increase of \$3.6 million requested by the University would result in a 3.4 percent increase in general use expenditure authority for the University in FY 1997. The request would add 6.4 FTE positions associated with servicing new buildings and requested program enhancements. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the requested increase are detailed in the following table, and items specific to the University of Kansas Medical Center Education program are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$2.0 million (1.9 percent) from FY 1996. The recommendation would add 3.4 FTE new positions associated with servicing new buildings. The requested program enhancements are not recommended, but the Governor does concur with requested adjustments to the base related to the medical student loan program and the Topeka Residency Program.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** Except for OOE associated with servicing new buildings, no base increases are recommended for OOE in FY 1997. However, the Governor does recommend adjustments for OOE components which, although contractual, are similar to salaries. In the case of the Wichita residency contract and the Topeka Residency program, the Governor recommends increases of 2.5 percent for six months in FY 1997, the same recommendation as is made for unclassified employees (\$4,210 for Topeka; \$29,960 for Wichita).
- **Program Enhancements.** The Governor recommends no funding for program enhancements in FY 1997.

Restricted Use. The FY 1997 restricted use budget totals \$50.3 million, an increase of \$414,355 (0.8 percent) from FY 1996.

Senate Subcommittee Recommendation

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

1. **Salaries – Education Program.** Delete \$969,047 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$695,015); classified step movement (\$184,175); and the longevity bonus (\$89,857) from individual agency budgets.
2. **Salaries – Hospital Program.** Delete \$890,654 from the Hospital Revenue Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$617,678); classified step movement (\$189,151); and the longevity bonus (\$83,825) from individual agency budgets.
3. Delete \$556,100 from the State General Fund for the medical student loan program. The interim Special Committee on Ways and Means/Appropriations recommended that the Medical Center provide the 1996 Legislature with a list of options to reduce or eliminate the demand on the State General Fund to

maintain the current program now that receipts to the repayment fund are declining. The Governor's FY 1997 budget includes funding of \$1.5 million from the State General Fund (out of a total program cost of \$2.7 million). Of the alternatives offered by the Medical Center in response to the Committee's recommendation, the committee believes that one alternative is particular viable. Under the Subcommittee's recommendation, awards will be limited to students in their second year of medical school with no new awards in FY 1997. This recommendation maintains the maximum stipend at the current level of \$1,500. The benefits of this recommendation are: maximizing cost savings in FY 1997; ongoing cost savings; and deferral of the participation decision to students who may have a better idea of their career objectives. The Subcommittee believes that it is too soon to make any modifications to the stipend amount which was increased from \$500 to \$1,500 per month by the 1992 Legislature. It would appear that the increased stipend and resulting financial liability has had a positive impact on students fulfilling their service requirements.

4. Delete \$6,365 from the State General Fund and 0.6 FTE positions for servicing the Treasury Building. Although the systemwide subcommittee excluded KUMC from its staffing ratio modifications, the Subcommittee believes that the increased ratios (1.0 FTE for each 12,500 gross square feet) should be applied in an instance such as the Treasury Building where the building will be used only for administrative purposes.
5. The Subcommittee reviewed the agency's request for state funds totaling \$355,000 for a nurse anesthesia outreach program. A program was begun with federal funds whereby students may take basic science courses at another institution but receive didactic training from KUMC through interactive video with local clinical supervision. The Subcommittee believes that nurse anesthetists are an important component in rural health care, but has seen little data to document the actual needs in comparison to the number currently trained at KUMC. The program at the Medical Center has been increased in recent years, partially in response to reductions in the number of anesthesiology residencies. The Subcommittee recommends that the Medical Center gather data regarding the extent of the need in rural parts of the state and recommends that this item be reviewed again during the Omnibus Session.
6. The Subcommittee learned that an affiliation agreement has now been reached between all fifteen physician practice foundations. The outcome of this consolidation is in effect one of the largest group practices in the region – Kansas University Physicians, Inc. – with 280 doctors, one set of bylaws, one set of rules and one administration. The Subcommittee commends the success of this effort. This should position the Medical Center to far more effectively compete for and participate in managed care contracts and has the potential to provide the Medical Center with a number of opportunities which could positively impact its revenues. Connected to this effort, the Subcommittee learned that conversion of all scheduling and billing to a single centralized system should be complete by September, 1996. The Subcommittee is very encouraged that efforts in both of these areas have been successful.

7. The Chancellor and Executive-Vice Chancellor discussed shortfalls in hospital revenues with the Subcommittee. In the current year, the Hospital projects a revenue shortfall of \$8.0 million to \$10.0 million. The Subcommittee was impressed with efforts the Executive-Vice Chancellor has made to streamline the hospital and to contain costs. From September, 1995 to June, 1996 it is projected that staffing at the hospital will fall by 230 – ten percent of total employment. Thus far, all of the staffing reductions have been managed through attrition and hiring freezes with no layoffs.
8. One factor which affects receipts at the hospital is the growing problem of indigent care. The amount of uncollectible debt which is written off continues to grow each year. The Subcommittee recommends that the Medical Center target efforts towards ways to divert clients from expensive care and consider options such as providing alternative locations for care outside the hospital; partnerships with other health care providers such as county health departments, clinics and other hospitals; and community prevention efforts.
9. The Subcommittee was disappointed to learn that of the various health insurance options made available to state employees, at least one major provider does not permit use of the Medical Center. This results in a situation where Medical Center employees electing this health care option are not allowed to use the facility. The Subcommittee learned that the Medical Center has even gone so far as to offer to provide services at the same rates as other providers eligible under this health care plan, but so far has been unsuccessfully in resolving the situation. The Subcommittee strongly believes that employees of a health care facility should have as a choice use of that facility for their health care needs and urges the Health Care Commission to consider this in future contract decisions.
10. The Subcommittee was informed that the Medical Center believes there may be a shortfall in their budget in the Governor's recommended funding for health insurance. The agency is currently in discussions with the Budget Division regarding this issue, but wishes to make the Legislature aware that the need for a Governor's Budget Amendment may arise.
11. The Subcommittee reviewed S.B. 587 which was assigned to the Subcommittee by the Committee chair. The bill would codify the existing practices and priorities of the Medical Center in awarding loans, including a priority for students **not residing** in Sedgwick, Shawnee, Johnson, Wyandotte or Douglas County. The Subcommittee recommends that no action be taken on this bill.
12. The Subcommittee also reviewed S.B. 590 which would statutorily create a depreciation reserve fund for the hospital. More importantly, the bill would allow that fund to retain its own interest. The estimated State General Fund loss in FY 1997 would be \$165,000. The Subcommittee does not believe that a clear case has been made to support such interest retention and recommends that no action be taken on the bill. The Subcommittee would note that the depreciation reserve fund has been authorized through appropriations bills for two years and the authority to make transfers from the hospital revenue fund to a depreciation reserve fund is continued in this appropriations bill.

13. Make a technical adjustment to the bill to allow transfers to be made from the hospital revenue fund for debt service.
14. Authorize expenditures to be made from the hospital revenue fund for official hospitality.
15. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.



Senator Stephen Morris, Subcommittee Chair

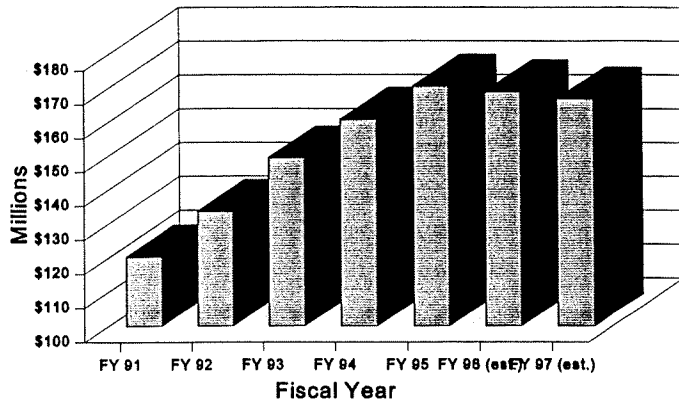


Senator Dave Kerr

SELECTED PERFORMANCE MEASURES AND STATISTICS

Net Patient Receipts

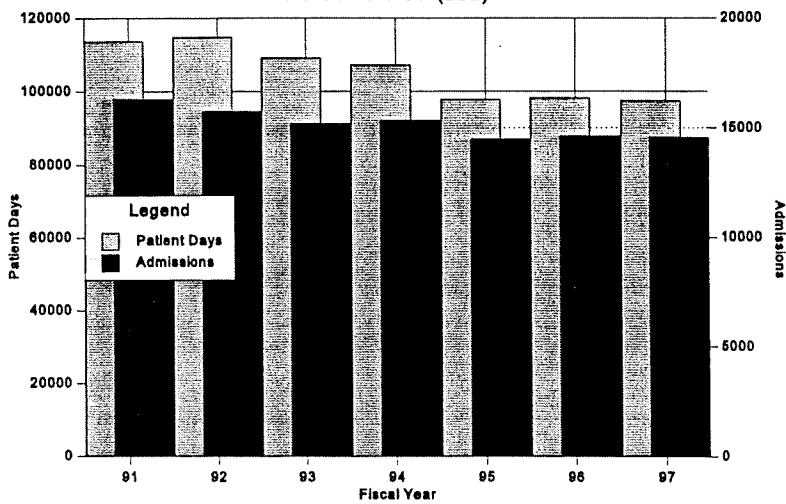
FY 1991 - FY 1997 (est.)



- Continued declines in net patient receipts are projected in FY 1996 and FY 1997 due to:
 - *Continued declines in hospital utilization*
 - *Reduced rates reflecting marketplace adjustments*

Patient Days and Admissions

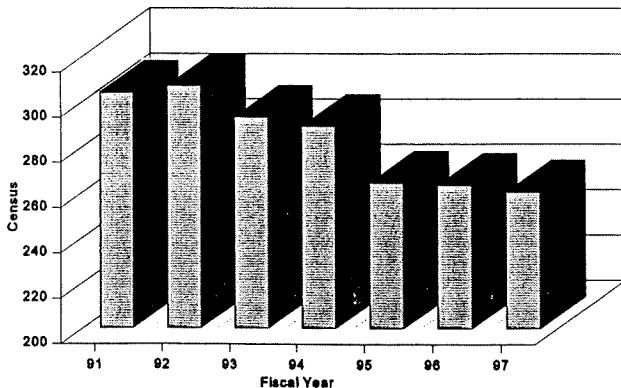
FY 91 - FY 97 (est.)



- Patient Days declined from FY 1991 to FY 1995 by 13.9 percent due both to a decline in admissions (11.2%) and a decline in the average length of stay.
- The Hospital estimates that the decline will moderate in FY 1996 and FY 1997 for both admissions and patient days.
- The Hospital projects patient days of 98,211 in FY 1996 and 97,475 in FY 1997, compared to actual days of 97,811 in FY 1995.
- Admissions are projected at 14,619 in FY 1996 and 14,570 in FY 1997, compared to 14,488 in FY 1995.

Average Daily Census

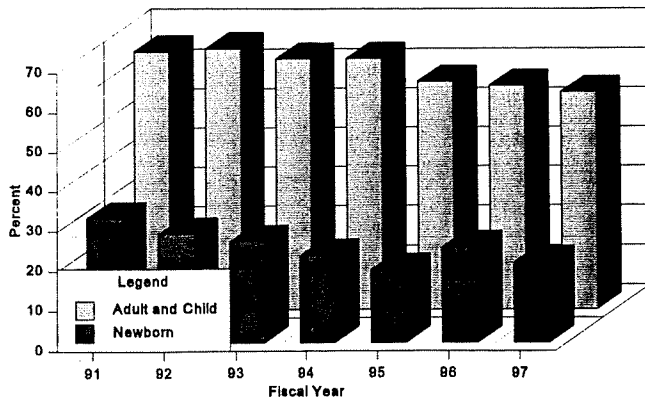
FY 91 - FY 97 (est.)



- The average daily census (ADC) for adults and children has declined from 304 in FY 1991 to 264 in FY 1995, a reduction of 13.2 percent.
- For FY 1996, the Hospital projects an ADC for adults and children of 263.
- For FY 1997, the Hospital projects an ADC for adults and children of 260.

Occupancy Rates

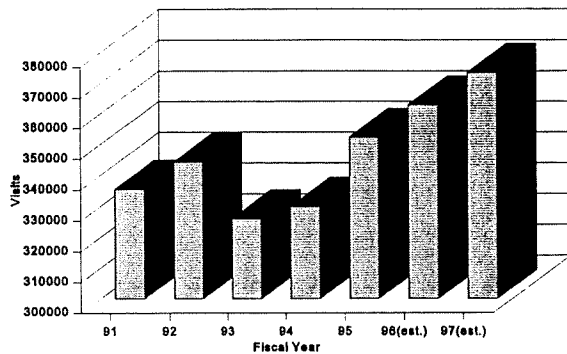
FY 91 - FY 97 (est.)



- Occupancy rates for adults and children have declined from 65.5 percent in FY 1991 to 57.8 percent in FY 1995. The Hospital projects occupancy rates of 56.7% in FY 1996 and 55.0% in FY 1997.
- For newborns, the occupancy rate has declined from 31.4% in FY 1991 to 18.2% in FY 1995. The Hospital projects newborn occupancy rates of 23.8% in FY 1996 and 20.0% in FY 1997.

Outpatient Visits

FY 1991 - FY 1997 (est.)



- After declines in FY 1993-FY 1994 from previous levels, outpatient visits have rebounded. From FY 1991 to FY 1995, outpatient visits increased by 5.0 percent.
- Continued increases are projected in FY 1996 (3.0%) and FY 1997 (2.9%).
- Although other teaching hospitals have experienced similar declines in admissions and patient days, the Hospital reports that others have been more successful in increasing outpatient visits.

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 488

Bill Sec. 11

Analyst: Howard

Analysis Pg. No. 183

Budget Page No. 545

Expenditure	Agency Est. FY 96	Gov. Rec. FY 96	Senate Subc. Adj.
Operating Expenditures:			
State General Fund	\$ 53,789,995	\$ 53,187,175	\$ 0
General Fees Fund	23,283,360	23,283,360	0
EDIF	0	0	0
Other Funds	0	0	0
Subtotal-General Use	\$ 77,073,355	\$ 76,470,535	\$ 0
Restricted Use Funds	40,623,002	40,623,002	0
TOTAL - Oper. Exp.	\$ 117,696,357	\$ 117,093,537	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Bldg. Fund	1,210,738	1,210,738	0
Other Funds	300,000	300,000	0
TOTAL - Cap. Impr.	\$ 1,510,738	\$ 1,510,738	\$ 0
 GRAND TOTAL	 \$ 119,207,095	 \$ 118,604,275	 0
 FTE Positions	 1,719.0	 1,719.0	 -
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	1,719.0	1,719.0	-

Agency Estimate/Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$274,977 in total expenditures from the approved budget. State General Fund expenditures increase by \$1.5 million from the approved budget.

The Governor's FY 1996 recommendation for general use expenditures includes a reduction of \$327,843 in total expenditures from the approved budget. State General Fund expenditures are increased by \$860,663. The Governor:

- Concurs with the shift of \$1.2 million from the General Fees Fund to the State General Fund based on revised tuition estimates.

*Senate Ways & Means
February 21, 1996
Attachment 3*

- Concurs with the requested funding for utilities.
- Deletes \$556,360 from the State General Fund in salaries based on downward revisions in group health insurance rates.
- Reduces the FY 1996 salary budget by \$46,460 in savings related to retirement reductions.

Senate Subcommittee Recommendation

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

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



Senator Robert Vancrum
Subcommittee Chair



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 466

Bill Sec. 11

Analyst: Howard

Analysis Pg. No. 183

Budget Page No. 545

Expenditure	Agency Req. FY 97	Gov. Rec. FY 97	Senate Subc. Adj.
Operating Expenditures:			
State General Fund	\$ 55,808,874	\$ 53,433,034	\$ (935,501)
General Fees Fund	24,077,739	24,077,739	439,837
EDIF	0	0	0
Other Funds	0	0	0
Subtotal-General Use	\$ 79,886,613	\$ 77,510,773	\$ (495,664)
Restricted Use Funds	42,308,008	42,308,008	0
TOTAL - Oper. Exp.	\$ 122,194,621	\$ 119,818,781	\$ (495,664)
Capital Improvements:			
State General Fund	\$ 1,377,096	\$ 0	\$ 0
Educational Bldg. Fund	400,000	0	0
Other Funds	240,000	240,000	0
TOTAL - Cap. Impr.	\$ 2,017,096	\$ 240,000	\$ 0
 GRAND TOTAL	 \$ 124,211,717	 \$ 120,058,781	 \$ (495,664)
 FTE Positions	 1,723.0	 1,719.0	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,723.0	1,719.0	0.0

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$2.8 million requested by the University would result in a 3.7 percent increase in expenditure authority for the University in FY 1997. The request would add 4.0 FTE positions as a part of requested program enhancements. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the requested increase are detailed in the following table, and items specific to Wichita State University are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$1.0 million (1.4 percent) from FY 1996. The recommendation maintains staffing at the

current year level. The entire FY 1997 budget increase recommended by the Governor at WSU is in salaries, including the adjustments discussed below.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees (including faculty) for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** The Governor recommends no increase in OOE in FY 1997.
- **Program Enhancements.** The Governor recommends no funding for program enhancements at WSU in FY 1997, and does not recommend that WSU be a part of the proposed tuition accountability plan at this time.

Restricted Use. The FY 1997 restricted use budget totals \$42.3 million, an increase of \$1.7 million (4.2 percent) from FY 1996.

Senate Subcommittee Recommendation

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

1. **Salaries.** Delete \$822,501 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$581,155); classified step movement (\$202,111); and the longevity bonus (\$39,235) from individual agency budgets.
2. **Systemwide – Bank Card Fees.** Delete \$113,000 from the State General Fund and increase budgeted expenditures from the General Fees Fund by a like amount to eliminate state replacement funding for bank card fees.
3. **Tuition Accountability.** In response to the systemwide recommendation regarding the inclusion of Wichita State University in tuition accountability, the Subcommittee reviewed revenue projections prepared by the University regarding the impact of removal of the 15-hour cap. The University estimates it will generate additional revenue of \$326,837 if the 15-hour cap is removed. The estimate assumes there will be some reduction in hours taken, particularly from nonresident and international students. Although Wichita State University would not be included in the equity portion of tuition accountability, the Subcommittee recommends that the University be allowed to retain the additional tuition revenue it will generate through lifting of its credit hour cap. The Subcommittee supports allowing the University to retain and expend this added tuition and believes that a number of programs which are not funded in

the Governor's recommendation could be supported through this additional tuition revenue.

The University provided the Subcommittee with a priority list of program enhancements which were not funded in the Governor's recommendation:

<u>Item</u>	<u>Amount</u>
Master of Public Health	\$ 63,658
Physician Assistant Program	127,290
Downtown & Westside Rental	61,750
Bridge Program	171,302
Ethernet Connections	35,000
Total	<u>\$ 459,000</u>

The Subcommittee makes particular note of the first two items, which are both health programs which began with grant support from the Kansas Health Foundation. The Subcommittee believes that both of these programs are essential for the future of health care in Kansas. According to statistics received by the Subcommittee, of the 60 students currently enrolled in the Master of Public Health program, 59 are Kansas residents. Since this is a new program, there have only been two graduates, as of December, 1995. Of the 46 students enrolled in the Physician Assistant program, 40 are Kansas residents. Of the 1995 graduating class in the physician assistant program, 74 percent (23 students) are employed in Kansas while only 8 students (26 percent) are employed out of state. In total, of the 1995 class for the physician assistant program:

- 81 percent of the 1995 graduating class is practicing in a primary care area; and
- 61 percent of the 1995 graduating class is practicing in a medically underserved area.

The Subcommittee was informed that the physician assistant program receives far more applications than it can support for the program. Applications for the 1995 class numbered approximately 300 for the 46 positions. Preference is given to Kansas residents and to those expressing a commitment to practice in a rural medically underserved community.

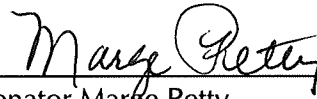
The Subcommittee would remind the full Committee that the Legislature has been aware since the inception of these programs that grant support would be phased out; the 1994 Legislature funded the first phase of replacement funding

for the Master of Public Health Program (along with nurse practitioner programs at a number of institutions).

4. **Performance Measures.** Wichita State University provided the Subcommittee with a draft of the performance measures it is developing. The Subcommittee would note the special challenges faced by the University in establishing a set of measures when the University essentially has two different student bodies – one composed of traditional college-aged full-time students and the other composed of older part-time nontraditional students.
5. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.



Senator Robert Yancrum
Subcommittee Chair



Senator Marge Petty

Wichita State University
Performance Measures
January 31, 1996

		<u>FY 1996</u>	<u>Goal FY 2000</u>	<u>Goal FY 2002</u>
<u>Instructional Program</u>				
1.	Percent of undergraduate credit hours taught by continuing faculty			
2.	Percent of undergraduate credit hours taught by graduate teaching assistants			
3.	Percent of undergraduate credit hours taught by temporary faculty (instructors, part-time, and lecturers)			
4.	Undergraduate student retention rates (divided into full-time and part-time) No ACT ACT <21 ACT 21-25 ACT >25 Total Students			
5.	Undergraduate student graduation rates (4-8 yrs) (divided into full-time and part-time) No ACT ACT <21 ACT 21-25 ACT >25 Total Students			
6.	Diversity of student body Age Percent of students by race/ethnicity Gender Disability Transfers from two-year institutions Completion of Regents' preparation curriculum Number of credits earned at time of graduation			

		<u>FY 1996</u>	<u>Goal FY 2000</u>	<u>C FY 2002</u>
<u>Graduate, Research, and Service Programs</u>				
1.	Number of graduate students by program			
2.	Proposals submitted to external funding agencies (divided into research and other sponsored programs) a. Number of proposals b. Dollar value			
3.	Proposals funded (divided into research and other sponsored programs) a. Number b. Dollar value			
4.	Pass rates on professional licensure exams			
5.	Graduation rate (divided into full-time and part-time) a. By program b. Time to degree c. Total			
<u>Academic and Institutional Support Programs</u>				
1.	Institutional support expenditures as percent of total			
2.	Utilization of instructional building space (average hours/week) a. Classrooms b. Teaching Laboratories (including computer labs) c. Library			
3.	Graduates who report employment or further academic or vocational training within six months of graduation			
4.	Number and percentage of accredited programs (by number of programs approved by the BOR to seek accreditation)			
5.	Number of faculty participating in faculty development activities (by categories)			

		FY 1996	Goal FY 2000	Goal FY
Academic and Institutional Support Programs (cont.)				
6.	Cost per credit hour of enrollment by units			
7.	Amount per capita of scholarship assistance (FTE/ scholarship funding)			
8.	Percent of alumni contributing annually			
9.	Percent of students enrolled in Cooperative Education and professional internship programs			

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 488

Bill Sec. 6

Analyst: Howard

Analysis Pg. No. 94

Budget Page No. 369

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 81,415,672	\$ 80,502,422	\$ 0
General Fees Fund	37,716,888	37,716,888	0
EDIF	0	0	0
Other Funds	125,000	125,000	0
Subtotal General Use	\$ 119,257,560	\$ 118,344,310	\$ 0
Restricted Use Funds	78,485,226	78,838,324	0
TOTAL – Oper. Exp.	\$ 197,742,786	\$ 197,182,634	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	8,851,979	6,751,979	0
Special Cap. Impr. Fund	2,565,739	2,565,739	0
Other Funds	5,408,264	5,408,264	\$ 0
TOTAL – Cap. Impr.	\$ 16,825,982	\$ 14,725,982	\$ 0
 GRAND TOTAL	 \$ 214,568,768	 \$ 211,908,616	 \$ 0
FTE Positions	3,013.3	3,013.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	3,013.3	3,013.3	0.0

* Includes Governor's Budget Amendment No. 1.

Agency Est./Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$498,181 in total expenditures from the approved budget. State General Fund expenditures increase by \$690,219 from the approved budget.

The Governor's FY 1996 recommendation for general use expenditures includes a reduction of \$524,341 in total expenditures from the approved budget. State General Fund expenditures are reduced by \$332,303 from the approved budget. The Governor:

- Concurs with the shift of \$192,038 from the General Fees Fund to the State General Fund based on revised tuition estimates.

*Senate Ways & Means
February 21, 1996
Attachment 4*

- Concur with the requested funding for utilities.
- Deletes \$1,022,522 from the State General Fund in salaries based on downward revisions in group health insurance rates.

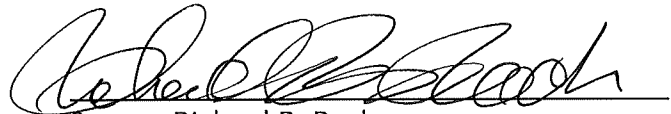
Senate Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment No. 1 which adds \$109,272 from the State General Fund for health insurance costs in FY 1996. These costs were understated in the Governor's Budget Report.
2. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 466

Bill Sec. 4

Analyst: Howard

Analysis Pg. No. 94

Budget Page No. 369

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 84,882,968	\$ 81,488,778	\$ (1,513,635)
General Fees Fund	39,018,725	39,019,015	207,370
EDIF	0	0	0
Other Funds	100,000	100,000	0
Subtotal General Use	\$ 124,001,693	\$ 120,607,793	\$ (1,306,265)
Restricted Use Funds	80,880,455	80,880,455	0
TOTAL – Oper. Exp.	\$ 204,882,148	\$ 201,488,248	\$ (1,306,265)
Capital Improvements:			
State General Fund	\$ 2,574,899	\$ 0	\$ 0
Educational Building Fund	1,995,000	3,730,000	0
Special Cap. Impr. Fund	0	0	0
Other Funds	3,414,657	3,414,657	\$ 0
TOTAL – Cap. Impr.	\$ 7,984,556	\$ 7,144,657	\$ 0
 GRAND TOTAL	 \$ 212,866,704	 \$ 208,632,905	 \$ (1,306,265)
 FTE Positions	 3,034.9	 3,031.3	 (2.4)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	3,034.9	3,031.3	(2.4)

* Includes Governor's Budget Amendment No. 1.

Agency Req./Governor's Recommendation

The **general use** operating budget increase of \$4.7 million requested by the University would result in a 4.0 percent increase in expenditure authority for the University in FY 1997. The request would add 21.6 FTE positions, including 14.6 through the servicing new buildings formula and 7.0 in program enhancements. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the requested increase are detailed in the following table and items specific to KSU are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$2.3 million (1.9 percent) from FY 1996. The recommendation would add 19.0 FTE new positions associated with servicing new buildings (14.6 FTE) and the transfer of certain staff currently budgeted in the Veterinary Medical Center and Extension Systems and Agriculture Research budgets (4.0 FTE). The tuition-funded enhancement requested by the university is recommended, but no other enhancements are funded.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees (including faculty) for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** Except for OOE associated with servicing new buildings, no base increases are recommended for OOE in FY 1997.
- **Program Enhancements.** The Governor recommends funding for the tuition accountability proposal in FY 1997 but does not recommend funding for the other requested program enhancements.

Restricted Use. The FY 1997 restricted use budget totals \$80.0 million, an increase of \$2.0 million (2.6 percent) from FY 1996.

Senate Subcommittee Recommendation

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

1. **Salaries.** Delete \$1,281,228 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$897,433); classified step movement (\$294,500); and the longevity bonus (\$89,295) from individual agency budgets.
2. **Systemwide – Servicing New Buildings.** Delete \$25,037 from the State General Fund and 2.4 FTE positions in conjunction with the systemwide recommendation to modify the staffing component of the servicing new buildings formula to a rate of 1.0 FTE for each 12,500 gross square feet of new space.
3. **Systemwide – Bank Card Fees.** Delete \$207,370 from the State General Fund and increase budgeted expenditures from the General Fees Fund by a like amount to eliminate state replacement funding for bank card fees.
4. Concur with Governor's Budget Amendment No. 1 which deletes 1.0 FTE position in the Academic Support Program as a technical adjustment.

5. Concur with Governor's Budget Amendment No. 1 which adds \$115,035 from the State General Fund for health insurance costs in FY 1997. These costs were understated in the Governor's Budget Report.
6. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair

Richard R. Rock

Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: KSU-Salina College of Technology **Bill No. 488** **Bill Sec. 5**

Analyst: Howard **Analysis Pg. No. 107** **Budget Page No. 371**

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,444,610	\$ 4,492,317	\$ 0
General Fees Fund	905,360	813,191	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal General Use	\$ 5,349,970	\$ 5,305,508	\$ 0
Restricted Use Funds	<u>2,253,881</u>	<u>2,353,881</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 7,603,851</u>	<u>\$ 7,659,389</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 189,466	\$ 189,466	\$ 0
Educational Building Fund	227,030	227,030	0
Other Funds	<u>148,350</u>	<u>148,350</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 564,846</u>	<u>\$ 564,846</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 8,168,697	 \$ 8,224,235	 \$ 0
 FTE Positions	 127.1	 127.1	 –
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>–</u>
TOTAL	<u>127.1</u>	<u>127.1</u>	<u>–</u>

* Includes Governor's Budget Amendment No. 1.

Agency Estimate/Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$41,534 in total expenditures from the approved budget. State General Fund expenditures are decreased by \$50,635 from the approved budget.

The Governor's FY 1996 recommendation for general use expenditures includes a reduction of \$2,928 in total expenditures from the approved budget, all of which is from the State General Fund. The Governor:

- Concurs with the requested funding for utilities.
- Deletes \$44,462 from the State General Fund in salaries based on downward revisions in group health insurance rates.

*Senate Ways & Means
February 21, 1996
Attachment 5*

- Concurs with the revised tuition estimates, but does not shift financing from the State General Fund to the General Fees Fund in FY 1996. Instead, the Governor's recommendations retain the additional receipts in the general fees fund, increasing the carryforward balance to FY 1997.

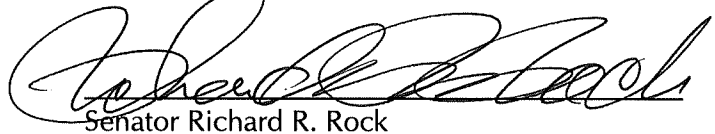
Senate Subcommittee Recommendation

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

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

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: KSU-Salina College of Technology **Bill No.** 466 **Bill Sec.** 6
Analyst: Howard **Analysis Pg. No.** 107 **Budget Page No.** 371

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,669,157	\$ 4,409,215	\$ (55,327)
General Fees Fund	926,636	966,263	1,400
Other Funds	0	0	0
Subtotal General Use	<u>\$ 5,595,793</u>	<u>\$ 5,375,478</u>	<u>\$ (53,927)</u>
Restricted Use Funds	2,400,263	2,400,263	0
TOTAL – Oper. Exp.	<u><u>\$ 7,996,056</u></u>	<u><u>\$ 7,775,741</u></u>	<u><u>\$ (53,927)</u></u>
Capital Improvements:			
State General Fund	\$ 189,466	\$ 189,466	\$ 0
Educational Building Fund	0	0	0
Other Funds	30,000	30,000	0
TOTAL – Cap. Impr.	<u><u>\$ 219,466</u></u>	<u><u>\$ 219,466</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 8,215,522	 \$ 7,995,207	 \$ (53,927)
 FTE Positions	 127.1	 127.1	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>127.1</u></u>	<u><u>127.1</u></u>	<u><u>0.0</u></u>

* Includes Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$245,823 requested by the University would result in a 4.6 percent increase in expenditure authority for the University in FY 1997. The request maintains staffing at the current year level. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the requested increase are detailed in the following table, and items specific to KSU - Salina are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$52,788 (1.0 percent) from FY 1996. The recommendation maintains staffing at the current

year level. The entire FY 1997 budget increase recommended by the Governor at KSU-Salina is in salaries, with base OOE reductions totaling \$17,182.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees (including faculty) for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** The Governor recommends no increase in OOE in FY 1997. Base adjustments reduce OOE by \$17,182 from FY 1996 to FY 1997.
- **Program Enhancements.** The Governor recommends no funding for program enhancements at KSU - Salina in FY 1997.

Restricted Use. The FY 1997 restricted use budget totals \$2.4 million, an increase of \$46,382 (2.0 percent) from FY 1996.


Senate Subcommittee Recommendation

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

1. **Salaries.** Delete \$53,927 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$40,081); classified step movement (\$9,833); and the longevity bonus (\$4,013) from individual agency budgets.
2. **Systemwide – Bank Card Fees.** Delete \$1,400 from the State General Fund and increase budgeted expenditures from the General Fees Fund by a like amount to eliminate state replacement funding for bank card fees.
3. Concur with Governor's Budget Amendment No. 1 which adds \$17,182 from the General Fees Fund for OOE to correct an error in the Governor's recommendation.
4. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: KSU - Extension Systems and
Agriculture Research Programs

Bill No. 488

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 116

Budget Page No. 373

Expenditure Summary	Agency Estimate FY 96	Gov. Rec.* FY 96	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 39,638,886	\$ 39,130,147	\$ 0
Federal Land Grant Funds	7,674,824	7,674,824	0
EDIF	0	0	0
Other Funds	0	0	0
Subtotal General Use	\$ 47,313,710	\$ 46,804,971	\$ 0
Restricted Use Funds	30,607,807	30,607,807	0
TOTAL -- Oper. Exp.	\$ 77,921,517	\$ 77,412,778	\$ 0
Capital Improvements:			
Other Funds	\$ 40,000	\$ 40,000	\$ 0
TOTAL -- Cap. Impr.	\$ 40,000	\$ 40,000	\$ 0
 GRAND TOTAL	 \$ 77,961,517	 \$ 77,452,778	 \$ 0
 FTE Positions	 1,276.4	 1276.4	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,276.4	1,276.4	0.0

* Includes Governor's Budget Amendment No. 1.

Agency Estimate/Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures is \$180 less than the approved budget, and includes 2.8 additional FTE positions.

The Governor's FY 1996 recommendation for general use expenditures includes a reduction of \$798,700 in total expenditures from the approved budget. State General Fund expenditures are reduced by \$798,520 from the approved budget. The Governor:

*Senate Ways & Means
February 21, 1996
Attachment 6*

- Deletes \$792,034 from the State General Fund in salaries based on downward revisions in group health insurance rates.
- Reduces the FY 1996 salary budget by \$6,486 in savings related to retirement reductions


Senate Subcommittee Recommendation

FY 1996. The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Concur with Governor's Budget Amendment No. 1 which adds \$289,781 from the State General Fund for health insurance costs in FY 1996. These costs were understated in the Governor's Budget Report.
2. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: KSU - Extension Systems and
Agriculture Research Programs

Bill No. 466

Bill Sec. 4

Analyst: Howard

Analysis Pg. No. 116

Budget Page No. 373

Expenditure Summary	Agency Request FY 97	Gov. Rec.* FY 97	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 41,665,351	\$ 40,097,327	\$ (534,444)
Federal Land Grant Funds	7,214,334	7,214,334	0
EDIF	0	0	27,507
Other Funds	0	0	0
Subtotal General Use	<u>\$ 48,879,685</u>	<u>\$ 47,311,661</u>	<u>\$ (506,937)</u>
Restricted Use Funds	<u>31,308,785</u>	<u>31,254,498</u>	<u>0</u>
TOTAL – Oper. Exp.	<u><u>\$ 80,188,470</u></u>	<u><u>\$ 78,566,159</u></u>	<u><u>\$ (506,937)</u></u>
Capital Improvements:			
Other Funds	<u>\$ 65,000</u>	<u>\$ 65,000</u>	<u>\$ 0</u>
TOTAL – Cap. Impr.	<u><u>\$ 65,000</u></u>	<u><u>\$ 65,000</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 80,253,470	 \$ 78,631,159	 \$ (506,937)
 FTE Positions	 1,277.4	 1,275.4	 1.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>1,277.4</u></u>	<u><u>1,275.4</u></u>	<u><u>1.0</u></u>

* Includes Governor's Budget Amendment No. 1.

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$1.6 million requested by the University would result in a 3.3 percent increase in expenditure authority for the University in FY 1997. The request would add 1.0 FTE position as a part of a requested program enhancement. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the requested increase are detailed in the

following table, and items specific to KSU Extension Systems and Agriculture Research Programs are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$502,135 (1.1 percent) from FY 1996. The recommendation would reduce 1.0 FTE position associated with the transfer of a clerical position to the main campus. The entire FY 1997 budget increase recommended by the Governor is in salaries, and the increase is funded entirely from State General Fund dollars since the recommendation incorporates projected reductions in federal land grant funds.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees (including faculty) for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** The Governor recommends no increase in OOE for FY 1997.
- **Program Enhancements.** The Governor recommends no funding for program enhancements in FY 1997.

Restricted Use. The FY 1997 restricted use budget totals \$31.3 million, an increase of \$646,691 (2.1 percent) from FY 1996.

Senate Subcommittee Recommendation

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

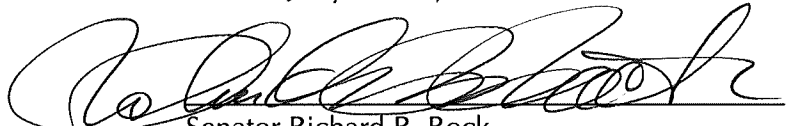
1. **Salaries.** Delete \$534,444 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$378,479); classified step movement (\$120,575); and the longevity bonus (\$35,390) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1 which adds \$274,886 from the State General Fund for health insurance costs in FY 1997. These costs were understated in the Governor's Budget Report.
3. Concur with Governor's Budget Amendment No. 1 which adds \$19,450 from the State General Fund for OOE to correct an error in the Governor's recommendation.
4. Add \$27,507 from the Economic Development Initiatives Fund and 1.0 FTE position for first year funding for an irrigation research field in Western Kansas. The Subcommittee was informed that the research field representing multiple soil

types will enable scientists to conduct state-of-the-art research and test emerging technologies designed to reduce the rate of water use over the Ogallala aquifer to prolong the life of the aquifer and assure future economic stability. According to the University, over \$1.0 million in private support is anticipated for one-time purchases such as land, buildings and equipment. The recommended funding would support 1.0 FTE Plant Science Technician. The University has indicated that it will seek additional state support of \$162,333 for a total of \$189,840 in FY 1998. The Subcommittee believes that prolonging the life of the Ogallala aquifer is a critical issue, with direct economic impact on the state as a whole as well as on Western Kansas.

5. Make technical adjustments to the appropriations bill to reflect the Governor's recommendation.
6. The performance measures submitted by Kansas State University are attached.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: KSU Veterinary Medical Center

Bill No. 488

Bill Sec. –

Analyst: Howard

Analysis Pg. No. 125

Budget Page No. 375

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,295,859	\$ 8,218,059	\$ 0
General Fees Fund	4,095,813	4,063,085	0
Hosp. & Diagnostic Lab.	2,567,527	2,444,853	0
Subtotal - General Use	\$ 14,959,199	\$ 14,725,997	\$ 0
Restricted Use Funds	2,561,335	2,561,335	0
TOTAL – Oper. Exp.	\$ 17,520,534	\$ 17,287,332	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 433,573	\$ 433,573	\$ 0
Other Funds	140,000	140,000	0
TOTAL – Cap. Impr.	\$ 573,573	\$ 573,573	\$ 0
GRAND TOTAL	\$ 18,094,107	\$ 17,860,905	\$ 0
FTE Positions	252.8	252.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	252.8	252.8	0.0

* Includes Governor's Budget Amendment No. 1.

Agency Est./Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures equals the amount approved by the 1995 Legislature. State General Fund expenditures decrease by \$31,656 from the approved budget.

The Governor's FY 1996 recommendation for general use expenditures includes a reduction of \$259,347 in total expenditures from the approved budget. State General Fund expenditures are reduced by \$135,601 while expenditures from the hospital and diagnostic laboratory fund are reduced by \$122,674. The Governor:

- Deletes \$134,494 from the State General Fund in salaries based on downward revisions in group health insurance rates.
- Reduces the FY 1996 salary budget by \$2,179 in savings related to retirement reductions

*Senate Ways & Means
February 21, 1996
Attachment 7*

- Reduces expenditures from the hospital and diagnostic laboratory special revenue fund by \$122,674 in conjunction with revised estimates of receipts and caseload reductions at the hospital and laboratory
- Concur with the revised tuition estimates, but does not shift financing from the State General Fund to the General Fees Fund in FY 1996. Instead, the Governor's recommendations retain the additional receipts in the general fees fund, increasing the carryforward balance to FY 1997.
- Concur with the internal reallocations and the addition of 2.0 FTE related to the establishment of the Center of Excellence in Food Animal Health and Management Research.

Senate Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment No. 1 which adds \$26,145 from the State General Fund for health insurance costs in FY 1996. These costs were understated in the Governor's Budget Report.
2. Make technical adjustments to the appropriations bill to accurately reflect the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: KSU Veterinary Medical Center

Bill No. 466

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 125

Budget Page No. 375

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,634,652	\$ 8,267,401	\$ (178,146)
General Fees Fund	4,280,444	4,257,999	13,000
Hosp. & Diagnostic Lab.	2,691,800	2,325,926	0
Subtotal - General Use	\$ 15,606,896	\$ 14,851,326	\$ (165,146)
Restricted Use Funds	2,625,582	2,625,582	0
TOTAL -- Oper. Exp.	\$ 18,232,478	\$ 17,476,908	\$ (165,146)
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL -- Cap. Impr.	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 18,232,478	\$ 17,476,908	\$ (165,146)
FTE Positions	254.8	249.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	254.8	249.8	0.0

* Includes Governor's Budget Amendment No. 1.

Agency Req./Governor's Recommendation

The **general use** operating budget increase of \$647,697 requested by the University would result in a 4.3 percent increase in expenditure authority for the University in FY 1997. The request would add 2.0 FTE faculty positions as part of the requested program enhancement. Many of the requested increases are based on systemwide recommendations of the Board of Regents and are discussed in greater detail in the *Regents Systemwide Summary*. In addition to these program maintenance percentage increases and formula adjustment items, the Board of Regents authorized each institution to request program enhancement funds equal to one percent of their State General Fund budget, plus certain tuition and fee-funded items. The components of the requested increase are detailed in the following table, and items specific to the KSU Veterinary Medical Center are discussed below.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$36,439 (0.2 percent) from FY 1996. The recommendation reduces staffing by 3.0 FTE positions associated with the transfer of security positions to the main campus budget.

- **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees, funding for a 2.5 percent merit increase for unclassified employees (including faculty) for **six months**, and deletes longevity funding for classified employees (except for those employees who would not receive step movement or would otherwise have an actual salary decrease in FY 1997).
- **Other Operating Expenditures.** The Governor recommends no increase in base OOE in FY 1997.
- **Hospital and Diagnostic Laboratory.** The Governor's recommendation adopts the most recent estimates of receipts and expenditures associated with the hospital and laboratory. Receipts to the fund are estimated to fall by \$121,397 (5.0 percent) in FY 1997 in conjunction with a projected five percent decline in caseloads. OOE expenditures are reduced by \$243,200 from FY 1996 in conjunction with this decline in caseloads.
- **Transfer to Main Campus.** The Governor recommends the transfer of 3.0 FTE Safety and Security Officer I positions (\$79,278) to the main campus budget. The University has indicated its intention to consolidate security functions.
- **Program Enhancements.** The Governor recommends funding for the tuition-funded program expansion totaling \$180,450 in FY 1997, but does not recommend new FTE positions.

Restricted Use. The FY 1997 restricted use budget totals \$2.6 million, an increase of \$64,247 (2.5 percent) from FY 1996.

Senate Subcommittee Recommendation

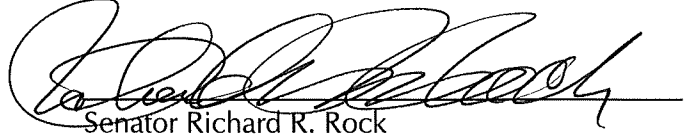
The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. **Salaries.** Delete \$165,146 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$94,904); classified step movement (\$60,261); and the longevity bonus (\$9,981) from individual agency budgets.
2. **Systemwide – Bank Card Fees.** Delete \$13,000 from the State General Fund and increase budgeted expenditures from the General Fees Fund by a like amount to eliminate state replacement funding for bank card fees.
3. Concur with Governor's Budget Amendment No. 1 which adds \$26,508 from the State General Fund for health insurance costs in FY 1997. These costs were understated in the Governor's Budget Report.

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

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

Performance Indicators Kansas State University

1. Instructional Programs

	<u>Fall 1993</u>	<u>Fall 1994</u>	<u>Preliminary*</u>	
			<u>Goal</u> <u>Fall 1999</u>	<u>Goal</u> <u>Fall 2000</u>
A. Percent of undergraduate credit hours taught by Faculty.	81.0%	83.0%	85.0%	85.0%
B. Percent of undergraduate credit hours taught by graduate teaching assistants	19.0%	17.0%	15.0%	15.0%

Faculty includes Tenure/Tenure Track and Other Regular Faculty (instructors)

Undergraduate credit hours includes courses numbered 000-699.

	<u>Fall 1992</u>	<u>Fall 1993</u>	<u>Fall 1994</u>	<u>Preliminary*</u>	
				<u>Goal</u> <u>Fall 1999</u>	<u>Goal</u> <u>Fall 2000</u>
C. Undergraduate Student Retention Rates (students retained after one year)					
Act < 19	59.6%	55.9%	54.3%	60.0%	60.0%
Act = 19-26	78.6%	77.4%	77.0%	78.0%	78.0%
Act > 26	86.8%	88.7%	89.2%	89.0%	89.0%
Total Students	74.4%	74.3%	74.2%	76.0%	76.0%

2. Graduate & Research Program

	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>Preliminary*</u>	
				<u>Goal</u> <u>FY 2000</u>	<u>Goal</u> <u>FY 2001</u>
A. Academic Science and Engineering Research and Development Expenditures					
1. Millions of Dollars	\$57.7	\$62.6	\$65.7	\$80.0	\$88.0
2. National Ranking	101	102	103	99	99
Number of Institutions Included	460	681	500		
B. National ranking on federally financed research and development	127	129	129	120	118
C. Proposals submitted to external funding agencies					
1. Number of Proposals	1,064	1,163	1,111	1,100	1,100
2. Dollar Value Expressed in Millions	\$169.0	\$167.4	\$170.7	\$195.0	\$210.0

Based on NSF survey on Academic Science and Engineering: R & D Expenditures

3. Administrative Support

	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>	<u>Preliminary*</u>	
				<u>Goal</u> <u>FY 2000</u>	<u>Goal</u> <u>FY 2001</u>
A. Institutional support expenditures as a percent of total expenditures	6.3%	6.4%	6.0%	6.0%	6.0%

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. –

Bill Sec. –

Analyst: Mills

Analysis Pg. No. 72

Budget Page No. 185

Expenditure	Agency Est. FY 96	Gov. Rec. FY 96*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 24,808,476	\$ 24,566,516	–
General Fees Fund	7,997,180	8,003,771	–
Other Funds	23,000	23,038	–
Subtotal General Use	\$ 32,828,656	\$ 32,593,325	–
Restricted Use Funds	15,771,698	15,760,647	–
TOTAL – Oper. Exp.	\$ 48,600,354	\$ 48,353,972	–
Capital Improvements:			
State General Fund	\$ 0	\$ 0	–
Educational Building Fund	1,152,402	1,152,402	–
Other Funds	474,563	349,563	–
TOTAL – Cap. Impr.	\$ 1,626,965	\$ 1,501,965	–
 GRAND TOTAL	 \$ 50,227,319	 \$ 49,855,937	 –
 FTE Positions	 739.2	 739.2	 –

* Includes GBA No. 1 reduction of \$125,000 in capital improvements.

Agency Estimate/Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$265,770 in total expenditures from the approved budget. State General Fund expenditures increase by \$455,088 from the approved budget. The requested adjustments to the FY 1996 budget are detailed below:

- ◆ **Shift of \$189,318 in financing of the FY 1996 budget from the General Fees Fund to the State General Fund** based on fall enrollments and decreased tuition estimates. The fee fund shortfall is chiefly due to a continued decline in the Fall 1995 total headcount of 162 students (2.7 percent) from the Fall 1994 total headcount.
- ◆ **Addition of \$265,732 from the State General Fund for utilities.** This request brings FY 1996 utilities funding to the same level as FY 1995.

*Senate Ways & Means
February 21, 1996
Attachment 8*

The Governor's FY 1996 recommendation for general use expenditures includes an increase of \$30,439 over the approved budget. State General Fund expenditures are increased by \$213,128. The Governor:

- ◆ Recommends the shift of \$182,727 from the General Fees Fund to the State General Fund based on revised tuition estimates; the Governor's recommendation reduces the requested amount by \$6,591 which is the amount of tuition waived in FY 1996 under the Midwest Student Exchange Program (MSEP). The Governor does not recommend State General Fund dollars to replace any portion of tuition waived under the MSEP program.
- ◆ Concurs with the requested funding for utilities.
- ◆ Deletes \$235,331 from the State General Fund in salaries based on downward revisions in group health insurance rates.


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following additional recommendation:

1. Per GBA No. 1, concur with the deletion of \$125,000 from the Parking Fees Fund; these funds were not requested by the university and should not have been part of the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard Rock

RECOMMENDATIONS
for
PERFORMANCE INDICATORS
EMPORIA STATE UNIVERSITY
FEBRUARY 5, 1996

- I. **Core indicators** (those common to all Regents institutions)
1. Enrollment, progression and retention rates of undergraduate students by:
 - a. race/ethnicity
 - b. gender
 - c. ACT score (only required on entering freshmen)
 - d. transfers from two-year and four-year institutions (will need to have specific definition as to what constitutes a transfer)
 - e. concurrent students
 - f. transfer students with and without an associate degree

 2. Graduation rates for undergraduate students after four, five, six or more years of study by:
 - a. race/ethnicity
 - b. gender
 - c. ACT score (only for entering freshmen)
 - d. average number of credits at graduation by institution and discipline
 - e. transfers from two-year and four-year institutions (will need to have specific definition as to what constitutes a transfer)
 - f. total number of credits earned at time of graduation by discipline, by attendance at community college and university
 - g. number of previous institutions attended
 - h. by state of residency

 3. Institutional support as percentage of total budget

 4. Classroom and laboratory use rates on the campus

 5. Placement and graduate/professional school enrollment rates six months after graduation

 6. Student/employer satisfaction after graduation
 - a. results from graduating senior surveys
 - b. results from employers' satisfaction surveys (every three to five years)

7. Performance on tests and examinations:
 - a. pass rates on professional licensure exams
 - b. pass rates on national required examinations -- PPST, CAAP, GRE, GMAT, LSAT, MCAT
8. Percentage of lower division courses and number of sections taught by full-time, part-time faculty and graduate teaching assistants
9. Percentage of students who took remedial courses and successfully completed the next higher level course
10. Total student credit hours produced by institution and major
11. Cost per institutional credit hour (upper division, lower division and graduate) compared to Regent universities, peers, and community colleges
12. Average number of credits for full-time students graduating with a bachelor's degree
13. Average faculty work load and productivity in the form of student/faculty ratios and instructional contact hours for graduate and undergraduate levels

II. Institution Specific Indicators (ESU)

1. Number of students who demonstrate computer literacy upon graduation (test or course completion)
2. Academic advising:
 - a. number of students receiving academic advising during the year through the Student Advising Center
 - b. number of advising interviews by department/college (undergraduate)
 - c. effects of intrusive advising on retention and graduation rates
3. Expenditures on faculty development and number of faculty who participate in faculty development activities
4. Financial aid as a percent of tuition and fee income
5. Average cost of recruiting a new student out of high school

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 466

Bill Sec. 7

Analyst: Mills

Analysis Pg. No. 72

Budget Page No. 185

Expenditure	Agency Req. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 25,789,881	\$ 24,856,875	\$ (489,489)
General Fees Fund	8,101,958	8,109,754	-
Other Funds	26,000	26,000	-
Subtotal General Use	\$ 33,917,839	\$ 32,992,629	\$ (489,489)
Restricted Use Funds	15,956,521	15,952,268	-
TOTAL – Oper. Exp.	\$ 49,874,360	\$ 48,944,897	\$ (489,489)
Capital Improvements:			
State General Fund	\$ 1,680,071	\$ 0	-
Educational Building Fund	180,000	0	-
Other Funds	453,447	453,447	-
TOTAL – Cap. Impr.	\$ 2,313,518	\$ 453,447	-
 GRAND TOTAL	 \$ 52,187,878	 \$ 49,398,344	 \$ (489,489)
 FTE Positions	 740.2	 739.2	 -

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$1.089 million requested by the University would result in a 3.3 percent increase in general use expenditure authority for the University in FY 1997. The request would add 1.0 FTE new position, which would be associated with the requested program enhancement to add one new technology-based classroom at ESU.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$399,304 (1.2 percent) from FY 1996. The recommendation does not include the requested 1.0 new FTE position.


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following additional recommendations:

1. Delete \$451,689 from the State General Fund based on the recommendation to delete funding for the six-month 2.5 percent unclassified merit pool (\$293,201), classified Step movement (\$114,576), and the longevity bonus (\$43,912) from individual agency budgets.
2. As a systemwide recommendation, delete \$37,800 from the State General Fund in FY 1997 to eliminate state replacement funding for bank card fees associated with student use of credit cards to pay tuition and fees.
3. Make a technical correction to the bill to delete unnecessary proviso language.

JERRY MORAN

Senator Jerry Moran, Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. –

Bill Sec. –

Analyst: Mills

Analysis Pg. No. 137

Budget Page No. 419

Expenditure Summary	Agency Est. FY 96	Gov. Rec. FY 96	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 25,776,651	\$ 25,311,274	\$ 0
General Fees Fund	9,892,721	10,082,066	0
Other Funds	0	0	0
Subtotal General Use	\$ 35,669,372	\$ 35,393,340	\$ 0
Restricted Use Funds	12,626,379	12,626,379	0
TOTAL – Oper. Exp.	\$ 48,295,751	\$ 48,019,719	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	4,599,826	4,599,826	0
Special Cap. Impr. Fund	230,617	230,617	0
Other Funds	970,083	970,083	0
TOTAL – Cap. Impr.	\$ 5,800,526	\$ 5,800,526	\$ 0
GRAND TOTAL	\$ 54,096,277	\$ 53,820,245	\$ 0
FTE Positions	783.8	783.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	783.8	783.8	0.0

Agency Estimate/Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$29,122 in total expenditures from the approved budget. State General Fund expenditures increase by \$318,048 over the approved budget. The requested adjustments to the FY 1996 budget are detailed below:

- **Shift of \$288,926 in financing of the FY 1996 budget from the General Fees Fund to the State General Fund** based on fall enrollments and decreased tuition estimates. The fee fund shortfall is chiefly due to a decline in nonresident students.

*Senate Ways & Means
February 21, 1996
Attachment 9*

- **Addition of \$ 29,122 from the State General Fund for utilities.** This request brings FY 1996 utilities funding to the same level as FY 1995.

The Governor's FY 1996 recommendation for general use expenditures includes a decrease of \$246,910 from the approved budget. State General Fund expenditures are decreased by \$147,329. The Governor:

- Concurs with the shift of \$288,926 from the General Fees Fund to the State General Fund, based on the Consensus Committee estimate.
- At PSU, the agency budget assumes supplementation by the State General Fund for tuition waived for international students (\$189,345 in FY 1996 and \$170,000 in FY 1997). The Governor does not recommend supplementing the loss of revenues at PSU with state funds. Thus, the Governor's recommendations increase the estimated receipts to and expenditures from the general fees fund at PSU by \$189,345 in FY 1996 and \$170,000 in FY 1997, with State General Fund dollars reduced accordingly.
- Concurs with the requested funding for utilities.
- Deletes \$273,344 from the State General Fund in salaries based on downward revisions in group health insurance rates.
- Reduces the FY 1996 salary budget by \$2,688 in savings related to retirement reduction.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

JERRY MORAN

Senator Jerry Moran, Subcommittee Chair



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 466

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 137

Budget Page No. 419

Expenditure	Agency Req. FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 27,314,081	\$ 25,682,607	\$ (513,658)
General Fees Fund	10,056,512	10,226,512	-
Other Funds	0	0	-
Subtotal General Use	<u>\$ 37,370,593</u>	<u>\$ 35,909,119</u>	<u>\$ (513,658)</u>
Restricted Use Funds	12,634,950	12,626,718	-
TOTAL – Oper. Exp.	<u><u>\$ 50,005,543</u></u>	<u><u>\$ 48,535,837</u></u>	<u><u>\$ (513,658)</u></u>
Capital Improvements:			
State General Fund	\$ 2,131,022	\$ 0	-
Educational Building Fund	1,000,000	700,000	-
Special Cap. Impr. Fund	0	0	-
Other Funds	2,370,000	2,370,000	-
TOTAL – Cap. Impr.	<u><u>\$ 5,501,022</u></u>	<u><u>\$ 3,070,000</u></u>	<u><u>-</u></u>
 GRAND TOTAL	 <u><u>\$ 55,506,565</u></u>	 <u><u>\$ 51,605,837</u></u>	 <u><u>\$ (513,658)</u></u>
 FTE Positions	 810.2	 783.8	 -
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	<u><u>810.2</u></u>	<u><u>783.8</u></u>	<u><u>-</u></u>

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$1.701 million requested by the University would result in a 4.8 percent increase in general use expenditure authority for the University in FY 1997. The request would add 26.4 FTE new positions, 24.4 of which would be associated with the opening of the new Kansas Technology Center (at this writing scheduled for March of 1997). The agency anticipates that funding for three months in FY 1997 will be needed for the new Center. Total funding associated with the Kansas Technology Center (KTC) request is \$351,647 for three months of operation, of which \$172,573 is for salaries, \$42,637 is for OOE, and \$136,437 is for utilities. The other 2.0 requested new FTE positions are associated with the program enhancement for the Wichita/Kansas City Technology Outreach: the two positions are program coordinators, one for the Wichita area and one for the Kansas City area (\$76,000).

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$515,779 (1.5 percent) from FY 1996. The recommendation does not include any of the requested 26.4 new FTE positions. No operating funds are recommended for the Technology Center in FY 1997. None of the requested program enhancements are recommended.

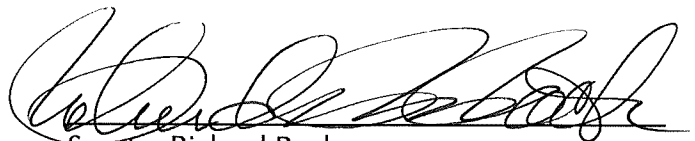
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following additional recommendations:

1. Delete \$478,658 from the State General Fund based on the recommendation to delete funding for the six-month 2.5 percent unclassified merit pool (\$325,827), classified step movement (\$11,233), and the longevity bonus (\$41,598) from individual agency budgets.
2. As a systemwide recommendation, delete \$35,000 from the State General Fund in FY 1997 to eliminate state replacement funding for bank card fees associated with student use of credit cards to pay tuition and fees.
3. 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.
4. While touring Pittsburg State University, the Senate Subcommittee met with members of the Classified Senate. One issue raised in this meeting was a proposal to provide group plan options for state employees to purchase disability insurance to cover the 180-day waiting period for KPERS disability coverage. Such insurance would be optional and would be paid for by the state employee desiring the coverage. The Senate Subcommittee believes that this proposal has a good deal of merit and, therefore, the Subcommittee recommends that the Joint Committee on Pensions, Investments, and Benefits explore the feasibility of establishing such an optional program within KPERS.
5. Make technical corrections to the bill.

JERRY MORAN

Senator Jerry Moran, Chair



Senator Richard Rock

PITTSBURG STATE UNIVERSITY
PERFORMANCE MEASURES
INDICATORS

PSU FHSU ESU WSU

***Graduate Rate**

6-Years	44%	42%	41%	28%
5-Years	42%	40%	37%	20%
4-Years	26%	21%	22%	10%

****Ratio of Instructional**

Faculty to Student FTE 23:1 16:1 N/A 13:1

****General Use Education**

Program Expenditures

per Credit Hour \$153 \$181 \$162 \$186

*PSU is now at a high level and may have difficulty increasing percent

**Comparable PSU status due to funding differences

PITTSBURG STATE UNIVERSITY

PERFORMANCE INDICATORS

1. Enrollment, Progression and Retention Rates of Undergraduate Students by:
 - a. Race/Ethnicity
 - b. Gender
 - c. Disability
 - d. ACT Score
 - e. Completion of Regents Preparatory Curriculum
 - f. Transfers from Two-Year and Four-Year Institutions
2. Graduation Rates of Undergraduate Students after Four, Five and Six Years of Study by:
 - a. Race/Ethnicity
 - b. Gender
 - c. Disability
 - d. ACT Score
 - e. Completion of Regents Preparatory Curriculum
 - f. Number of Credits at Graduation by Institution and Discipline
 - g. Transfers from Two-Year and Four-Year Institutions
 - h. Number of Credits Earned at Time of Graduation
3. Institutional Support as Percentage of Total Budget
4. Classroom and Laboratory Use Rates
5. Placement and Graduate/Professional School Enrollment Rates Six-Months after Graduation
6. Sponsored Research Funds - KU and KSU
7. Results from Student and Employer Satisfaction Surveys
8. Pass Rates on Professional Licensure Exams
9. Lower Division Courses Taught by Full-Time, Part-Time Faculty and Graduate Teaching Assistants
10. Number and Percentage of Accredited Programs by Number of Programs Approved by the Board to Seek Accreditation
11. Number and Percentage of Students Receiving Financial Aid by Source
12. Number of Faculty Participating in Faculty Development Activities
13. Total Student Credit Hours Produced by Institution and Discipline
14. Cost Per Credit Hour - Regents, Peers and Community Colleges
15. Cost Per Graduate
16. Expenditures by Student Toward Degree

NOTE: ADOPTED BY COUNCIL OF CHIEF ACADEMIC OFFICERS, REGENTS UNIVERSITIES

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. –

Bill Sec. –

Analyst: Mills

Analysis Pg. No. 83

Budget Page No. 199

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 25,003,414	\$ 25,013,953	\$ 0
General Fees Fund	7,476,305	7,233,000	0
Other Funds	0	0	0
Subtotal General Use	<u>\$ 32,479,719</u>	<u>\$ 32,246,953</u>	<u>\$ 0</u>
Restricted Use Funds	11,381,146	11,380,797	0
TOTAL – Oper. Exp.	<u><u>\$ 43,860,865</u></u>	<u><u>\$ 43,627,750</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	1,009,349	1,009,349	0
Special Cap. Impr. Fund	461,526	461,526	0
Other Funds	1,087,931	1,087,931	0
TOTAL – Cap. Impr.	<u><u>\$ 2,558,806</u></u>	<u><u>\$ 2,558,806</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 46,419,671	 \$ 46,186,556	 \$ 0
 FTE Positions	 697.0	 697.0	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>697.0</u></u>	<u><u>697.0</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency's revised FY 1996 estimate for general use expenditures includes an increase of \$90,212 in total expenditures from the approved budget. State General Fund expenditures decrease by \$153,093 from the approved budget. The requested adjustments to the FY 1996 budget are detailed below:

- **Shift of \$243,305 in financing of the FY 1996 budget to the General Fees Fund from the State General Fund** based on fall enrollments and increased tuition estimates. The fee fund increase is chiefly due to a larger than anticipated carryover balance from FY 1995 in the fee fund.
- **Addition of \$90,212 from the State General Fund for utilities.** This request brings FY 1996 utilities funding to the same level as FY 1995.

*Senate Ways & Means
February 21, 1996
Attachment 10*

The Governor's FY 1996 recommendation for general use expenditures includes a decrease of \$142,554 from the approved budget. State General Fund expenditures are decreased by \$142,554. The Governor:

- Concurs with the revised tuition estimates, but does not shift financing from the State General Fund to the General Fees Fund in FY 1996. Instead, the Governor's recommendations retain the additional receipts in the general fees fund, increasing the carryforward balance to FY 1997.
- Concurs with the requested funding for utilities.
- Deletes \$232,766 from the State General Fund in salaries based on downward revisions in group health insurance rates.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



Senator Barbara Lawrence, Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 466

Bill Sec. 2

Analyst: Mills

Analysis Pg. No. 83

Budget Page No. 199

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 26,458,601	\$ 25,395,442	\$ (548,099)
General Fees Fund	7,460,185	7,539,057	0
Other Funds	0	0	0
Subtotal General Use	<u>\$ 33,918,786</u>	<u>\$ 32,934,499</u>	<u>\$(548,099)</u>
Restricted Use Funds	11,621,923	11,621,924	0
TOTAL – Oper. Exp.	<u><u>\$ 45,540,709</u></u>	<u><u>\$ 44,556,423</u></u>	<u><u>\$ (548,099)</u></u>
Capital Improvements:			
State General Fund	\$ 1,781,242	\$ 0	\$ 0
Educational Building Fund	300,000	0	0
Special Cap. Impr. Fund	0	0	0
Other Funds	1,030,000	1,030,000	0
TOTAL – Cap. Impr.	<u><u>\$ 3,111,242</u></u>	<u><u>\$ 1,030,000</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 48,651,951	 \$ 45,586,423	 \$ (548,099)
 FTE Positions	 697.0	 695.6	 (1.4)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>697.0</u></u>	<u><u>695.6</u></u>	<u><u>(1.4)</u></u>

* Includes GBA No. 1 financing shift of \$250,000 from the State General Fund to the General Fees Fund.

Agency Req./Governor's Recommendation

The **general use** operating budget increase of \$1.439 million requested by the University would result in a 4.4 percent increase in general use expenditure authority for the University in FY 1997. The request would add 5.45 FTE new positions, which would be associated with the opening of the new Sternberg Museum. The project is nearing completion now, and the agency anticipates that 8.45 positions will be needed to staff the facility. The 1992 Legislature approved 3.0 FTE positions, and the agency requests the balance (5.45 positions) in its FY 1997 request. Total funding associated with the Sternberg request is \$247,347, of which \$133,409 is for salaries, \$26,367 is for OOE, and \$87,571 is for utilities.

The Governor's FY 1997 recommendation for general use expenditures would provide an increase of \$687,546 (2.1 percent) from FY 1996. The recommendation includes the requested 5.45

new FTE positions associated with the Sternberg Museum. Also, the Governor's recommendation eliminates 6.9 restricted use positions, for a net reduction of 1.4 positions from FY 1996. None of the requested program enhancements are recommended.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following additional recommendations:

1. Concur with GBA 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. Recommend the extension of the authorization provided by the 1995 Legislature to raze McGrath Hall through FY 1997.
3. Delete \$466,845 from the State General Fund based on the recommendation to delete funding for the six-month 2.5 percent unclassified merit pool (\$294,976), classified step movement (\$123,837), and the longevity bonus (\$48,032) from individual agency budgets.
4. As a systemwide recommendation, delete \$30,000 from the State General Fund in FY 1997 to eliminate state replacement funding for bank card fees associated with student use of credit cards to pay tuition and fees.
5. The Senate Subcommittee concurs with the systemwide recommendation that the servicing new buildings staffing ratio be increased to 1.0 FTE for each 12,500 gsf of space. The revised ratio results in a reduction of 1.4 FTE positions (and funding of \$34,812) from the Governor's recommendation of 5.5 new FTE positions for the new Sternberg Museum. The revised formula provides 4.1 FTE positions for the building. The Governor had recommended that the new positions be funded for nine months in FY 1997, assuming the building would open in September, 1996. The Senate Subcommittee recommends that 1.0 of the new positions be funded for nine months, while the remaining 3.1 positions be funded for only six months, beginning in December, 1996. The recommendation will result in additional salary savings of \$16,442.

The Senate Subcommittee notes that one substantial role of the new Sternberg Museum will be to serve as a tourist attraction for the western portion of the state. The Subcommittee wishes to express its concern as to whether state tax dollars should be expended to provide support the tourist aspect of the museum's functions.

6. Fort Hays State University recently purchased a telephone switch upgrade for \$488,000 by using reallocated funds. The original switch was installed in 1987 and had become obsolete due to the massive changes in the telecommunication

industry. We commend FHSU for its resourcefulness in dealing with this issue without additional state appropriations.

7. The Subcommittee also notes that the Governor did not recommend the FY 1997 funding requested for the systemwide Regents' library enhancement. The Subcommittee believes that FHSU was probably penalized more than the other schools, because FHSU was further along in its computerization and networking efforts.



Senator Barbara Lawrence, Subcommittee Chair



Senator Dave Kerr

PRELIMINARY PERFORMANCE MEASURES*

FORT HAYS STATE UNIVERSITY

INSTRUCTIONAL PROGRAMS

		Fall 1994	Goal Fall 1999	Goal Fall 2000
1	Computer Literacy Achievement Level	78%	85%	95%
2	Undergraduate Student Graduation Rates			
	Four-Year Rate	18%	21%	23%
	Five-Year Rate	39%	42%	44%
	Six-Year Rate	41%	44%	46%
3	Undergraduate Credit Hours			
	A Percent of undergraduate credit hours taught by faculty #	97%	100%	100%
	B Percent of undergraduate credit hours taught by teaching assistants #	3%	0%	0%
4	Retention	64%	68%	70%
5	High-Tech, Mediated/ITV Classrooms On-Campus	6	10	14
6	Degrees Offered Off-Campus	2	3	4
7	Off-Campus Credit Hours	3,967	4,150	4,250

INSTITUTIONAL SUPPORT PROGRAMS

1	Institutional Support expenditures as percent of total	11.60%	Maintain 0.5 percentage points below peer average
		4 year average	
2	Graduates who report employment or further academic or vocational training	90%	Maintain a 90% or above employment or continuing education rate

* Goals outlined in the data are considered and will continued to be refined by the University, the Board of Regents, and the Division of the Budget.

Faculty includes tenure/tenure track and instructors. Undergraduate credit hours include courses numbered 100-699.

9-01

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. –

Bill Sec. –

Analyst: Mills

Analysis Pg. No. 196

Budget Page No. 425

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,825,859	\$ 1,817,801	\$ 0
Aid to Local Units	7,044,865	7,044,865	0
Other Assistance	<u>11,985,865</u>	<u>11,985,865</u>	<u>0</u>
Subtotal - Operating	\$ 20,856,589	\$ 20,848,531	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 20,856,589</u></u>	<u><u>\$ 20,848,531</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,782,799	\$ 1,774,741	\$ 0
Aid to Local Units	7,044,865	7,044,865	0
Other Assistance	<u>10,403,042</u>	<u>10,403,042</u>	<u>0</u>
Subtotal - Operating	\$ 19,230,706	\$ 19,222,648	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 19,230,706</u></u>	<u><u>\$ 19,222,648</u></u>	<u><u>\$ 0</u></u>
FTE Positions	18.0	18.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>18.0</u></u>	<u><u>18.0</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency's revised estimate of operating expenditures for FY 1996 totals \$20,856,589, which is \$725,773 less than the approved budget. The reductions are found in State General Fund financing (\$616,443) and in other funds (\$109,330).

The revised estimate includes the following major adjustments to the approved budget:

- a total underspending of \$572,940 (State General Fund) of the funding which had been appropriated for the State Scholarship Program. The 1995 Legislature approved increased funding of \$572,940 (SGF) above the FY 1995 levels for the program. The recommendation was to replace federal funds which, it was thought at the time, might not be available. The federal funding did continue into FY 1996 (\$701,820), but no federal SSIG funds are expected in FY 1997.

*Senate Ways & Means
February 21, 1996
Attachment 11*

The appropriation of \$572,940 was made subject to release by the State Finance Council; the funds have not been released. The Regents did not request the release of the funds.

- the elimination of federal funding under the Paul Douglas Teacher Scholarship program which had been budgeted at \$150,000.

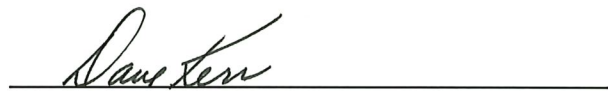
The Governor recommends a total of \$20,848,531 for FY 1996, which is a reduction of \$733,831 from the approved budget. The Governor's recommendation includes the reduction of \$572,940 (SGF) which was appropriated by the 1995 Legislature to be used if federal student financial aid payments were reduced or eliminated in FY 1996. The federal aid payments were continued in FY 1996, and these State General Fund dollars were not needed; the Governor recommends the lapse of this appropriation. The Governor continues the existing 18.0 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



Senator Barbara Lawrence, Subcommittee Chair



Senator Dave Kerr

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 466

Bill Sec. 12

Analyst: Mills

Analysis Pg. No. 196

Budget Page No. 425

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,921,713	\$ 1,826,829	\$(13,516)
Aid to Local Units	7,437,595	7,168,150	0
Other Assistance	14,365,123	12,038,865	0
Subtotal - Operating	\$ 23,724,431	\$ 21,033,844	\$(13,516)
Capital Improvements	10,000,000	14,000,000	0
TOTAL	\$ 33,724,431	\$ 35,033,844	\$(13,516)
State General Fund:			
State Operations	\$ 1,896,713	\$ 1,801,829	\$(13,516)
Aid to Local Units	7,437,595	7,168,150	0
Other Assistance	13,480,373	11,154,115	0
Subtotal - Operating	\$ 22,814,681	\$ 20,124,094	\$(13,516)
Capital Improvements	0	0	0
TOTAL	\$ 22,814,681	\$ 20,124,094	\$(13,516)
FTE Positions	18.0	18.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	18.0	18.0	0.0

Agency Req./Governor's Recommendation

The Board of Regents submits an FY 1997 budget request totaling \$33,724,431, which includes \$1,322,938 for General Administration; \$14,963,898 for Student Financial Aid and other Special Programs; \$7,437,595 for the Washburn University Operating Grant; and \$10.0 million from the Educational Building Fund for Capital Improvements for rehabilitation and repair projects at the Regents institutions. The operating budget is composed of \$22,814,681 from the State General Fund and \$909,750 from other funds. The operating budget increase from FY 1996 to FY 1997 totals \$2,867,842, which is composed of increases in the General Administration program (\$42,979) and Student Financial Aid and other Special Programs (\$2,824,863). The operating budget increase of \$2,867,842 over the current year estimate includes an increase of \$3,583,975 from the State General Fund, and a reduction of \$716,133 in other funds which reflects the expected loss of federal student financial aid funds.

The Governor recommends a 1997 operating budget of \$21,033,844, which includes \$1,285,929 for General Administration, \$12,579,765 for Student Financial Aid and other special programs, \$7,168,150 for the Washburn University Operating Grant, and \$14.0 million for rehabilitation and repair projects at the Regents institutions. The operating budget is composed of \$20,124,094 from the State General Fund and \$909,750 from other funds. The net operating budget increase of \$185,313 includes an increase of \$901,446 from the State General Fund and a reduction of \$716,133 in other funds, which reflects the expected loss of federal student financial aid funds.

Major items in the FY 1997 budget request include:

- an increase of \$1,666,705 to a total of \$4,638,095 for the **Regents Supplemental Grant Program** (the Board states that, over a two-year period, such increases would make this program capable of funding needy students whose family incomes approach the \$25,000 level). **The Governor recommends** \$2,971,390 for the Regents Supplemental Grant program in FY 1997, the same level as the current year estimate, which supports 2,971 students at a maximum grant of \$1,000.
- a 5.6 percent increase (\$392,730) to \$7,437,595 for the **Washburn University operating grant** (the Board states that this increase equals the percent increase in state appropriations requested for the Regents system). **The Governor recommends** an operating grant of \$7,168,150 in FY 1997, an increase of \$123,285, or 1.8 percent over the amount authorized for FY 1996.
- an increase in State General Fund financing of \$701,820 for the **State Scholarship Program** to replace lost federal SSIG funding, which is not expected to be available in FY 1997. **The Governor concurs** with the request for State General Fund dollars to replace federal funds that are not anticipated to be available any longer.
- a request of \$12,000 to provide members of the Board of Regents with **dial-in access** to the Board's local area network and the Internet. **The Governor recommends** no funding for the dial-in access proposal.

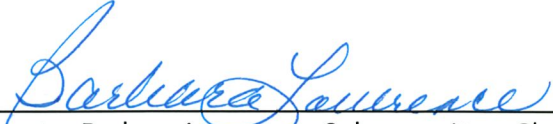
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following additional recommendations:

1. Delete \$13,516 from the State General Fund based on the recommendation to delete funding for the six-month 2.5 percent unclassified merit pool (\$9,726), classified step movement (\$1,523), and the longevity bonus (\$2,267) from individual agency budgets.
2. The Senate Subcommittee wishes to commend the President of Washburn University for the increased efforts to strengthen Washburn in the area of technology and technical education. The University is involved in cooperative programs with both vocational schools and community colleges. The

Subcommittee supports these Cooperative arrangements, and also urges Washburn to expand its cooperative efforts with Wichita State University.

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



Senator Barbara Lawrence, Subcommittee Chair



Senator Dave Kerr

PERFORMANCE INDICATORS FOR BOARD OF REGENTS OFFICE

A. Measures of Board Performance

1. Generally defined as public reaction to activities of the Board of Regents, which is somewhat difficult to quantify. One measure may include:

- Extent to which institutions meet the performance goals they establish.

B. Measures of Board Staff Performance

1. Should probably best be measured by Board satisfaction with:

- Relevance of staff agenda materials to current policy issues in higher education.
- Relevance of publications to issues before the Board, Legislature, and institutions.
- Timeliness and assistance in facilitating the Board's mission.

C. Measures of Financial Aid Unit

1. Necessary to develop performance measures which address both awards and activity necessary to generate awards:

- Numbers of eligible applicants.
- Numbers of recipients.
- Applicant to Recipient Ratios.
- Numbers of awards and dollars awarded
- Timeliness in selecting award recipients.