

Approved: 3/30/98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:30 p.m. on March 19, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Rocky Nichols - Excused
Representative Greg Packer - Excused

Committee staff present: Alan Conroy, Stuart Little, Shannon Nichols, Russell Mills, Leah Robinson, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:

Others attending: See attached list

Representative Farmer reported for the House Subcommittee on Regents Systemwide (Attachment 1). The Subcommittee concurred with the Governor's Recommendations for FY 98 with one adjustment.

A motion was made by Representative Farmer, seconded by Representative Helgerson to adopt the Subcommittee report for FY 98 for Regents Systemwide. A brief discussion followed. The motion carried.

Representative Farmer reported the Subcommittee concurred with the Governor's recommendations for FY 99 with four recommendations. Representative Farmers editorial note stated the FTE's in adjustment #1 do not refer to new positions. A handout was distributed concerning proposed higher education funding increases (Attachment 2).

A motion was made by Representative Farmer, seconded by Representative Helgerson to adopt the Subcommittee report for FY 99 for Regents Systemwide. A discussion followed.

Representative Toplikar noted he did not sign the Subcommittee report because it include Sub. HB 2793 in item #3. He didn't approve of the way the bill was not seen by the whole Appropriations Committee; how it didn't receive a public hearing; and he has serious reservations on the bill since he believes it to be a step toward bigger government while taking away local control.

A substitute motion was made by Representative Toplikar, seconded by Representative Mollenkamp to delete item #3 on page 5 of the Subcommittee report for FY 99. A discussion followed. The substitute motion failed with 7 in favor and 11 opposed.

A vote was taken on the original motion made by Representative Farmer, seconded by Representative Helgerson to adopt the Subcommittee report for FY 99 for Regents Systemwide. The motion carried with 12 in favor. Representative Toplikar is recorded as voting no on the Regents Systemwide report and plans to vote no on approval of the individual institution reports as well because of his position on HB 2793

Representative Reinhardt reported for the House Subcommittee on the University of Kansas (Attachment 3). The Subcommittee concurred with the Governor's recommendations for FY 98 and with the recommendations for FY 99 with four adjustments and observations.

A motion was made by Representative Reinhardt, seconded by Representative Helgerson to adopt the Subcommittee report for University of Kansas for FY 98 and FY 99. A discussed followed. The motion carried. Representative Toplikar was recorded as voting no.

Representative Reinhardt reported for the House Subcommittee on the University of Kansas Medical Center (Attachment 4). The Subcommittee concurred with the Governor's recommendations for FY 98 with one adjustment and with FY 99 with three adjustments.

A motion was made by Representative Reinhardt, seconded by Representative Farmer to adopt the Subcommittee report for FY 98 and FY 99 on the University of Kansas Medical Center. A brief discussion followed. The motion carried. Representative Toplikar was recorded as voting no.

Representative Reinhardt reported for the House Subcommittee on the Kansas State University (Attachment 5). The Subcommittee concurred with the Governor's recommendations for FY 98 with one adjustment and with FY 99 with two adjustments and observations.

A motion was made by Representative Reinhardt, seconded by Representative Farmer to adopt the

Subcommittee report for the Kansas State University for FY 98 and FY 99. A discussion followed. The motion carried. Representative Toplikar was recorded as voting no.

Representative Reinhardt reported for the House Subcommittee on the Kansas State University - Extension Systems and Agriculture Research Programs (Attachment 6). The Subcommittee concurred with the Governor's recommendations for FY 98 and for FY 99 with three adjustments.

A motion was made by Representative Reinhardt, seconded by Representative Farmer to adopt the Subcommittee report on the Kansas State University - Extension Systems and Agriculture Research Programs for FY 98 and FY 99. A discussion followed.

A substitute motion was made by Representative Holmes, seconded by Representative Feuerborn to amend the report by deleting item #1 of the Subcommittee report for FY 99. A discussion followed. The motion carried.

A motion was made by Representative Reinhardt, seconded by Representative Farmer to adopt the Subcommittee report as amended on the Kansas State University - Extension Systems and Agriculture Research Programs for FY 98 and FY 99. The motion carried. Representative Toplikar was recorded as voting no.

Representative Reinhardt reported for the House Subcommittee on Kansas State University - Veterinary Medical Center (Attachment 7). The Subcommittee concurred with the Governor's recommendations for FY 98 and with FY 99 with two adjustments.

A motion was made by Representative Reinhardt, seconded by Representative Farmer to adopt the Subcommittee report on Kansas State University - Veterinary Medical Center for FY 98 and FY 99. A discussion followed.

Representative Dean had concerns that out-of-state students are not paying their full share for education costs when attending the Veterinary School and he requested the following information from Kansas State University: How many students are there from in-state/out-of-state; what are they paying for in-state/out-of-state tuition; and what does it cost to educate the Veterinary School students.

Representative Helgeson requested additional information to be given to the Committee concerning the criteria used for placement in the Veterinary School.

Representative Peterson noted the cost for non-residents was \$8400 per semester compared to \$2399 for residents. He also noted the program is very competitive.

Representative Landwehr distributed copies of an editorial from one of her constituents who was not able to gain admissions at KSU Veterinary School due to the high number of out-of-state students (Attachment 8).

A vote was taken on the original motion made by Representative Reinhardt, seconded by Representative Farmer to adopt the Subcommittee report on Kansas State University - Veterinary Medical Center for FY 98 and FY 99. The motion carried. Representatives Dean and Toplikar were recorded as voting no.

Representative Edmonds reported for the House Subcommittee on Wichita State University (Attachment 9). The Subcommittee concurred with the Governor's recommendations for FY 98 with one observation and with FY 99 with three adjustments and observations.

A motion was made by Representative Edmonds, seconded by Representative Farmer to adopt the Subcommittee report on Wichita State University for FY 98 and FY 99. A discussion followed. The motion carried. Representative Toplikar was recorded as voting no.

Representative Edmonds reported for the House Subcommittee on Emporia State University (Attachment 10). The Subcommittee concurred with the Governor's recommendations for FY 98 and with FY 99 with three adjustments.

A motion was made by Representative Edmonds, seconded by Representative Reinhardt to adopt the Subcommittee report on Emporia State University for FY 98 and FY 99. A brief discussion followed. The motion carried. Representative Toplikar was recorded as voting no.

Representative Edmonds reported for the House Subcommittee on Fort Hays State University (Attachment 11). The Subcommittee concurred with the Governor's recommendations for FY 98 and FY 99 with three adjustments.

A motion was made by Representative Edmonds, seconded by Representative Farmer to adopt the Subcommittee report for Fort Hays State University for FY 98 and FY 99. A discussion followed. The motion carried. Representative Toplikar was recorded as voting no.

Representative Edmonds reported for the House Subcommittee on Pittsburg State University (Attachment 12). The Subcommittee concurred with the Governor's recommendations for FY 98 and with FY 99 with two additional recommendations.

A motion was made by Representative Edmonds, seconded by Representative Farmer to adopt the Subcommittee report on Pittsburg State University for FY 98 and FY 99. There were no questions. The motion carried. Representative Toplikar was recorded as voting no.

Representative Edmonds reported for the House Subcommittee on State Board of Regents (Attachment 13). The Subcommittee concurred with the Governor's recommendations FY 98 and FY 99 with three adjustments.

A motion was made by Representative Edmonds, seconded by Representative Farmer to adopt the Subcommittee report on the State Board of Regents for FY 98 and FY 99. A discussion followed.

Representative McKechnie raised concerns with what appeared to be a disparity between the average faculty salary increase of 4.36% and the average increase of 6% for University Presidents, the Chancellor, and Executive Director of the Board of Regents.

A substitute motion was made by Representative McKechnie, seconded by Representative Neufeld to amend the report by inserting a proviso in the Board section that said "the Board can not give a salary increase to the Presidents, the Chancellor, and the Executive Director of the Board of Regents at an increase higher than the average salary increase for full professors throughout the Regents system. A discussion followed. The motion carried.

Representative O'Connor had concerns on item #2 of the FY 99 report which shifts \$136,328 in the Nursing Scholarship program to the State General Fund and thereby eliminates the local sponsor requirement. She suggested revisiting the item during Omnibus to see if the program is being utilized; whether the program should continue to be funded or whether the amount of funds should be reduced rather than just replacing the normal support with State General Fund money and ignoring the basic problem.

A motion was made by Representative O'Connor, seconded by Representative Landwehr to amend the report by revisiting item #2 at Omnibus. A brief discussion followed. The motion carried.

Representative Ballard expressed concerns on item #1 of the FY 99 report which would shift the \$5.0 million recommended by the Governor for technology equipment from the State Budget Stabilization Fund (SBSF) to the Economic Development Initiatives Fund (EDIF).

A motion was made by Representative Ballard, seconded by Representative Farmer to amend the report to stipulate revisiting item #1 at Omnibus. The motion carried.

A motion was made by Representative Edmonds, seconded by Representative Farmer to adopt the amended subcommittee report on the State Board of Regents for FY 98 and FY 99. The motion carried. Representative Toplikar was recorded as voting no.

Chair Kline had a request for bill introduction concerning Department of Social and Rehabilitation Services and sale of property.

A motion was made by Representative Helgerson, seconded by Representative Neufeld to introduce the bill. The motion carried.

Representative Helgerson distributed a chart prepared by the Legislative Research Department of an overview of FY 99 General Finances (Attachment 14).

The meeting was adjourned at 3:20 p.m.. The next meeting is scheduled for March 20, 1998.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/19/98

NAME	REPRESENTING
Jon Jossierand	KU
Joe Rossillon	ESU
Keith Haxton	S.E.A.K.
Elaine Frisbie	Div. of the Budget
Jim Langford	DOB
Bob Kelly	KICA
Mike Pomato	ASU
Abra Prideaux	FHSU
Marvin Burris	Bd of Regents
Ray Hauke	Staff, Bd of Regents
Nick Gregory	Rep. Edmonds Intern
Katie Sackman	Rep Farmer
Shirley Winborne	Leadership Barber Co.
Bob Ward	Leadership Barber County
Alan Byrd	Rep. Edmonds

House Appropriations Subcommittee

FY 1998 and FY 1999 Subcommittee Reports on:

Regents Systemwide Issues

University of Kansas

University of Kansas Medical Center

Kansas State University

Kansas State University - Extension Systems and Agriculture Research Programs

Kansas State University - Veterinary Medical Center

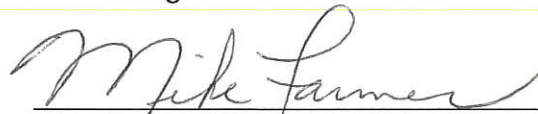
Wichita State University

Emporia State University

Fort Hays State University

Pittsburg State University

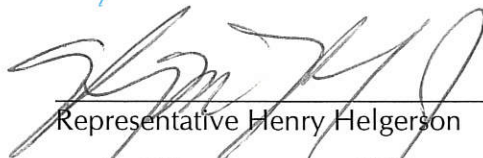
State Board of Regents



Representative Mike Farmer
Subcommittee Chair



Representative John Edmonds



Representative Henry Helgerson



Representative Richard Reinhardt

Representative John M. Toplikar

*Appropriations
3-19-98
Attachment 1*

SUBCOMMITTEE REPORT

Agency: Regents Systemwide Summary

Bill No. --

Bill Sec. --

Analyst: Robinson, Mills, West

Analysis Pg. No. 43

Budget Page No. --

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 490,011,510	\$ 487,061,275	\$ 0
General Fees Fund	175,597,103	175,491,907	0
Hosp. Over. Reim. Fund	9,825,460	9,825,460	0
Federal Land Grant Funds	7,652,499	7,652,499	0
Other Funds	<u>11,696,416</u>	<u>12,455,575</u>	<u>0</u>
Subtotal - General Use	\$ 694,782,988	\$ 692,486,716	\$ 0
Restricted Use Funds	<u>459,897,635</u>	<u>459,834,359</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 1,154,680,623</u></u>	<u><u>\$ 1,152,321,075</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 321,565	\$ 321,565	\$ 0
Educational Bldg. Fund	14,961,300	15,056,078	0
Other Funds	<u>22,102,609</u>	<u>22,911,474</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 37,385,474</u></u>	<u><u>\$ 38,289,117</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 1,192,066,097	\$ 1,190,610,192	\$ 0
FTE Positions	15,602.7	15,586.6	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>15,602.7</u></u>	<u><u>15,586.6</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

Agency Estimate/Governor's Recommendation

The revised FY 1998 general use budgets submitted by the Regents institutions (excluding the KUMC Hospital) reflect an increase of \$11.2 million in general use expenditures from the approved budget. State General Fund expenditures are estimated to increase by \$1.9 million from the approved amount. To fund FY 1998 increased fringe benefit adjustments, the systemwide supplemental State General Fund request totals \$1.5 million. Supplemental funding totaling \$237,874 from the State General Fund is requested for servicing new buildings. In addition, a total of \$211,920 from the State General Fund is requested to fund FY 1998 tuition shortfalls at three institutions. The Governor's FY 1998 recommendation for general use operating expenditures reflects an increase of \$8.9 million over the approved amount. The Governor does not recommend the supplemental funding requested for the fringe benefit adjustments, and generally, increases the individual institution shrinkage rates by an

amount sufficient to accommodate the increased fringe benefit costs. The Governor also does not recommend the supplemental funding requested for servicing new buildings. The Governor concurs with the supplemental funding requested for tuition shortfalls.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends deferring the issue regarding servicing at the Wichita Metropolitan Complex at Wichita State University until Omnibus. The Subcommittee has serious concerns regarding servicing new buildings, specifically with regard to the servicing of buildings which have, or might have a purpose in addition to an academic purpose. To assist the Committee in making a recommendation on this issue and other FY 1999 issues relating to servicing new buildings at that time, the Subcommittee requests that the Board of Regents review this issue and the Subcommittee's concerns and come forward with some suggestion on how better to determine the mix of academic and other purposes which the affected buildings serve. While the Subcommittee seeks specific input on the buildings in question for FY 1998 and FY 1999 during the Omnibus session, the Subcommittee requests that the Board of Regents, as part of a broader analysis, examine the current usage of buildings on the campuses and make some recommendations for formula adjustments that more definitively take mixed uses into consideration for funding purposes. This information should be presented to the 1999 Legislature for consideration.
2. Concur with Governor's Budget Amendment No. 2, Items 8 and 10, which add 296.1 FTE positions, to accurately reflect the Governor's recommendation.

Senate Committee Recommendation

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

1. Delete the references regarding deferring funding for servicing the Wichita Metropolitan Complex. The Committee would still like the input of the Board for purposes of considering funding for the Sternburg Museum in FY 1999 and would like the Board to undertake the broader analysis requested by the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: Regents Systemwide Summary

Bill No. --

Bill Sec. --

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98*	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 490,011,510	\$ 487,061,275	\$ 0
General Fees Fund	175,597,103	175,491,907	0
Hosp. Over. Reim. Fund	9,825,460	9,825,460	0
Federal Land Grant Funds	7,652,499	7,652,499	0
Other Funds	11,696,416	12,455,575	0
Subtotal - General Use	\$ 694,782,988	\$ 692,486,716	\$ 0
Restricted Use Funds	459,897,635	459,834,359	0
TOTAL - Oper. Exp.	<u>\$ 1,154,680,623</u>	<u>\$ 1,152,321,075</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 321,565	\$ 321,565	\$ 0
Educational Bldg. Fund	14,961,300	15,056,078	0
Other Funds	22,102,609	22,911,474	0
TOTAL - Cap. Impr.	<u>\$ 37,385,474</u>	<u>\$ 38,289,117</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 1,192,066,097	\$ 1,190,610,192	\$ 0
FTE Positions	15,602.7	15,586.6	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>15,602.7</u>	<u>15,586.6</u>	<u>0.0</u>

* Reflects Governor's Budget Amendment No. 2.

House Subcommittee Recommendation

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

1. The Subcommittee recommends deferring the issue of providing supplemental funding for servicing new buildings in FY 1998 until Omnibus. Wichita State University has requested funding totaling \$237,874 from the State General Fund and 6.0 FTE positions for servicing the Wichita Metropolitan Complex. Annualized, this amount would grow to \$318,478 in FY 1999. The Governor did not recommend the funding, noting that special programs housed at the facility could pay for the building's maintenance. This decision appears to have been based on the fact that

uses for the facility had not been determined at the time the Governor's recommendations were being finalized. The Subcommittee has been informed of the probable uses of the building and has reviewed the servicing arrangements of comparable buildings on other campuses. It would appear that the uses to which the facility are being put are appropriate for servicing costs to be funded from the general use budget. The Subcommittee requests that the Governor review this item and consider issuing a Governor's Budget Amendment to provide the funding.

The Subcommittee also learned that the Senate Subcommittee requested input from the Board of Regents regarding servicing issues, specifically regarding an appropriate funding mix for buildings which have, or might have, a purpose in addition to a purely academic purpose. The Subcommittee would like to review the information presented to the Senate during Omnibus.

The entire issue of funding for new buildings operating support highlights a long-standing concern of the Subcommittee regarding planning for the acquisition of new buildings. One potential response to this concern would be to require an "operating endowment" to accompany the gift of a building. This operating endowment would provide maintenance funding to accompany the gift property. There should be clear plans regarding how a building is built or acquired. The Subcommittee recommends that the Board consider the issue and be prepared to review this issue with the Subcommittee during the 1999 Session.

SUBCOMMITTEE REPORT

Agency: Regents Systemwide Summary

Bill No. –

Bill Sec. –

Analyst: Robinson, Mills, West

Analysis Pg. No. 43

Budget Page No. –

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 515,830,227	\$ 511,687,723	\$ (22,318,327)
General Fees Fund	181,338,673	182,203,303	0
Hosp. Over. Reim. Fund	9,825,460	9,404,401	0
Federal Land Grant Funds	8,452,499	9,433,946	0
Other Funds	<u>8,821,603</u>	<u>8,238,151</u>	<u>0</u>
Subtotal General Use	\$ 724,268,462	\$ 720,967,524	\$ (22,318,327)
Restricted Use Funds	<u>471,053,133</u>	<u>469,918,034</u>	<u>181,000</u>
TOTAL - Oper. Exp.	<u><u>\$ 1,195,321,595</u></u>	<u><u>\$ 1,190,885,558</u></u>	<u><u>\$ (22,137,327)</u></u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bldg. Fund	438,678	0	0
Other Funds	<u>22,611,000</u>	<u>26,485,750</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 23,239,124</u></u>	<u><u>\$ 26,675,196</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 1,218,560,719	\$ 1,217,560,754	\$ (24,934,425)
FTE Positions	15,636.5	15,579.9	(0.5)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>15,636.5</u></u>	<u><u>15,579.9</u></u>	<u><u>(0.5)</u></u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$22,147,989 from the State General Fund for the Governor's recommended state employee salary adjustments. Also includes institution specific adjustments totaling \$25,000 which are explained in the individual institution subcommittee reports.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$29.5 million requested by the Regents institutions would result in a 4.2 percent increase in general use expenditures in FY 1999. An increase of 5.3 percent from the State General Fund is requested while expenditures from the general fees fund (tuition) are requested to increase by 3.3 percent. Total FY 1999 enhancement funding of \$19.8 million (including \$16.5 million from the State General Fund) is requested. The request includes both systemwide enhancements and institution specific enhancements which are discussed in the individual institution subcommittee reports. The requested systemwide enhancements include funding to bring the

FY 1999 unclassified salary increase to a total of 5.0 percent, and the total FY 1999 other operating expenditure increase to 4.0 percent. Systemwide funding of \$5.7 million (including \$3.8 million from the State General Fund) is requested, as is funding totaling \$1.5 million for the employer contribution to health insurance for graduate teaching assistants and graduate research assistants. The systemwide request also includes funding of \$412,669 from the general fees fund for a tuition equity enhancement.

The Governor's recommendation for FY 1999 general use operating budget expenditures is an increase of \$28.4 million (4.1 percent) over the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent classified base salary adjustment and a 4.0 percent unclassified merit pool. The Governor recommends a 2.5 percent OOE increase for FY 1999. The Governor also concurs with the technology enhancement request. The Governor does not recommend the other requested enhancements.

Senate Subcommittee Recommendation

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

1. Delete a total of \$22,147,989 from the State General Fund based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$16,638,655), classified step movement (\$1,784,322), a 1.5 percent classified base salary adjustment (\$1,788,922), and the longevity bonus (\$1,936,090) from individual agency budgets. Individual amounts deleted from each institution are reflected in the subcommittee reports for the institutions.
2. Concur with Governor's Budget Amendment No. 2 which, for the Regents institutions, adds funding of \$55,006 from the State General Fund, shifts funding of \$140,000 from the general fees fund to the State General Fund, and adds 296.1 FTE positions, to accurately reflect the Governor's recommendation. Individual amounts adjusted for each institution are reflected in the subcommittee reports for the institutions.
3. For the reasons noted in the FY 1998 Systemwide Summary, the Subcommittee is deferring a decision on funding for servicing new buildings which was requested in FY 1999 and not recommended by the Governor. In addition, the Governor recommended servicing money for a building at the University of Kansas and a building at Wichita State University. The Governor's recommendation was based on adding 1.0 new FTE position for each 12,500 gross square feet of space. The Subcommittee notes that the 1997 Legislature appropriated servicing funding for the Kansas Technology Center at Pittsburg State University at the rate of 1.0 FTE per 15,000 gross square feet. The Subcommittee recommends that the funding for the buildings at KU and WSU be adjusted to reflect the formula utilized by the 1997 Legislature. This would require the reduction of \$14,338 from the State General Fund and 0.5 FTE positions.
4. The Subcommittee recommends the introduction of legislation which would, in effect, overrule the October 1994 ruling by the Public Employee Relations Board (PERB) which recognized Graduate Teaching Assistants (GTAs) at the University of Kansas as employees with the right to be represented in the "meet and confer"

process. In addition, the legislation would provide that no one who worked less than 1,000 hours per year would qualify for an employer contribution to group health insurance. This would eliminate the need for the funding requested for the employer contribution by the Regents institutions. The issue could be re-examined at Omnibus based on the outcome of the recommended legislation.

Senate Committee Recommendation

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

1. Modify item 3 of the Subcommittee report to provide that the only servicing request deferred until Omnibus is the Sternberg Museum at Fort Hays State University.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: Regents Systemwide Summary

Bill No. –

Bill Sec. –

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 515,830,227	\$ 511,687,723	\$ 6,044,000
General Fees Fund	181,338,673	182,203,303	0
Hosp. Over. Reim. Fund	9,825,460	9,404,401	0
Federal Land Grant Funds	8,452,499	9,433,946	0
Other Funds	8,821,603	8,238,151	331,000
Subtotal General Use	<u>\$ 724,268,462</u>	<u>\$ 720,967,524</u>	<u>\$ 6,375,000</u>
Restricted Use Funds	471,053,133	469,918,034	0
TOTAL - Oper. Exp.	<u><u>\$ 1,195,321,595</u></u>	<u><u>\$ 1,190,885,558</u></u>	<u><u>\$ 6,375,000</u></u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bldg. Fund	438,678	0	0
Other Funds	22,611,000	26,485,750	(3,000,000)
TOTAL - Cap. Impr.	<u><u>\$ 23,239,124</u></u>	<u><u>\$ 26,675,196</u></u>	<u><u>\$ (3,000,000)</u></u>
GRAND TOTAL	\$ 1,218,560,719	\$ 1,217,560,754	\$ 3,375,000
FTE Positions	15,636.5	15,579.9	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>15,636.5</u></u>	<u><u>15,579.9</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

House Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment No. 2 which, for the Regents institutions, adds funding of \$55,006 from the State General Fund, shifts funding of \$140,000 from the general fees fund to the State General Fund, and adds 296.1 FTE positions, to accurately reflect the Governor's recommendation. Individual amounts adjusted for each institution are reflected in the subcommittee reports for the institutions.
2. For the reasons noted in the FY 1998 Systemwide Summary, the Subcommittee is deferring a decision on funding for servicing new buildings which was requested in FY 1999 and not recommended by the Governor, until Omnibus.

3. The Subcommittee recommends that the multi-year funding included in Substitute for House Bill No. 2793, the plan of the Select Committee on Higher Education, be added to the appropriations bill. The appropriations should include a proviso stating that they are contingent upon the adoption of H.C.R. 5049 by the voters at the November 3, 1998 general election and the passage of Substitute for H.B. 2793. The multi-year appropriations recommended by the Subcommittee for postsecondary institutions are intended to be in addition to the regular funding these institutions normally receive. The enhanced funding would allow Washburn University to reduce its property tax levy and transition into the state system, and would allow all postsecondary institutions enhancement funding to allow them to achieve a level of excellence that would not otherwise be possible. Some of the funding has been added to the Department of Education budget for FY 1999 and FY 2000. Other funding, all from the State General Fund, is recommended as follows:

FY 1999: \$6.4 million in enhancement and equity funding is recommended in the budgets of each of the Regents institutions; and \$200,000 is recommended for start-up funding for the Council on Higher Education.

FY 2000: \$21.6 million in enhancement and equity funding is recommended in the budgets of each of the Regents institutions; \$1.0 million is recommended for operating costs for the Council on Higher Education; and \$13.2 million is recommended in the Board of Regents budget for Washburn University property tax reduction and transition expenses to transition Washburn into the state system.

FY 2001: All funding is recommended in the budget of the Council on Higher Education and includes: \$1.0 million for operations; \$14.6 million for Washburn University property tax mill levy reduction and transition expenses; \$8.0 million to provide consolidation and affiliation incentives; \$25.0 million in enhancement and equity funding; and \$6.0 million in student financial assistance.

FY 2002: All funding is recommended in the budget of the Council on Higher Education and includes: \$1.0 million for operations; \$14.6 million for Washburn University property tax mill levy reduction and transition expenses; \$8.0 million to provide consolidation and affiliation incentives; \$50.0 million in enhancement and equity funding; and \$8.0 million in student financial assistance.

4. The Subcommittee requests that the State Board of Regents survey its institutions, Washburn University, and private colleges and universities in the state to obtain information about the number of credit hours generated by high school students who are concurrently enrolled in these postsecondary institutions. A similar request was made of the State Board of Education regarding high school students concurrently enrolled at community colleges. Present law permits high school juniors and seniors, with the approval of their principal, to enroll at a Regents institution, community college, Washburn University, or accredited independent college or university at the

same time they are students at a high school. Credits earned by the pupil may be counted both as high school and college credit.

The Subcommittee is interested in learning more about the agreements school districts have with postsecondary institutions that involve concurrently enrolled students. The Subcommittee would like to have the information that it has requested by the Omnibus Session. At that time, it is possible that additional recommendations may be made after the Subcommittee has had the opportunity to examine the information that has been provided.

**FINAL REVISED
ATTACHMENT 3**

NOVEMBER SCENARIO

**Proposed Higher Education Funding Increases
(In Millions)**

(Subsequent to Approval by Voters of Constitutional Amendment)

Annual Increases

FY 1999

Property Tax Relief:

\$0.0	Out-District Tuition and Community College Operating Mill Levy Reductions	
<u>0.0</u>	Washburn University (mill levy reduction)	
<u>\$0.0</u>	Subtotal - Property Tax Relief - FY 1999	

Enhancements:

6.4	Regents Excellence	
	University of Kansas	\$ 1,978,240
	Kansas State University	1,244,800
	Wichita State University	535,040
	Emporia State University	279,680
	Pittsburg State University	343,680
	Fort Hays State University	326,400
	KSU-Extension and Ag. Research	519,040
	KU Medical Center - Education	1,046,400
	KSU-Veterinary Medical Center	126,720
	TOTAL	<u>\$ 6,400,000</u>
<u>0.2</u>	Coordinating Board Operations	
<u>\$6.6</u>	Subtotal - Enhancements - FY 1999	
<u>\$6.6</u>	Grand Total - FY 1999	

FY 2000

Property Tax Relief:

30.0	Community College Mill Levy Reductions	
<u>13.2</u>	Washburn University (mill levy reduction)	
<u>\$43.2</u>	Subtotal Property Tax Relief - FY 2000	

*Appropriations
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Attachment 2*

Annual Increases

Enhancements:

1.0	AVTS Capital and Technology Improvements		
0.7	Community College Technology Enhancements		
11.5	Community College Financing Enhancements		
15.2	Regents Institutional Enhancements		
	University of Kansas	\$	4,698,320
	Kansas State University		2,956,400
	Wichita State University		1,270,720
	Emporia State University		664,240
	Pittsburg State University		816,240
	Fort Hays State University		775,200
	KSU-Extension and Ag. Research		1,232,720
	KU Medical Center - Education		2,485,200
	KSU-Veterinary Medical Center		300,960
	TOTAL	\$	<u>15,200,000</u>

0.8 Coordinating Board Operations
\$29.2 Subtotal - Enhancements - FY 2000

\$72.4 **Grand Total - FY 2000**

FY 2001

Property Tax Relief:

0.0	Community Colleges		
8.0	Merger/Affiliation		
<u>1.4</u>	Washburn University (mill levy reduction)		
<u>\$9.4</u>	Subtotal Property Tax Relief - FY 2001		

Enhancements:

25.0	Enhancements and Equity for All Institutions Under Governance or Coordination of Council on Higher Education		
6.0	Financial Assistance for Students at Post-Secondary Educational Institutions		
<u>\$31.0</u>	Subtotal - Enhancements - FY 2001		

\$40.4 **Grand Total - FY 2001**

Annual Increases

FY 2002

Property Tax Relief:

0.0 Community Colleges

0.0 Washburn University (mill levy reduction)

\$0.0 Subtotal Property Tax Relief - FY 2002

Enhancements:

25.0 University Enhancements and Equity for All Institutions
Under Governance or Coordination of Council on Higher
Education

2.0 Financial Assistance for Students at Post-Secondary Educa-
tional Institutions

\$27.0 Subtotal - Enhancements - FY 2002

\$27.0 Grand Total - FY 2002

Summary of Increases—FY 1999-FY 2002

\$52.6 Property Tax Relief

93.8 Enhancements

\$146.4 Grand Total Increases- FY 1999 - FY 2002

3

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 143

Budget Page No. 479

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 117,875,066	\$ 117,371,683	\$ 0
General Fees Fund	71,621,799	71,621,799	0
Other Funds	5,417,686	5,417,686	0
Subtotal - General Use	\$ 194,914,551	\$ 194,411,168	\$ 0
Restricted Use Funds	180,878,091	180,822,970	0
TOTAL - Oper. Exp.	\$ 375,792,642	\$ 375,234,138	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	4,080,254	3,986,354	0
State Budget Stab. Fund	0	0	0
Other Funds	9,631,712	9,631,712	0
TOTAL - Cap. Impr.	\$ 13,711,966	\$ 13,618,066	\$ 0
GRAND TOTAL	\$ 389,504,608	\$ 388,852,204	\$ 0
FTE Positions	4,488.0	4,488.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4,488.0	4,488.0	0.0

Agency Estimate/Governor's Recommendation

The University's revised FY 1998 estimate for general use operating expenditures is an increase of \$5.4 million over the amount approved by the 1997 Legislature, including reappropriations. The Governor recommends a general use operating increase of \$5.3 million over the approved amount. The Governor's recommendation includes retirement reduction savings totaling \$122,214.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor.

*Appropriations
3-19-98
Attachment 3*

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: University of Kansas

Bill No. --

Bill Sec. --

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 117,875,066	\$ 117,371,683	\$ 0
General Fees Fund	71,621,799	71,621,799	0
Other Funds	<u>5,417,686</u>	<u>5,417,686</u>	<u>0</u>
Subtotal - General Use	\$ 194,914,551	\$ 194,411,168	\$ 0
Restricted Use Funds	<u>180,878,091</u>	<u>180,822,970</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 375,792,642</u></u>	<u><u>\$ 375,234,138</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	4,080,254	3,986,354	0
State Budget Stab. Fund	0	0	0
Other Funds	<u>9,631,712</u>	<u>9,631,712</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 13,711,966</u></u>	<u><u>\$ 13,618,066</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 389,504,608	\$ 388,852,204	\$ 0
FTE Positions	4,488.0	4,488.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>4,488.0</u></u>	<u><u>4,488.0</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Governor.

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 642

Bill Sec. 75

Analyst: Robinson

Analysis Pg. No. 143

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 124,866,925	\$ 124,028,306	\$ (6,121,923)
General Fees Fund	73,683,298	74,289,000	0
Other Funds	<u>4,390,940</u>	<u>3,785,238</u>	<u>0</u>
Subtotal - General Use	\$ 202,941,163	\$ 202,102,544	\$ (6,121,923)
Restricted Use Funds	<u>186,783,168</u>	<u>184,188,951</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 389,724,331</u></u>	<u><u>\$ 386,291,495</u></u>	<u><u>\$ (6,121,923)</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
State Budget Stab. Fund	0	3,000,000	0
Other Funds	<u>2,365,000</u>	<u>2,365,000</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 2,365,000</u></u>	<u><u>\$ 5,365,000</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 392,089,331	\$ 391,656,495	\$ (6,121,923)
FTE Positions	4,499.5	4,486.5	(0.3)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>4,499.5</u></u>	<u><u>4,486.5</u></u>	<u><u>(0.3)</u></u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$6,114,588 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$8.0 million requested by the University would result in a 4.1 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$5.6 million, including \$4.8 million from the State General Fund. These include systemwide enhancements totaling \$4.8 million, and institution specific enhancements totaling \$789,337, including \$609,337 from the State General Fund. Requested enhancements include \$150,000 from the State General Fund for partial funding for research to extend the life of the Hugoton Natural Gas area, and \$459,337 from the State General Fund to address faculty salary compression. In addition, the University requests FY 1999 expenditures of \$180,000 from a new proposed law school fee.

The Governor recommends an FY 1999 general use operating budget increase of \$7.7 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor concurs with the University's requested enhancements regarding the Hugoton Natural Gas area and the law school fee.

Senate Subcommittee Recommendation

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

1. Delete a total of \$6,114,588 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$4,786,940), classified step movement (\$353,109), a 1.5 percent classified base salary adjustment (\$461,421), and the longevity bonus (\$513,118) from individual agency budgets.
2. **Systemwide Recommendation—Servicing New Buildings.** Delete funding of \$7,335 from the State General Fund and 0.3 FTE positions recommended by the Governor to reflect the Subcommittee's systemwide recommendation regarding servicing new buildings by adjusting the formula recommended by the Governor from 1.0 new FTE per 12,500 gross square feet to 1.0 new FTE per 15,000 square feet.
3. Concur with Governor's Budget Amendment No. 2, Item 7, which adds \$11,836 from the State General Fund to accurately reflect the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: University of Kansas

Bill No. 2893

Bill Sec. 75

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99*	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 124,866,925	\$ 124,028,306	\$ 1,828,240
General Fees Fund	73,683,298	74,289,000	0
Other Funds	4,390,940	3,785,238	150,000
Subtotal - General Use	<u>\$ 202,941,163</u>	<u>\$ 202,102,544</u>	<u>\$ 1,978,240</u>
Restricted Use Funds	186,783,168	184,188,951	0
TOTAL - Oper. Exp.	<u><u>\$ 389,724,331</u></u>	<u><u>\$ 386,291,495</u></u>	<u><u>\$ 1,978,240</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
State Budget Stab. Fund	0	3,000,000	(3,000,000)
Other Funds	2,365,000	2,365,000	0
TOTAL - Cap. Impr.	<u><u>\$ 2,365,000</u></u>	<u><u>\$ 5,365,000</u></u>	<u><u>\$ (3,000,000)</u></u>
GRAND TOTAL	\$ 392,089,331	\$ 391,656,495	\$ (1,021,760)
FTE Positions	4,499.5	4,486.5	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>4,499.5</u></u>	<u><u>4,486.5</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

House Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment No. 2, Item 7, which adds \$11,836 from the State General Fund to accurately reflect the Governor's recommendation.
2. Shift funding of \$150,000 recommended for research to extend the life of the Hugoton Natural Gas Area from the State General Fund to the Economic Development Initiatives Fund (EDIF). The Subcommittee believes the EDIF is a more appropriate source of funding for this item.
3. Delete \$3.0 million from the State Budget Stabilization Fund recommended by the Governor for partial construction costs of the Robert J. Dole Institute of Public Service and Public Policy on the KU campus. The total cost to construct the facility is estimated to be \$6.0 million. While the Subcommittee is fully aware of the many

contributions Senator Dole has made to the State of Kansas and the nation, the Subcommittee nevertheless believes that the use of privately raised funding would be the most appropriate method of constructing the facility. The Subcommittee strongly urges the University to aggressively pursue private fundraising opportunities. Given Senator Dole's stature, a number of donors should be willing to help recognize the Senator's many achievements with a contribution toward the cost of the facility.

The Subcommittee recommends that the University be prepared to present a status report during Omnibus. This issue could be reviewed again at that time.

4. **Systemwide Recommendation -- House Select Committee on Higher Education Recommendations.** In keeping with the Subcommittee's recommendation to provide funding for the recommendations of the House Select Committee on Higher Education, add funding from the State General Fund totaling \$1,978,240 in FY 1999 and \$6,676,560 in FY 2000 for enhancement and equity funding.

4

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center

Bill No. 643

Bill Sec. 24

Analyst: West

Analysis Pg. No. 156

Budget Page No. 481

Expenditure Summary	Agency Estimate FY 98	Gov. Rec.* FY 98	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 89,860,686	\$ 88,808,952	\$ 0
General Fee Fund	9,663,308	9,618,455	0
Med. Scholar. Repaymt. Fund	1,451,627	2,334,377	0
Hospital Revenue Fund	159,468,000	159,468,000	0
Hosp. Overhead Reimb. Fund	9,825,460	9,825,460	0
Spec. Enhance. Fund	0	0	0
Subtotal—General Use	\$ 270,269,081	\$ 270,055,244	\$ 0
Restricted Use Funds	56,265,410	56,265,410	0
TOTAL—Oper. Exp.	\$ 326,534,491	\$ 326,320,654	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	1,000,000	1,000,000	0
Educational Building Fund	4,204,449	4,393,177	0
Other Funds	2,910,940	2,910,940	0
TOTAL—Cap. Impr.	\$ 8,115,439	\$ 8,304,117	\$ 0
GRAND TOTAL	\$ 334,649,930	\$ 334,624,771	\$ 0
FTE Positions	2,484.7	2,484.7	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	2,484.7	2,484.7	0.0

* Includes GBA 2, Item 10

Agency Estimate/Governor's Recommendation

The University of Kansas Medical Center (KUMC) submits two separate budget documents, one for the Education Program and one for the Hospital Program. The Hospital Program is financed entirely from the Hospital Revenue Fund and restricted fees and receives no support from the State General Fund.

*Appropriations
3-19-98
Attachment 4*

Education Program

The current year operating estimate for the Education Program totals \$166.9 million. General Use funding of \$110.8 million is an increase of \$1.7 million from the approved budget, of which \$1,451,627 is attributable to a shift of expenditures from the Medical Scholarship Loan Repayment Fund from the Restricted Use to the General Use budget. The agency also requests a State General Fund supplemental appropriation of \$213,837 to finance employer fringe benefit costs. Restricted Use funding of \$56.1 million is a net increase of \$831,633 from the approved budget absent the shift of expenditures from the Medical Scholarship Loan Repayment Fund. Education Program FTE total 2,484.7, a reduction of 5.6 from the approved budget.

The Governor recommends a current year operating budget of \$166.7 million, including a general Use budget of \$110.6 million and a restricted Use budget of \$56.1 million. The Governor does not recommend the requested supplemental appropriation. In addition, the Governor shifts expenditures of \$44,853 from the General Fees Fund to the State General Fund to reflect consensus tuition estimates and \$882,750 from the State General Fund to the Medical Scholarship Loan Repayment Fund to take advantage of increased receipts to that fund. The Governor concurs with the agency's estimate of FTE positions.

Hospital Program

The Hospital estimates that FY 1998 state operations expenditures will total \$159.6 million, an increase of \$17.7 million from the approved budget. The increase is attributable to a greater than anticipated demand for the Hospital's services. **The Governor concurs with the Hospital's current year estimate.**

Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with GBA No. 2, item 10 which makes a technical adjustment to the number of FTE positions.

Senate Committee Recommendation

The Senate Committee concurs.

Agency: University of Kansas Medical Center

Bill No. 2895

Bill Sec. 24

Expenditure Summary	Agency Estimate FY 98	Gov. Rec.* FY 98	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 89,860,686	\$ 88,808,952	\$ 0
General Fee Fund	9,663,308	9,618,455	0
Med. Scholar. Repaymt. Fund	1,451,627	2,334,377	0
Hospital Revenue Fund	159,468,000	159,468,000	0
Hosp. Overhead Reimb. Fund	9,825,460	9,825,460	0
Spec. Enhance. Fund	0	0	0
Subtotal—General Use	\$ 270,269,081	\$ 270,055,244	\$ 0
Restricted Use Funds	56,265,410	56,265,410	0
TOTAL—Oper. Exp.	\$ 326,534,491	\$ 326,320,654	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	1,000,000	1,000,000	0
Educational Building Fund	4,204,449	4,393,177	0
Other Funds	2,910,940	2,910,940	0
TOTAL—Cap. Impr.	\$ 8,115,439	\$ 8,304,117	\$ 0
GRAND TOTAL	\$ 334,649,930	\$ 334,624,771	\$ 0
FTE Positions	2,484.7	2,484.7	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	2,484.7	2,484.7	0.0

* Includes GBA 2, Item 10

House Subcommittee Recommendation

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

1. The Subcommittee concurs with GBA No. 2, item 10 which makes a technical adjustment to the number of FTE positions.

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center

Bill No. 642

Bill Sec. 76

Analyst: West

Analysis Pg. No. 156

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 92,573,257	\$ 92,316,980	\$ (3,383,206)
General Fees Fund	9,951,292	9,979,582	—
Med. Scholar. Repaymt. Fund	1,776,475	1,893,725	—
Hospital Revenue Fund	160,545,000	160,672,962	(81,735,030)
Hosp. Overhead Reimb. Fund	9,825,460	9,404,401	—
Spec. Equip. Enhance. Fund	<u>95,000</u>	<u>0</u>	<u>—</u>
Subtotal—General Use	\$ 274,766,484	\$ 274,267,650	\$ (85,118,236)
Restricted Use Funds	<u>58,960,185</u>	<u>59,337,485</u>	<u>(66,095)</u>
TOTAL—Oper. Exp.	<u>\$ 333,726,669</u>	<u>\$ 333,605,135</u>	<u>\$ (85,184,331)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	1,000,000	1,000,000	0
Educational Building Fund	188,678	0	0
Other Funds	<u>5,174,750</u>	<u>5,174,750</u>	<u>0</u>
TOTAL—Cap. Impr.	<u>\$ 6,363,428</u>	<u>\$ 6,174,750</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 340,090,097	 \$ 339,779,885	 \$ (85,184,331)
 FTE Positions	 4,626.8	 4,443.8	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>4,626.8</u></u>	<u><u>4,443.8</u></u>	<u><u>0.0</u></u>

* Includes GBA No. 2, item 10.

** Includes a reduction of \$4,781,755 (\$3,383,206 State General Fund) for the Governor's salary adjustments.

Agency Request/Governor's Recommendation

The University of Kansas Medical Center (KUMC) submits two separate budget documents, one for the Education Program and one for the Hospital Program. The Hospital Program is financed entirely from the Hospital Revenue Fund and restricted fees and receives no support from the State General Fund.

Education Program

The agency requests an FY 1999 operating budget for the Education Program of \$173.0 million. Restricted Use funding makes up \$58.8 million of the budget request. The General Use budget request of \$114.2 million is an increase of \$3.4 million (3.1 percent) from the current year estimate. The request includes \$1.7 million for systemwide enhancements requested by the Board of Regents which are discussed in greater detail in the *Regents Systemwide Summary*.

The request also includes \$588,853 and 8.3 FTE positions for three institution specific enhancements including support for the **Center on Aging** (\$378,000, 5.0 FTE), support for the **Alzheimer's Disease Center** (\$182,353, 2.3 FTE), and support for the **Women's Health Center** (\$50,000, 1.0 FTE).

The Governor recommends an FY 1999 operating budget for the Education Program of \$172.8 million. Restricted Use funding makes up \$59.2 million. The recommended General Use budget of \$113.6 million includes \$1.8 million for systemwide enhancements which are discussed in greater detail in the *Regents Systemwide Summary*. The Governor does not recommend the institution specific enhancements requested by the agency. The Governor's recommendation adds \$117,250 from the Medical Scholarship Loan Repayment Fund to finance an additional five scholarships above the number included in the agency's original budget submission.

Hospital Program

The Hospital estimates that FY 1999 state operations expenditures will total \$160.7 million, an increase of \$1.1 million (0.7 percent) from the current year budget. The increase is attributable to the net effect of continued declines in hospital utilization and the impact of managed care markets offset by increased patient acuity and rate increases. **The Governor** recommends an FY 1999 budget for the Hospital Program of \$160.8 million which reflects the agency's request impacted by the Governor's pay plan recommendations.

Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with GBA No. 2, item 10 which makes a technical adjustment to the number of FTE positions.
2. Reduce salaries and wages by \$4,781,755 (including \$3,383,206 from the State General Fund) to remove the Governor's recommended employee salary adjustments.
3. The Subcommittee notes that under the terms of SB 373 the Hospital Program will no longer be part of the state budget after the transfer to the University of Kansas Hospital Authority. This transfer is to completed no later than December 31, 1998. The Subcommittee recommends the reduction of \$80,402,576, which represents one half of the FY 1999 operating budget included in the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs.

Agency: University of Kansas Medical Center

Bill No. 2893

Bill Sec. 76

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99*	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 92,573,257	\$ 92,316,980	\$ 1,046,400
General Fees Fund	9,951,292	9,979,582	--
Med. Scholar. Repaymt. Fund	1,776,475	1,893,725	--
Hospital Revenue Fund	160,545,000	160,672,962	(80,402,576)
Hosp. Overhead Reimb. Fund	9,825,460	9,404,401	--
Spec. Equip. Enhance. Fund	95,000	0	--
Subtotal—General Use	\$ 274,766,484	\$ 274,267,650	\$ (79,356,176)
Restricted Use Funds	58,960,185	59,337,485	(66,095)
TOTAL—Oper. Exp.	\$ 333,726,669	\$ 333,605,135	\$ (79,422,271)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	1,000,000	1,000,000	0
Educational Building Fund	188,678	0	0
Other Funds	5,174,750	5,174,750	0
TOTAL—Cap. Impr.	\$ 6,363,428	\$ 6,174,750	\$ 0
 GRAND TOTAL	 \$ 340,090,097	 \$ 339,779,885	 \$ (79,422,271)
 FTE Positions	 4,626.8	 4,443.8	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4,626.8	4,443.8	0.0

* Includes GBA No. 2, item 10.

House Subcommittee Recommendation

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

1. The Subcommittee concurs with GBA No. 2, item 10 which makes a technical adjustment to the number of FTE positions.
2. The Subcommittee notes that under the terms of SB 373 the Hospital Program will no longer be part of the state budget after the transfer to the University of Kansas Hospital Authority. This transfer is to completed no later than December 31, 1998. The Subcommittee recommends the reduction of \$80,402,576, which represents one half of the FY 1999 operating budget included in the Governor's recommendation.
3. **Systemwide Recommendation—Recommendations of the House Select Committee on Higher Education.** In keeping with the Subcommittee's decision to fund the recommendations of the Select Committee on Higher Education, add funding from the State General Fund totaling \$1,046,400 in FY 1999 and \$3,531,600 in FY 2000 for enhancement and equity funding.

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 643

Bill Sec. 22

Analyst: Robinson

Analysis Pg. No. 95

Budget Page No. 333

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 93,173,838	\$ 92,851,732	\$ 0
General Fees Fund	39,506,874	39,506,874	0
Other Funds	154,683	154,683	0
Subtotal - General Use	<u>\$ 132,835,395</u>	<u>\$ 132,513,289</u>	<u>\$ 0</u>
Restricted Use Funds	108,652,750	108,652,246	0
TOTAL - Oper. Exp.	<u><u>\$ 241,488,155</u></u>	<u><u>\$ 241,138,535</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	3,396,615	3,396,615	0
Other Funds	4,904,968	4,904,968	0
TOTAL - Cap. Impr.	<u><u>\$ 8,491,029</u></u>	<u><u>\$ 8,491,029</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 249,979,184	\$ 249,629,564	\$ 0
FTE Positions	3,147.8	3,147.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>3,147.8</u></u>	<u><u>3,147.8</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

Agency Estimate/Governor's Recommendation

The University requests FY 1998 revised general use operating budget expenditures of \$387,369 over the FY 1998 approved amount. The Governor recommends an increase of \$65,263 over the approved amount. The Governor's revised FY 1998 recommendation reflects retirement reductions totaling \$43,287.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustment:

*Appropriations
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Attachment 5*

1. Concur with Governor's Budget Amendment No. 2, Item 8, which adds a total of 121.4 FTE positions to accurately reflect the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: Kansas State University

Bill No. 2895

Bill Sec. 22

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98*</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 93,173,838	\$ 92,851,732	\$ 0
General Fees Fund	39,506,874	39,506,874	0
Other Funds	154,683	154,683	0
Subtotal - General Use	<u>\$ 132,835,395</u>	<u>\$ 132,513,289</u>	<u>\$ 0</u>
Restricted Use Funds	108,652,750	108,652,246	0
TOTAL - Oper. Exp.	<u><u>\$ 241,488,155</u></u>	<u><u>\$ 241,138,535</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	3,396,615	3,396,615	0
Other Funds	4,904,968	4,904,968	0
TOTAL - Cap. Impr.	<u><u>\$ 8,491,029</u></u>	<u><u>\$ 8,491,029</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 249,979,184	\$ 249,629,564	\$ 0
FTE Positions	3,147.8	3,147.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>3,147.8</u></u>	<u><u>3,147.8</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Governor, with the following adjustment:

1. Concur with Governor's Budget Amendment No. 2, Item 8, which adds a total of 121.4 FTE positions to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 642

Bill Sec. 70

Analyst: Robinson

Analysis Pg. No. 95

Budget Page No. 333

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 97,623,251	\$ 96,990,974	\$ (4,284,512)
General Fees Fund	40,907,590	40,907,590	0
Other Funds	80,000	80,000	0
Subtotal - General Use	\$ 138,610,841	\$ 137,978,564	\$ (4,284,512)
Restricted Use Funds	109,877,078	110,359,147	0
TOTAL - Oper. Exp.	<u>\$ 248,487,919</u>	<u>\$ 248,337,711</u>	<u>\$ (4,284,512)</u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	0	0	0
Other Funds	5,269,000	5,269,000	0
TOTAL - Cap. Impr.	<u>\$ 5,458,446</u>	<u>\$ 5,458,446</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 253,946,365	\$ 253,796,157	\$ (4,284,512)
FTE Positions	3,148.8	3,144.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>3,148.8</u>	<u>3,144.8</u>	<u>0.0</u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$4,284,512 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$5.8 million requested by the University would result in a 4.3 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$3.9 million, including \$3.4 million from the State General Fund. These include systemwide enhancements totaling \$3.6 million, and institution specific enhancements totaling \$355,164 from the State General Fund. The requested institution specific enhancement would fund a proposal to facilitate the increased use of distance learning technologies.

The Governor recommends an FY 1999 general use operating budget increase of \$5.5 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor does not recommend the institution specific enhancement requested by the University.

Senate Subcommittee Recommendation

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

1. Delete a total of \$4,284,512 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$3,205,518), classified step movement (\$316,622), a 1.5 percent classified base salary adjustment (\$371,030), and the longevity bonus (\$391,342) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 2, which adds a total of 121.4 FTE positions to accurately reflect the Governor's recommendation.
3. The Subcommittee wishes to commend Kansas State University on the accomplishments of its students. Since 1986, KSU's total of Rhodes, Marshall, Truman, and Goldwater scholars ranks first in the nation among state universities. Only Harvard, Princeton, Yale, and Stanford—all private universities—have produced more of these scholars than KSU. With six Rhodes scholars, KSU is tied for second in the nation among state universities and tied for twelfth overall in the number of Rhodes scholars chosen since 1986. With eight, KSU ranks third in the nation among state universities in the number of Marshall scholars selected since 1986. With 21, KSU ranks first in the nation among state universities in the number of Truman scholars and with 30, KSU ranks first in the nation among state universities in producing Goldwater scholars. Such accomplishments would not be possible without a substantial commitment to excellence on the part of the administration, faculty, and students of the University. The Subcommittee commends the efforts of all who played a role in this significant accomplishment.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

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Agency: Kansas State University

Bill No. 2893

Bill Sec. 70

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 97,623,251	\$ 96,990,974	\$ 1,244,800
General Fees Fund	40,907,590	40,907,590	0
Other Funds	80,000	80,000	0
Subtotal - General Use	<u>\$ 138,610,841</u>	<u>\$ 137,978,564</u>	<u>\$ 1,244,800</u>
Restricted Use Funds	109,877,078	110,359,147	0
TOTAL - Oper. Exp.	<u><u>\$ 248,487,919</u></u>	<u><u>\$ 248,337,711</u></u>	<u><u>\$ 1,244,800</u></u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	0	0	0
Other Funds	5,269,000	5,269,000	0
TOTAL - Cap. Impr.	<u><u>\$ 5,458,446</u></u>	<u><u>\$ 5,458,446</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 253,946,365	\$ 253,796,157	\$ 1,244,800
FTE Positions	3,148.8	3,144.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>3,148.8</u></u>	<u><u>3,144.8</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

House Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment No. 2, which adds a total of 121.4 FTE positions to accurately reflect the Governor's recommendation.
2. **Systemwide Recommendation -- House Select Committee on Higher Education Recommendations.** In keeping with the Subcommittee's recommendation to provide funding for the recommendations of the House Select Committee on Higher Education, add funding from the State General Fund totaling \$1,244,800 in FY 1999 and \$3,531,600 in FY 2000 for enhancement and equity funding.

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SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. –

Bill Sec. –

Analyst: Robinson

Analysis Pg. No. 107

Budget Page No. 335

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 42,173,206	\$ 41,982,201	\$ 0
Federal Land Grant Funds	7,652,499	7,652,499	0
Subtotal - General Use	<u>\$ 49,825,705</u>	<u>\$ 49,634,700</u>	<u>\$ 0</u>
Restricted Use Funds	37,558,171	37,558,171	0
TOTAL - Oper. Exp.	<u><u>\$ 87,383,876</u></u>	<u><u>\$ 87,192,871</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	105,000	105,000	0
TOTAL - Cap. Impr.	<u><u>\$ 105,000</u></u>	<u><u>\$ 105,000</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 87,488,876	\$ 87,297,871	\$ 0
FTE Positions	1,273.3	1,273.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>1,273.3</u></u>	<u><u>1,273.3</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The University requests FY 1998 revised general use operating budget expenditures of \$146,015 over the FY 1998 approved amount. The Governor recommends a reduction of \$44,490 from the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor.

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3-19-98
Attachment 6*

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. --

Bill Sec. --

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 42,173,206	\$ 41,982,201	\$ 0
Federal Land Grant Funds	<u>7,652,499</u>	<u>7,652,499</u>	<u>0</u>
Subtotal - General Use	\$ 49,825,705	\$ 49,634,700	\$ 0
Restricted Use Funds	<u>37,558,171</u>	<u>37,558,171</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 87,383,876</u></u>	<u><u>\$ 87,192,871</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>105,000</u>	<u>105,000</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 105,000</u></u>	<u><u>\$ 105,000</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 87,488,876	\$ 87,297,871	\$ 0
FTE Positions			
FTE Positions	1,273.3	1,273.3	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>1,273.3</u></u>	<u><u>1,273.3</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Governor.

SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. 642

Bill Sec. 71

Analyst: Robinson

Analysis Pg. No. 107

Budget Page No. 335

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 44,100,266	\$ 43,318,843	\$ (1,886,017)
Federal Land Grant Funds	8,452,499	9,433,946	0
Subtotal - General Use	<u>\$ 52,552,765</u>	<u>\$ 52,752,789</u>	<u>\$ (1,886,017)</u>
Restricted Use Funds	38,302,917	38,589,784	181,000
TOTAL - Oper. Exp.	<u><u>\$ 90,855,682</u></u>	<u><u>\$ 91,342,573</u></u>	<u><u>\$ (1,705,017)</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,208,000	1,208,000	0
TOTAL - Cap. Impr.	<u><u>\$ 1,208,000</u></u>	<u><u>\$ 1,208,000</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 92,063,682	\$ 92,550,573	\$ (1,705,017)
FTE Positions	1,276.3	1,273.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>1,276.3</u></u>	<u><u>1,273.3</u></u>	<u><u>0.0</u></u>

* Includes a reduction of \$1,705,017 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Req./Governor's Recommendation

The general use operating budget increase of \$2.7 million requested by the University would result in a 5.5 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$1.7 million, including \$930,159 from the State General Fund. These include systemwide enhancements totaling \$739,215, and institution specific enhancements totaling \$990,944, including \$190,944 from the State General Fund. The requested institution specific enhancements include \$800,000 in federal extension funds to establish a statewide extension network, \$181,000 from the State General Fund for western Kansas irrigation research, and \$9,944 from the State General Fund for partial implementation of a cooperative extension service technology enhancement plan.

The Governor recommends an FY 1999 general use operating budget increase of \$3.1 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for

classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor concurs with the requested enhancements concerning western Kansas irrigation research, and the statewide extension network. In addition, the Governor recommends \$237,500 from available federal funds for animal waste lagoon research.

Senate Subcommittee Recommendation

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

1. Delete a total of \$1,705,017 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$1,324,938), classified step movement (\$119,534), a 1.5 percent classified base salary adjustment (\$123,224), and the longevity bonus (\$137,321) from individual agency budgets.
2. Shift \$181,000 in recommended expenditures for western Kansas irrigation field research from the State General Fund to the State Water Plan Fund. The focus of the western Kansas irrigation field work is to test technologies designed to reduce the rate of water use over the Ogallala aquifer and to prolong the life of the aquifer. The 1996 and 1997 Legislatures appropriated funding from the State Water Plan Fund for this purpose for FY 1997 and FY 1998. The Subcommittee believes that the State Water Plan Fund is still the most appropriate source of funding for this purpose. The Subcommittee is aware that this recommendation would overspend the balance of the State Water Plan Fund, and recommends reviewing all expenditures from the Fund during Omnibus to allow priorities for funding to be fully determined.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. 2893

Bill Sec. 71

Expenditure Summary	Agency Req. FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 44,100,266	\$ 43,318,843	\$ 338,040
Federal Land Grant Funds	8,452,499	9,433,946	0
Subtotal - General Use	\$ 52,552,765	\$ 52,752,789	\$ 338,040
Restricted Use Funds	38,302,917	38,589,784	181,000
TOTAL - Oper. Exp.	<u>\$ 90,855,682</u>	<u>\$ 91,342,573</u>	<u>\$ 519,040</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,208,000	1,208,000	0
TOTAL - Cap. Impr.	<u>\$ 1,208,000</u>	<u>\$ 1,208,000</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 92,063,682	\$ 92,550,573	\$ 519,040
FTE Positions			
FTE Positions	1,276.3	1,273.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>1,276.3</u>	<u>1,273.3</u>	<u>0.0</u>

House Subcommittee Recommendation

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

1. Shift \$181,000 in recommended expenditures for western Kansas irrigation field research from the State General Fund to the State Water Plan Fund. The focus of the western Kansas irrigation field work is to test technologies designed to reduce the rate of water use over the Ogallala aquifer and to prolong the life of the aquifer. The 1996 and 1997 Legislatures appropriated funding from the State Water Plan Fund for this purpose for FY 1997 and FY 1998. The Subcommittee believes that the State Water Plan Fund is still the most appropriate source of funding for this purpose.
2. **Systemwide Recommendation – House Select Committee on Higher Education Recommendations.** In keeping with the Subcommittee's recommendation to provide funding for the recommendations of the House Select Committee on Higher

Education, add funding from the State General Fund totaling \$519,040 in FY 1999 and \$1,751,760 in FY 2000 for enhancement and equity funding.

3. Include language allowing the University to carry over unexpended amounts in Federal Land Grant Funds to the next fiscal year. The University requested this authority to lessen the amount of time required to coordinate the close of the state fiscal year and the close of the federal fiscal year. This would be consistent with the authority the institution currently has to carry over unexpended State General Fund amounts to the following fiscal year.

SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center

Bill No. 643

Bill Sec. 21

Analyst: Robinson

Analysis Pg. No. 118

Budget Page No. 337

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,877,847	\$ 8,832,767	\$ 0
General Fees Fund	4,610,221	4,615,500	0
Hosp. & Diag. Lab. Fund	2,386,902	2,386,902	0
Other Funds	341,321	341,321	0
Subtotal - General Use	\$ 16,216,291	\$ 16,176,490	\$ 0
Restricted Use Funds	2,373,434	2,373,434	0
TOTAL - Oper. Exp.	\$ 18,589,725	\$ 18,549,924	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	451,326	451,326	0
Other Funds	140,000	140,000	0
TOTAL - Cap. Impr.	\$ 591,326	\$ 591,326	\$ 0
GRAND TOTAL	\$ 19,181,051	\$ 19,141,250	\$ 0
FTE Positions	255.2	253.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	255.2	253.8	0.0

Agency Estimate/Governor's Recommendation

The University's revised FY 1998 estimate for general use operating expenditures is an increase of \$376,541 over the amount approved by the 1997 Legislature, including reappropriations. The Governor recommends a general use operating increase of \$336,740 over the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

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Attachment 7*

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: KSU-Veterinary Medical Center

Bill No. 2895

Bill Sec. 21

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,877,847	\$ 8,832,767	\$ 0
General Fees Fund	4,610,221	4,615,500	0
Hosp. & Diag. Lab. Fund	2,386,902	2,386,902	0
Other Funds	341,321	341,321	0
Subtotal - General Use	\$ 16,216,291	\$ 16,176,490	\$ 0
Restricted Use Funds	2,373,434	2,373,434	0
TOTAL - Oper. Exp.	<u>\$ 18,589,725</u>	<u>\$ 18,549,924</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	451,326	451,326	0
Other Funds	140,000	140,000	0
TOTAL - Cap. Impr.	<u>\$ 591,326</u>	<u>\$ 591,326</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 19,181,051	\$ 19,141,250	\$ 0
FTE Positions	255.2	253.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>255.2</u>	<u>253.8</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center

Bill No. 642

Bill Sec. 72

Analyst: Robinson

Analysis Pg. No. 118

Budget Page No. 337

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99*	Senate Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 9,458,413	\$ 9,319,165	\$ (513,481)
General Fees Fund	4,760,614	4,847,749	0
Hosp. & Diag. Lab. Fund	2,450,188	2,450,188	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - General Use	\$ 16,669,215	\$ 16,617,102	\$ (513,481)
Restricted Use Funds	<u>2,415,464</u>	<u>2,430,554</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 19,084,679</u></u>	<u><u>\$ 19,047,656</u></u>	<u><u>\$ (513,481)</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	<u><u>\$ 19,084,679</u></u>	<u><u>\$ 19,047,656</u></u>	<u><u>\$ (513,481)</u></u>
FTE Positions	255.2	253.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>255.2</u></u>	<u><u>253.8</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$513,481 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$452,924 requested by the University would result in a 2.8 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$333,146, including \$317,146 from the State General Fund. These include systemwide enhancements totaling \$240,146, and institution specific enhancements totaling \$93,000 from the State General Fund. The requested institution specific enhancement is to replace anesthesia delivery equipment.

The Governor recommends an FY 1999 general use operating budget increase of \$397,442 above the revised FY 1998 recommendation. The Governor's recommendation includes funding for

classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor does not recommend the requested institution specific enhancement.

Senate Subcommittee Recommendation

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

1. Delete a total of \$513,481 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$327,279), classified step movement (\$61,344), a 1.5 percent classified base salary adjustment (\$60,561), and the longevity bonus (\$64,297) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 2, Item 9, which adds \$43,170 from the State General Fund to reflect a correction in the amount recommended by the Governor for student salaries.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: KSU-Veterinary Medical Center

Bill No. 2893

Bill Sec. 72

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99*	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,458,413	\$ 9,319,165	\$ 126,700
General Fees Fund	4,760,614	4,847,749	0
Hosp. & Diag. Lab. Fund	2,450,188	2,450,188	0
Other Funds	0	0	0
Subtotal - General Use	\$ 16,669,215	\$ 16,617,102	\$ 126,700
Restricted Use Funds	2,415,464	2,430,554	0
TOTAL - Oper. Exp.	<u>\$ 19,084,679</u>	<u>\$ 19,047,656</u>	<u>\$ 126,700</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	0	0	0
TOTAL - Cap. Impr.	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
GRAND TOTAL	<u>\$ 19,084,679</u>	<u>\$ 19,047,656</u>	<u>\$ 126,700</u>
FTE Positions	255.2	253.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>255.2</u>	<u>253.8</u>	<u>0.0</u>

* Reflects Governor's Budget Amendment No. 2.

House Subcommittee Recommendation

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

1. Concur with Governor's Budget Amendment No. 2, Item 9, which adds \$43,170 from the State General Fund to reflect a correction in the amount recommended by the Governor for student salaries.
2. **Systemwide Recommendation – House Select Committee on Higher Education Recommendations.** In keeping with the Subcommittee's recommendation to provide funding for the recommendations of the House Select Committee on Higher Education, add funding from the State General Fund totaling \$126,700 in FY 1999 and \$427,660 in FY 2000 for enhancement and equity funding.

EDITORIAL

KANSAS STATE VETERINARY SCHOOL IS NOW TOO GOOD FOR KANSANS!

If that doesn't make you see red, it should!

We love K-State. Most of us have known for years that K-State is one GREAT university. Wasn't that a great K-State -- Iowa State game! Kansans have know for a long time that they have an excellent veterinary school but they did not realize until this year just how good a school it was.

Now, thanks to some people in the Dean's office, we fully understand that KSSVM is just too good for Kansans. That it should be reserved for only the best students (ref 10/15/97, ECollegian) no matter where they're from. That we, like Harvard, Yale, and other private schools should accept only the best from across the nation.

It doesn't matter that the Kansas State Vet School is funded by Kansas tax dollars and private colleges are not. The Vet School has no obligation to Kansas Taxpayers. We should give them our tax dollars by the thousands and then go away and be quiet.

Every state I know of that has a state veterinary school reserves so many seats for the children of the taxpayers and residents of that state (Kansas State used to reserve fifty seats).

Missouri has 64 freshmen seats each year. Fifty-four of those seats are reserved for Missouri resident only. No more than ten may be out of state students, less but no more.

Nebraska does not have a veterinary school but does contract for seats for their students. All of those seats (100%) must be filled by residents of Nebraska. They don't let anyone else take their seats.

Oklahoma's Vet School has 76 freshmen seats each year. Seven of those seats may be from out-of-state. Sixty-nine (69) must be from Oklahoma. A reasonable 90% must be Oklahoma residents.

Colorado has sixty-five (65) seats for Colorado residents for their veterinary school. But they don't have the quality school that we have here in Kansas (Please ignore statements that say that Colorado is #1)

But only 45% of the freshmen students at Kansas State University Veterinary School were Kansans. The Kansans that were not accepted, "did not qualify" because this year they had to compete with the approximately 550 non-resident applicants. A whopping 55% were directly from-out-of state. This compares to the 10% that Oklahoma accepts from out-of-state.

In past years, fifty seats were reserved for Kansas residents (I feel that even this was too low. It should be around the 60% mark at least) This number included persons from other states that took up residency in Kansas for the purpose of going to school here at a lower tuition (or any other reason), but that is okay. If a Kansas resident decided not to enroll, then the next Kansans applicant that qualified for an interview was accepted.

This year, in the appearance of doing the same, they sent out acceptance to fifty Kansas residents knowing, like always, some would change their mind and decide not to enroll. But, unlike past years, the Dean's office decided to replace those who declined enrollment with out-of-state applicants. They said that the Kansas residents were "not qualified". They were qualified but the vet school did not follow the precedent set and select the next applicant from Kansas. There were approximately one hundred qualified applicants from Kansas.

HERE IS A GOOD REPLY!

Editorial

This writer has been told that the School of Veterinary Medicine at Kansas State is now admitting more students from out-of-state that they are from KANSAS. The last information received is that from the 100 admitted only 45 veterinary students are from Kansas. This is the least ever! They are turning down applicants from Kansas while admitting out-of-state students and collecting the higher out-of-state tuition.

While this may bring in more money to the university, is it fair to the farmers, taxpayers, Kansas citizens and to our children and grandchildren? I don't think so!

Are the state universities for the citizens of the state, or are we just supposed to pick up the tab for their operation in the form of higher taxes? Do they have an obligation to the students from Kansas, or should they act like a private college in their selection?

How many of these out-of-state students will remain in Kansas after they graduate? How many will become a benefit to the farmers of Kansas. I would bet most would return to their own state, and we will never see them again. What will be the benefit to the people of Kansas?

While some out-of-state students should be admitted, this is the **Kansas State School of Veterinary Medicine**, **NOT the Kansas out-of-state School of Veterinary Medicine**. It is **NOT** a private college. It has an obligation to the citizens of Kansas for educating their children and grandchildren. Don't let them forget it.

Page 3 of 3

WHEN YOU PAY YOUR TAXES THIS YEAR, REMEMBER HOW THEY ARE SPENDING YOUR TAX MONEY

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SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 643

Bill Sec. 23

Analyst: Robinson

Analysis Pg. No. 176

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 56,465,108	\$ 55,999,765	\$ 0
General Fees Fund	24,626,795	24,626,795	0
Other Funds	796,664	673,073	0
Subtotal - General Use	\$ 81,888,567	\$ 81,299,633	\$ 0
Restricted Use Funds	36,190,317	36,190,317	0
TOTAL - Oper. Exp.	\$ 118,078,884	\$ 117,489,950	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	1,161,935	1,161,935	0
Other Funds	531,381	531,381	0
TOTAL - Cap. Impr.	\$ 1,693,316	\$ 1,693,316	\$ 0
GRAND TOTAL	\$ 119,772,200	\$ 119,183,266	\$ 0
FTE Positions	1,713.4	1,707.4	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,713.4	1,707.4	0.0

Agency Estimate/Governor's Recommendation

The University's revised FY 1998 estimate for general use operating expenditures is an increase of \$1.3 million over the amount approved by the 1997 Legislature, including reappropriations. The requested supplemental funding includes \$237,874 from the State General Fund and 6.0 FTE positions for servicing the Wichita Metropolitan Complex. The Governor recommends a general use operating increase of \$737,425 over the approved amount. The Governor's recommendation includes retirement reduction savings totaling \$30,978. The Governor does not recommend the supplemental expenditures requested for servicing the Wichita Metropolitan Complex.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following observation.

*Appropriations
3-19-98
Attachment 9*

1. For the reasons noted in the Systemwide Summary, the Subcommittee is deferring consideration of funding the University's request for servicing new buildings at the Wichita Metropolitan Complex until Omnibus.

Senate Committee Recommendation

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

1. Delete item 1 and add \$222,186 from the State General Fund and 5.0 FTE positions for servicing the Wichita Metropolitan Complex. This is consistent with a policy of adding 1.0 FTE per 15,000 gross square feet of space.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: Wichita State University

Bill No. 2895

Bill Sec. 23

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 56,465,108	\$ 55,999,765	\$ 0
General Fees Fund	24,626,795	24,626,795	0
Other Funds	796,664	673,073	0
Subtotal - General Use	\$ 81,888,567	\$ 81,299,633	\$ 0
Restricted Use Funds	36,190,317	36,190,317	0
TOTAL - Oper. Exp.	<u>\$ 118,078,884</u>	<u>\$ 117,489,950</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	1,161,935	1,161,935	0
Other Funds	531,381	531,381	0
TOTAL - Cap. Impr.	<u>\$ 1,693,316</u>	<u>\$ 1,693,316</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 119,772,200	\$ 119,183,266	\$ 0
FTE Positions	1,713.4	1,707.4	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>1,713.4</u>	<u>1,707.4</u>	<u>0.0</u>

House Subcommittee Recommendation

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

1. For the reasons noted in the FY 1998 Systemwide Summary, the Subcommittee recommends deferring the decision on the supplemental funding requested for servicing the Wichita Metropolitan Complex until Omnibus.

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 642

Bill Sec. 77

Analyst: Robinson

Analysis Pg. No. 176

Budget Page No. 493

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 60,306,508	\$ 59,427,861	\$ (2,488,105)
General Fees Fund	25,982,576	25,982,576	0
Other Funds	0	0	0
Subtotal - General Use	\$ 86,289,084	\$ 85,410,437	\$ (2,488,105)
Restricted Use Funds	36,567,152	36,757,452	0
TOTAL - Oper. Exp.	<u>\$ 122,856,236</u>	<u>\$ 122,167,889</u>	<u>\$ (2,488,105)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	285,000	285,000	0
TOTAL - Cap. Impr.	<u>\$ 285,000</u>	<u>\$ 285,000</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 123,141,236	\$ 122,452,889	\$ (2,488,105)
FTE Positions	1,720.2	1,707.2	(0.2)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>1,720.2</u>	<u>1,707.2</u>	<u>(0.2)</u>

* Includes a reduction of \$2,556,102 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$4.4 million requested by the University would result in a 5.4 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$2.5 million, including \$2.1 million from the State General Fund. These include systemwide enhancements totaling \$2.2 million, and institution specific enhancements totaling \$302,522 from the State General Fund. Requested enhancements include \$207,669 and 3.5 new FTE positions to establish the Midwest Criminal Justice Education and Research Institute, and \$94,853 to partially replace funding from the Kansas Health Foundation for the physician assistant program.

The Governor recommends an FY 1999 general use operating budget increase of \$4.1 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for

classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor does not recommend the requested institution specific enhancements.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments and observations.

1. Delete a total of \$2,556,102 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$1,974,266), classified step movement (\$178,172), a 1.5 percent classified base salary adjustment (\$210,104), and the longevity bonus (\$193,560) from individual agency budgets.
2. **Systemwide Recommendation—Servicing New Buildings.** Delete funding of \$7,003 from the State General Fund and 0.5 FTE positions recommended by the Governor to reflect the Subcommittee's systemwide recommendation regarding servicing new buildings by adjusting the formula recommended by the Governor from 1.0 new FTE per 12,500 gross square feet to 1.0 new FTE per 15,000 square feet.
3. For the reasons noted in the Systemwide Summary, the Subcommittee is deferring consideration of funding the University's request for servicing new buildings at the Wichita Metropolitan Complex until Omnibus.
4. The Subcommittee recommends the addition of \$75,000 from the State General Fund to partially replace Kansas Health Foundation funding for the Physician Assistant Program. The total funding lost from the grant for the program totals \$268,331. The WSU College of Health Professions began the Physician Assistant (PA) program in 1972 with a class of 30 students. Funding for the class of 30 students remains in the WSU base general use budget. The class size remained at 30 until 1994 when the Kansas Health Foundation provided funding to increase the class size to a total of 46. The grant expired at the end of 1996, but because positions had been unfilled at various times, funds remained at the close of 1996. Those funds will be depleted at the end of FY 1998. The Subcommittee is aware of the increased demand for PAs and believes that the additional funding is warranted to partially offset the loss of the Health Foundation funding.

Senate Committee Recommendation

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

1. Delete item 3 above and add \$305,358 and 5.0 FTE positions to fund the institution's request for servicing the Wichita Metropolitan Complex consistent with the Committee's policy of adding 1.0 FTE per 15,000 gross square feet of space.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not taken action on this budget.

Agency: Wichita State University

Bill No. 2893

Bill Sec. 77

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 60,306,508	\$ 59,427,861	\$ 535,040
General Fees Fund	25,982,576	25,982,576	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - General Use	\$ 86,289,084	\$ 85,410,437	\$ 535,040
Restricted Use Funds	<u>36,567,152</u>	<u>36,757,452</u>	<u>0</u>
TOTAL - Oper. Exp.	<u>\$ 122,856,236</u>	<u>\$ 122,167,889</u>	<u>\$ 535,040</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>285,000</u>	<u>285,000</u>	<u>0</u>
TOTAL - Cap. Impr.	<u>\$ 285,000</u>	<u>\$ 285,000</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 123,141,236	\$ 122,452,889	\$ 535,040
FTE Positions	1,720.2	1,707.2	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>1,720.2</u>	<u>1,707.2</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Governor, with the following adjustments and observations.

1. For the reasons noted in the FY 1998 Systemwide Summary, the Subcommittee recommends deferring consideration of funding the University's request for servicing new buildings at the Wichita Metropolitan Complex until Omnibus.
2. The Subcommittee notes that the University requested \$94,853 from the State General Fund to partially replace Kansas Health Foundation funding for the Physician Assistant Program. The total funding lost from the grant for the program totals \$268,331. The WSU College of Health Professions began the Physician Assistant (PA) program in 1972 with a class of 30 students. Funding for the class of

30 students remains in the WSU base general use budget. The class size remained at 30 until 1994 when the Kansas Health Foundation provided funding to increase the class size to a total of 46. The grant expired at the end of 1996, but because positions had been unfilled at various times, funds remained at the close of 1996. Those funds will be depleted at the end of FY 1998. The Subcommittee is aware of the increased demand for PAs and believes that additional funding may be warranted to partially offset the loss of the Health Foundation funding. The Subcommittee intends to also look at other details regarding Kansas Health Foundation funding and recommends that the issue of additional funding for the PA program be revisited at Omnibus.

3. **Systemwide Recommendation—Select Committee on Higher Education's Recommendations.** In keeping with the Subcommittee's decision to provide funding for the recommendations of the House Select Committee on Higher Education, add funding from the State General Fund totaling \$535,040 in FY 1999 and \$1,805,760 in FY 2000 for enhancement and equity funding.

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 643

Bill Sec. 25

Analyst: Mills

Analysis Pg. No. 71

Budget Page No. 181

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustment
Operating Expenditures:			
State General Fund	\$ 26,435,731	\$ 26,297,745	\$ 0
General Fees Fund	7,981,106	7,929,713	0
Other Funds	763,221	763,221	0
Subtotal General Use	\$ 35,180,058	\$ 34,990,679	\$ 0
Restricted Use Funds	12,444,895	12,528,138	0
TOTAL – Oper. Exp.	\$ 47,624,953	\$ 47,518,817	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	650,687	650,687	0
Other Funds	421,000	421,000	0
TOTAL – Cap. Impr.	\$ 1,071,687	\$ 1,071,687	\$ 0
 GRAND TOTAL	 \$ 48,696,640	 \$ 48,590,504	 \$ 0
 FTE Positions	 738.6	 738.6	 0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	738.6	738.6	0.0

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate for general use expenditures reflects an increase of \$1,176,895 from the approved budget, all of which is from the State General Fund. The requested adjustments to the FY 1998 budget are detailed below:

- ◆ To fund **FY 1998 fringe benefit adjustments**, the institution requests supplemental funding totaling \$74,814 from the State General Fund. The request would fund an increase in the employer contribution for health insurance benefits above the level funded in the approved FY 1998 budget (\$98,400), which increase is partially offset by a reduction in the employer contribution for workers compensation (\$23,586).

*Appropriations
3-19-98
Attachment 10*

- ◆ The University's revised FY 1998 expenditure estimate includes expenditures of \$734,221 from the **equipment reserve fund**, previously considered a restricted fee fund. The funding would be expended for equipment purchases during FY 1998 and is not included in the University's FY 1998 base budget.
- ◆ The increase also reflects a one-time equipment allocation of \$114,565, which was the University's share of the \$750,000 approved by the 1997 Legislature for Regents equipment. Lastly, the increase includes a reappropriation of \$253,295 from FY 1997.
- ◆ **Restricted use expenditures** reflect an increase of \$1,283,560 over the approved budget. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

The Governor recommends a State General Fund supplemental appropriation of \$51,393 to shift financing from the General Fees Fund to the State General Fund to offset a tuition shortfall which resulted from the loss of 452 students from the prior year. The Governor concurs with the increased funding from the equipment reserve fund (\$734,221) and the reappropriation from FY 1997 (\$253,295).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustment
Operating Expenditures:			
State General Fund	\$ 26,435,731	\$ 26,297,745	\$ 0
General Fees Fund	7,981,106	7,929,713	0
Other Funds	<u>763,221</u>	<u>763,221</u>	<u>0</u>
Subtotal General Use	\$ 35,180,058	\$ 34,990,679	\$ 0
Restricted Use Funds	<u>12,444,895</u>	<u>12,528,138</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 47,624,953</u>	<u>\$ 47,518,817</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	650,687	650,687	0
Other Funds	<u>421,000</u>	<u>421,000</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 1,071,687</u>	<u>\$ 1,071,687</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 48,696,640	 \$ 48,590,504	 \$ 0
 FTE Positions	 738.6	 738.6	 0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>738.6</u>	<u>738.6</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor.

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 642

Bill Sec. 73

Analyst: Mills

Analysis Pg. No. 71

Budget Page No. 181

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustment
Operating Expenditures:			
State General Fund	\$ 27,751,785	27,619,624	\$ (1,089,134) *
General Fees Fund	8,298,906	8,210,994	0
Other Funds	29,000	29,000	0
Subtotal General Use	\$ 36,079,691	\$ 35,859,618	\$ (1,089,134)
Restricted Use Funds	12,639,188	12,641,920	0
TOTAL – Oper. Exp.	\$ 48,718,879	\$ 48,501,538	\$ (1,089,134)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	250,000	0	0
Other Funds	531,000	531,000	0
TOTAL – Cap. Impr.	\$ 781,000	\$ 531,000	\$ 0
 GRAND TOTAL	 \$ 49,499,879	 \$ 49,032,538	 \$ (1,089,134)
 FTE Positions	 742.9	 737.6	 0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	742.9	737.6	0.0

* Includes a reduction of \$1,089,134 from the State General Fund for the Governor's employee salary adjustments.

Agency Estimate/Governor's Recommendation

The **general use** operating budget increase of \$899,633 requested by the University would result in a 2.6 percent increase in general use expenditure authority for the University in FY 1999. The request would allow for the creation of 4.3 new FTE positions. The requested increase includes both systemwide and institution specific enhancements reflected in the table below. The institution specific enhancements are discussed following the enhancements table.

The Governor's FY 1999 recommendation for general use expenditures would provide an increase of \$868,939 (2.5 percent) from FY 1998.

- ◆ **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees (\$162,788), funding for a 4.0 percent unclassified merit pool (\$806,282), a 1.5 percent classified base salary adjustment, and longevity bonus funding (\$97,747).
- ◆ **Other Operating Expenditures.** The Governor recommends a total 2.5 percent increase (\$125,665) in OOE in FY 1999, with 0.5 percent of the increase devoted to university libraries.
- ◆ **Restricted Use.** The FY 1999 restricted use budget totals \$12.6 million, an increase of \$113,782 over FY 1998.

Absent requested FY 1999 enhancements, the University's request would represent an increase of \$13,174, or 0.0 percent.

FY 1999 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Systemwide Enhancements:						
Additional Unclassified and Student Salary Increase	\$ 313,949	\$ 313,949	0.0	\$ 313,952	\$ 313,952	0.0
Additional Classified Salary Increase	0	0	0.0	94,070	94,070	0.0
Other Operating Expenditures Increase	100,532	100,532	0.0	75,399	75,399	0.0
Technology and Equipment Enhancement	272,598	408,897	0.0	272,598	408,897	0.0
Group Health Insurance for Graduate Students	89,100	89,100	0.0	0	0	0.0
Equity Adjustment	0	54,374	0.0	0	0	0.0
Subtotal—Systemwide Enhancements	\$ 776,179	\$ 966,852	0.0	756,019	892,318	0.0
Institution-Specific Enhancements:						
Delivery of Academic Programs Via Technology	\$ 113,900	\$ 113,900	2.3	\$ 0	\$ 0	0.0
Teacher Excellence Initiative	0	0	0.0	50,000	50,000	0.0
TOTAL - FY 1999 Enhancement Request	\$ 890,079	\$ 1,080,752	2.3	\$ 806,019	\$ 942,318	0.0

FY 1999 Institution Specific Enhancements

- **Delivery of Academic Programs Through Mediated/Distance Learning Delivery.** The University requests funding of \$113,900 from the State General Fund and 2.3 FTE positions to systematically prepare to deliver learning opportunities to prospective students in remote locations through mediated and distance learning methods of delivery. The proposal would provide for extensive development of faculty and curricula to deliver to off-campus audiences. The enhancement package would enable the University to develop both majors and programs to be offered through various mediated approaches. Included in the request is \$15,000 for three graduate assistants (0.8 FTE), \$22,500 for a 0.5 FTE computing support staff, and \$45,000 for 1.0 Graphic Designer position.

The Governor does not recommend funding for the requested institution-specific enhancement.

- **Teacher Excellence Initiative.** The Governor recommends \$50,000 (State General Fund) for a "Teacher Excellence Initiative." According to the *Governor's Budget Report*, the Governor is funding a program at Emporia State University to promote excellence in elementary and secondary teaching. Teachers will receive certification by meeting criteria established by the national Board of Professional Teaching Standards. Emporia State University will receive \$50,000 from the State General Fund to coordinate the program. Another \$75,000 is recommended for the Department of Education to provide scholarships to 75 teachers.

New Buildings Operating Support

The University requests a total of \$81,639 and 2.0 new FTE positions for servicing new buildings in FY 1999. Of that amount, \$7,824 is for nine-months for other operating expenditures and utilities for a 6,065 gross square foot (gsf) addition to the press box at Welch Stadium: the new addition will house enclosed seating on the first floor; a President's area and sky boxes on the second floor; and a press box on the third floor.

The remaining \$73,815 and 2.0 FTE positions are requested for a 23,962-square-foot addition to Beach Music Hall which will be used to accommodate large ensembles and allow more space for offices and classrooms. The two positions are a Custodial Worker and a General Maintenance and Repair Technician. In accordance with Regents guidelines, the University request was calculated on the basis on 1.0 FTE per 12,500 gsf at \$22,230 per FTE; other operating expenditures at \$0.51 per gsf; and utilities at \$0.78 per gsf. (**Staff Note:** The 1997 Legislature approved a formula of 1.0 new FTE for each 15,000 gsf for the Kansas Technology Center at Pittsburg State University.)

The Governor does not recommend any funding for this item.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor, with the following adjustment:

1. Delete \$1,089,134 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$832,276); classified step movement (\$49,691); longevity bonus payments (\$113,097); and the 1.5 percent classified base salary adjustment (\$94,070) from individual agency budgets.
2. Delete the \$50,000 (State General Fund) which had been added by the Governor for the "Teacher Excellence Initiative" discussed above.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation, with the following adjustments:

1. Make a technical correction to insert Item No. 2 of the Senate Subcommittee Recommendation in the Report; this item was inadvertently omitted from the Report.
2. With regard to Senate Subcommittee Recommendation No. 2, reverse the action of the Senate Subcommittee and restore the \$50,000 (SGF) recommended by the Governor for the "Teacher Excellence Initiative".

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Emporia State University

Bill No. 2893

Bill Sec. 73

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	House Subcommittee Adjustment
Operating Expenditures:			
State General Fund	\$ 27,751,785	27,619,624	\$ 229,680
General Fees Fund	8,298,906	8,210,994	0
Other Funds	<u>29,000</u>	<u>29,000</u>	<u>0</u>
Subtotal General Use	\$ 36,079,691	\$ 35,859,618	\$ 229,680
Restricted Use Funds	<u>12,639,188</u>	<u>12,641,920</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 48,718,879</u>	<u>\$ 48,501,538</u>	<u>\$ 229,680</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	250,000	0	0
Other Funds	<u>531,000</u>	<u>531,000</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 781,000</u>	<u>\$ 531,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 49,499,879	 \$ 49,032,538	 \$ 229,680
 FTE Positions	 742.9	 737.6	 0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>742.9</u>	<u>737.6</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following adjustment:

1. Delete the \$50,000 (SGF) recommended by the Governor for the "Teacher Excellence Initiative." The Subcommittee recommends that this item be reviewed during Omnibus.
2. The Subcommittee recommends that the requested funding for servicing new buildings be reviewed during Omnibus.
3. **Systemwide Recommendation - Recommendations of the House Select Committee on Higher Education.** In keeping with the Subcommittee's decision to fund the recommendations of the Select Committee on Higher Education, add funding from the State General Fund totaling \$279,680 in FY 1999 and \$943,920 in FY 2000 for enhancement and equity funding.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 643

Bill Sec. 26

Analyst: Mills

Analysis Pg. No. 83

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<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 26,771,036	\$ 26,529,122	\$ 0
General Fees Fund	7,677,730	7,779,176	0
Other Funds	<u>367,759</u>	<u>367,759</u>	<u>0</u>
Subtotal General Use	\$ 34,816,525	\$ 34,676,057	\$ 0
Restricted Use Funds	<u>12,200,871</u>	<u>12,200,871</u>	<u>0</u>
TOTAL – Oper. Exp.	<u><u>\$ 47,017,396</u></u>	<u><u>\$ 46,876,928</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	662,190	662,190	0
Other Funds	<u>827,218</u>	<u>827,218</u>	<u>0</u>
TOTAL – Cap. Impr.	<u><u>\$ 1,489,408</u></u>	<u><u>\$ 1,489,408</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 48,506,804	 \$ 48,366,336	 \$ 0
 FTE Positions	 692.2	 692.2	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>692.2</u></u>	<u><u>692.2</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate for general use expenditures is an increase of \$573,681 over the approved budget. State General Fund expenditures increase by \$205,922 over the approved budget. The requested adjustments to the FY 1998 budget are detailed below:

- ◆ To fund FY 1998 fringe benefit adjustments, the institution requests supplemental funding totaling \$71,887 from the State General Fund. The request would fund an increase in the employer contribution for health insurance benefits above the level funded in the FY 1998 budget (\$94,191). This increase is partially offset by a reduction in the employer contribution for workers compensation (\$23,415).

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- ◆ The University's revised FY 1998 expenditure estimate includes expenditures of \$367,759 from the equipment reserve fund, previously considered a restricted fee fund. The funding would be expended for equipment purchases during FY 1998 and is not included in the University's FY 1998 base budget.
- ◆ Restricted use expenditures reflect an increase of \$1,388,478 from the approved budget. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

The Governor's FY 1998 recommendation for general use expenditures include an increase of \$299,178 from the approved budget. The Governor recommends a shift in financing from the State General Fund (SGF) to the General Fees Fund of \$101,446 to take advantage of available tuition revenues. The Governor also eliminates \$68,581 (SGF) which had been appropriated for operating support for the Sternberg Museum. Lastly, the Governor concurs in the use of \$367,759 from the equipment reserve fund.

Restricted use expenditures total \$12.2 million, the same as the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Fort Hays State University

Bill No. 643

Bill Sec. 26

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 26,771,036	\$ 26,529,122	\$ 0
General Fees Fund	7,677,730	7,779,176	0
Other Funds	<u>367,759</u>	<u>367,759</u>	<u>0</u>
Subtotal General Use	\$ 34,816,525	\$ 34,676,057	\$ 0
Restricted Use Funds	<u>12,200,871</u>	<u>12,200,871</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 47,017,396</u>	<u>\$ 46,876,928</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	662,190	662,190	0
Other Funds	<u>827,218</u>	<u>827,218</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 1,489,408</u>	<u>\$ 1,489,408</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 48,506,804	\$ 48,366,336	\$ 0
FTE Positions	692.2	692.2	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>692.2</u>	<u>692.2</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 642

Bill Sec. 69

Analyst: Mills

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<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 28,412,553	\$ 28,339,086	\$ (1,103,529)*
General Fees Fund	7,988,313	8,020,642	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal General Use	\$ 36,400,866	\$ 36,359,728	\$ (1,103,529)
Restricted Use Funds	<u>12,376,673</u>	<u>12,424,300</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 48,777,539</u>	<u>\$ 48,784,028</u>	<u>\$ (1,103,529)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>485,000</u>	<u>485,000</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 485,000</u>	<u>\$ 485,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 49,262,539</u>	 <u>\$ 49,269,028</u>	 <u>\$ (1,103,529)</u>
 FTE Positions	 695.2	 692.2	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>695.2</u>	<u>692.2</u>	<u>0.0</u>

* Includes a reduction of \$1,103,529 from the State General Fund for the Governor's employee salary adjustment.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$1.58 million requested by the University would result in a 4.6 percent increase in general use expenditure authority for the University in FY 1999. The request would add 3.0 FTE positions. The components of the requested increase are detailed in the following table.

The Governor's FY 1999 recommendation for general use expenditures totals \$36,359,728, an increase of \$1,683,671 (4.9 percent) over the recommendation for the current year.

- ◆ **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees (\$173,346), funding for a 4.0 percent merit pool for unclassified employees (including faculty) (\$805,343), a 1.5 percent classified base salary adjustment (\$96,682), and longevity funding for classified employees (\$86,140).
- ◆ **Other Operating Expenditures.** The Governor recommends a total 2.5 percent (\$141,655) base increase in OOE for FY 1999, with 0.5 percent of the increase devoted to university libraries.

Restricted Use. The FY 1999 restricted use budget totals \$12,424,300, an increase of \$0.2 million (1.8 percent) from FY 1998.

Absent requested FY 1999 enhancements, the agency request would represent an increase of \$691,823 or 2.0 percent.

Enhancement	FY 1999 Enhancements					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Systemwide Enhancements:						
Additional Unclassified and Student Salary Increase	\$ 313,901	\$ 313,901	0.0	\$ 310,329	\$ 310,329	0.0
Classified Base Salary Increase	0	0	0.0	96,682	96,682	0.0
Other Operating Expenditures Increase	111,818	111,818	0.0	85,746	85,746	0.0
Technology and Equipment Enhancement	266,000	399,000	0.0	266,000	399,000	0.0
Group Health Insurance for Graduate Students	32,906	32,906	0.0	0	0	0.0
Equity Adjustment	0	53,661	0.0	0	0	0.0
Subtotal—Systemwide Enhancements	\$ 724,625	\$ 911,286	0.0	\$ 758,757	\$ 891,757	0.0
Institution Specific Enhancements:						
Physical Therapy Program*	\$ 168,094	\$ 168,094	3.0	\$ 0	\$ 0	0.0
Subtotal—Institution Specific Enhancements	\$ 168,094	\$ 168,094	3.0	\$ 0	\$ 0	0.0
TOTAL FY 1999 Enhancements	\$ 892,719	\$ 1,079,380	3.0	\$ 758,757	\$ 891,757	0.0
* Note: The revised request for this enhancement is \$201,000.						

Physical Therapy Program. The University requests funding of \$201,000 (revised request) from the State General Fund and 3.0 FTE positions to establish a Physical Therapy Program at FHSU. The agency estimates that the program, when fully operational, would enroll 24 students per class. The program would be operated with partnerships with other existing programs to reduce costs. The on-going costs are expected to be around \$330,000. The program would enroll its first students in the Fall of 1998. The requested funding includes salaries and wages funding of \$142,213 for 3.0 positions and \$25,881 for other operating expenditures. **The Governor does not recommend funding for this item.**

New Buildings Operating Support

The University requests \$90,908 for annualization of the new buildings operating support for the Sternberg Museum project. The FY 1999 request is composed of \$55,394 for salaries and wages, \$13,183 for other operating expenditures, and \$22,331 for utilities. (**Staff Note:** Actions by prior Legislatures have approved a total of 7.1 FTE positions for the new museum. This was calculated on the on the basis of 1.0 FTE per 12,500 gross square feet.)

The Governor does not recommend funding for annualization of the new buildings operating support in FY 1999.

Enrollment Adjustment

On the basis of an early estimate of enrollment trends, the University requested an enrollment adjustment of \$113,790. Based on Fall, 1997 enrollment, the estimate was revised to \$239,565 following submission of the original budget.

The Governor concurs and recommends \$239,565 for the enrollment adjustment in FY 1999.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor, with the following adjustments:

1. Delete \$1,103,529 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$833,501); classified step movement (\$74,228); longevity bonus payments (\$99,118); and the 1.5 percent classified base salary adjustment (\$96,682) from individual agency budgets.
2. The Senate Subcommittee reviewed the agency request for new buildings operating support for Sternberg Museum (\$90,908) and for the implementation of a Physical Therapy program (\$201,000). The Subcommittee recommends that both of these requests be reviewed again during Omnibus. The recommendation concerning new buildings operating support is consistent with the Subcommittee recommendation contained in the Systemwide Summary.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee, with the following adjustment:

1. Add \$201,000 (State General Fund) and 3.0 new FTE positions to allow the University to establish a Physical Therapy Program at FHSU.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Fort Hays State University

Bill No. 2893

Bill Sec. 69

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 28,412,553	\$ 28,339,086	\$ 326,400
General Fees Fund	7,988,313	8,020,642	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal General Use	\$ 36,400,866	\$ 36,359,728	\$ 326,400
Restricted Use Funds	<u>12,376,673</u>	<u>12,424,300</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 48,777,539</u>	<u>\$ 48,784,028</u>	<u>\$ 326,400</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>485,000</u>	<u>485,000</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 485,000</u>	<u>\$ 485,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 49,262,539	 \$ 49,269,028	 \$ 326,400
 FTE Positions	 695.2	 692.2	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>695.2</u>	<u>692.2</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following adjustment:

1. The House Subcommittee recommends that the requested funding for implementation of the Physical Therapy Program be reviewed during Omnibus.
2. The Subcommittee recommends that the requested funding for new buildings operating support be reviewed during Omnibus.
3. **Systemwide Recommendation - Recommendations of the House Select Committee on Higher Education.** In keeping with the Subcommittee’s decision to fund the recommendations of the Select Committee on Higher Education, add funding from the State General Fund totaling \$326,400 in FY 1999 and \$1,101,600 in FY 2000 for enhancement and equity funding.

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 643

Bill Sec. 27

Analyst: Mills

Analysis Pg. No. 130

Budget Page No. 371

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 28,378,993	\$ 28,387,308	\$ 0
General Fees Fund	9,909,269	9,793,595	0
Other Funds	<u>16,553</u>	<u>16,553</u>	<u>0</u>
Subtotal General Use	\$ 38,304,815	\$ 38,197,456	\$ 0
Restricted Use Funds	<u>13,763,895</u>	<u>13,763,895</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 52,068,710</u>	<u>\$ 51,961,351</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 132,119	\$ 132,119	\$ 0
Educational Building Fund	353,794	353,794	0
Other Funds	<u>3,439,255</u>	<u>3,439,255</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 3,925,168</u>	<u>\$ 3,925,168</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 55,993,878	 \$ 55,886,519	 \$ 0
 FTE Positions	 800.8	 800.8	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>800.8</u>	<u>800.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate for general use expenditures includes an increase of \$123,912 in total expenditures from the approved budget. State General Fund expenditures increase by \$107,359 over the approved budget. Budget issues that affect the FY 1998 budget are detailed below:

- To fund **FY 1998 fringe benefit adjustments**, the University requests supplemental funding totaling \$107,359 from the State General Fund. The request would fund an increase in the employer contribution for health insurance benefits above the level funded in the approved FY 1998 budget (\$111,761) and increased FICA contributions resulting from an increase in the salary base subject to FICA (\$23,342). The increases are partially offset by a reduction in the employer

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contribution for workers compensation (\$26,210), and shrinkage related to the changed fringe benefit amounts (\$1,534).

- The University's revised FY 1998 expenditure estimate includes expenditures of \$16,553 from the **equipment reserve fund**, previously considered a restricted fee fund. The funding would be expended for equipment purchases during FY 1998 and is not included in the University's FY 1998 base budget.
- **Restricted use expenditures total \$13.8 million, an increase of \$51,810 over the approved budget.** While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

The Governor's FY 1998 recommendation for general use expenditures includes an increase of \$16,553 from the approved budget. State General Fund expenditures are increased by \$115,674. The Governor recommends a State General Fund supplemental appropriation of \$115,674 to shift that amount of funding from the General Fees Fund as a result of a tuition shortfall in FY 1998; the University experienced a loss of 288 students from the prior year.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Pittsburg State University

Bill No. 2895

Bill Sec. 27

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 28,378,993	\$ 28,387,308	\$ 0
General Fees Fund	9,909,269	9,793,595	0
Other Funds	<u>16,553</u>	<u>16,553</u>	<u>0</u>
Subtotal General Use	\$ 38,304,815	\$ 38,197,456	\$ 0
Restricted Use Funds	<u>13,763,895</u>	<u>13,763,895</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 52,068,710</u>	<u>\$ 51,961,351</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 132,119	\$ 132,119	\$ 0
Educational Building Fund	353,794	353,794	0
Other Funds	<u>3,439,255</u>	<u>3,439,255</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 3,925,168</u>	<u>\$ 3,925,168</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 55,993,878	\$ 55,886,519	\$ 0
FTE Positions	800.8	800.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>800.8</u>	<u>800.8</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor.

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SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 642

Bill Sec. 74

Analyst: Mills

Analysis Pg. No. 130

Budget Page No. 371

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99^(a)</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 30,737,269	\$ 30,326,884	\$ (1,220,838) *
General Fees Fund	9,766,084	9,965,170	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal General Use	\$ 40,503,353	\$ 40,292,054	\$ (1,220,838)
Restricted Use Funds	<u>13,503,843</u>	<u>13,320,632</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 54,007,196</u>	<u>\$ 53,612,686</u>	<u>\$ (1,220,838)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>8,168,000</u>	<u>8,168,000</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 8,168,000</u>	<u>\$ 8,168,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 62,175,196	 \$ 61,780,686	 \$ (1,220,838)
 FTE Positions	 802.8	 799.8	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>802.8</u>	<u>799.8</u>	<u>0.0</u>

a) Per GBA No. 2, includes shift of \$140,000 from the General Fees Fund to the State General Fund to correct a calculation error.

* Includes a reduction of \$1,220,838 from the State General Fund for the Governor's employee salary adjustments.

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$2.2 million requested by the University would result in a 5.7 percent increase in general use expenditure authority for the University in FY 1999. The request would add 3.0 FTE new positions which would be associated with the requested Faculty Development enhancement discussed below. (**Staff Note:** The net increase in FTE is only 2.0 because of the elimination of one existing position.) The requested increase includes both systemwide and

institution specific enhancements reflected in the table below. The institution specific enhancements are discussed following the enhancements table.

Absent requested FY 1999 enhancements, the University's request would represent an increase of \$752,160, or 2.0 percent.

FY 1999 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Systemwide Enhancements:						
Additional Unclassified and Student Salary Increase	\$ 311,073	\$ 311,073	0.0	\$ 340,593	\$ 340,593	0.0
Additional Classified Salary Increase	0	0	0.0	112,323	112,323	0.0
Other Operating Expenditures Increase	158,283	158,283	0.0	94,471	94,471	0.0
Technology and Equipment Enhancement	320,000	480,000	0.0	320,000	480,000	0.0
Group Health Insurance for Graduate Students	64,800	64,800	0.0	0	0	0.0
Equity Adjustment	0	67,330	0.0	0	0	0.0
Subtotal—Systemwide Enhancements	\$ 854,156	\$ 1,081,486	0.0	867,387	1,027,387	0.0
Institution Specific Enhancements:						
Faculty Development	\$ 157,200	\$ 157,200	3.0	0	0	0.0
TOTAL - FY 1999 Enhancement Request	\$ 1,011,356	\$ 1,238,686	3.0	867,387	1,027,387	0.0

FY 1999 Institution Specific Enhancements

- Faculty Development.** The University requests funding of \$157,200 from the State General Fund and 3.0 FTE positions for an enhancement relating to faculty development in the areas of (1) student advising and (2) mediated instruction, including the use of computers in the classroom, multimedia presentations, and the development of alternate teaching strategies. The request includes \$104,500 for the salaries and wages of 3.0 new positions: the Director of Advisement position would coordinate the development of faculty workshops and seminars. The Director of the Freshman Experience would coordinate the Freshman Experience course. The other position would provide release time for other faculty to attend workshops and seminars. Also envisioned are summer enhancement grants which would allow faculty to improve their teaching skills.

The Governor does not recommend funding for this enhancement.

The Governor's FY 1999 recommendation for general use expenditures would provide an increase of \$2,094,598 (5.5 percent) from FY 1998.

- Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees (\$187,621), funding for a 4.0 percent merit pool for unclassified employees (including faculty) (\$903,076), a 1.5 percent base salary adjustment (\$112,323), and longevity funding for classified employees (\$99,940).

- **Other Operating Expenditures.** The Governor recommends a 2.5 percent total increase (\$157,452) for OOE in FY 1999, with 0.5 percent of the increase devoted to university libraries.

Restricted Use. The FY 1999 restricted use budget totals \$13.3 million, a decrease of \$443,263 from FY 1998.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor, with the following adjustments:

1. Delete \$1,220,838 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$920,894); classified step movement (\$72,033); longevity bonus payments (\$115,588); and the 1.5 percent classified base salary adjustment (\$112,323) from individual agency budgets.
2. Concur with GBA No. 2, Item 6, which shifts \$140,000 from the General Fees Fund to the State General Fund to correct a calculation error.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Pittsburg State University

Bill No. 2893

Bill Sec. 74

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99 ^(a)	House Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 30,737,269	\$ 30,326,884	\$ 343,680
General Fees Fund	9,766,084	9,965,170	0
Other Funds	0	0	0
Subtotal General Use	\$ 40,503,353	\$ 40,292,054	\$ 343,680
Restricted Use Funds	13,503,843	13,320,632	0
TOTAL – Oper. Exp.	<u>\$ 54,007,196</u>	<u>\$ 53,612,686</u>	<u>\$ 343,680</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	8,168,000	8,168,000	0
TOTAL – Cap. Impr.	<u>\$ 8,168,000</u>	<u>\$ 8,168,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 62,175,196	 \$ 61,780,686	 \$ 343,680
 FTE Positions	 802.8	 799.8	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>802.8</u>	<u>799.8</u>	<u>0.0</u>

- a) Per GBA No. 2, includes shift of \$140,000 from the General Fees Fund to the State General Fund to correct a calculation error.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following additional recommendation:

1. Concur with GBA No. 2, Item 6, which shifts \$140,000 from the General Fees Fund to the State General Fund to correct a calculation error.
2. **Systemwide Recommendation—Recommendations of the House Select Committee on Higher Education.** In keeping with the Subcommittee’s decision to fund the recommendations of the Select Committee on Higher Education, add funding from the State General Fund totaling \$343,680 in FY 1999 and \$1,159,920 in FY 2000 for enhancement and equity funding.

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. –

Bill Sec. –

Analyst: Mills

Analysis Pg. No. 188

Budget Page No. 377

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 10,210,526	\$ 10,210,526	\$ 0
Aid to Local Units	7,454,876	7,454,876	0
Other Assistance	<u>13,146,647</u>	<u>13,146,647</u>	<u>0</u>
Subtotal - Operating	\$ 30,812,049	\$ 30,812,049	\$ 0
Capital Improvements	<u>6,480,000</u>	<u>6,480,000</u>	<u>0</u>
TOTAL	<u>\$ 37,292,049</u>	<u>\$ 37,292,049</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 2,568,016	\$ 2,568,016	\$ 0
Aid to Local Units	7,454,876	7,454,876	0
Other Assistance	<u>11,688,416</u>	<u>11,688,416</u>	<u>0</u>
Subtotal - Operating	\$ 21,711,308	\$ 21,711,308	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 21,711,308</u>	<u>\$ 21,711,308</u>	<u>\$ 0</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>18.0</u>	<u>18.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency's revised estimate of operating expenditures for FY 1998 totals \$30,812,049, which is \$679,293 more than the approved budget. An increase is found in State General Fund financing (\$28,660), with increased spending in other funds (\$650,633), chiefly in federal funds. The State General Fund increase reflects the agency's request to expend \$47,300 of its carryover balance from FY 1997 as follows: \$39,000 for technology enhancements in the Board conference room (\$12,000), compressed video capability (\$12,000), a laptop computer (\$5,000), and replacement of a file server (\$10,000); a contingency for a possible increase in office rent (\$4,300); temporary help (\$2,000); and moving expenses for a new employee (\$2,000). The increase spending in other funds is largely the result of the expected receipt of \$565,118 in federal funds which will be used in the Student Financial Aid Program: \$412,536 in the Regents Supplemental Grant Program, \$141,280 in the Kansas Tuition Grant Program, and \$11,302 in the Washburn Tuition Grant Program. Also, the agency requests authority to expend over a three-year period the balance in the State Scholarship Discontinued

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Attendance Fund to offset the expected loss of federal funding. The request would expend \$100,000 from the Fund in FY 1998 and \$35,000 in FY 1999, leaving a balance of \$3,714 at the end of FY 1999.

The Governor recommends a total of \$30,812,049 for FY 1998, which concurs with the agency estimate. The Governor's recommendation continues the existing 18.0 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governors.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Board of Regents

Bill No. --

Bill Sec. --

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 10,210,526	\$ 10,210,526	\$ 0
Aid to Local Units	7,454,876	7,454,876	0
Other Assistance	13,146,647	13,146,647	0
Subtotal - Operating	<u>\$ 30,812,049</u>	<u>\$ 30,812,049</u>	<u>\$ 0</u>
Capital Improvements	6,480,000	6,480,000	0
TOTAL	<u><u>\$ 37,292,049</u></u>	<u><u>\$ 37,292,049</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 2,568,016	\$ 2,568,016	\$ 0
Aid to Local Units	7,454,876	7,454,876	0
Other Assistance	11,688,416	11,688,416	0
Subtotal - Operating	<u>\$ 21,711,308</u>	<u>\$ 21,711,308</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 21,711,308</u></u>	<u><u>\$ 21,711,308</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>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor.

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 642

Bill Sec. 78

Analyst: Mills

Analysis Pg. No. 188

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<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 9,147,183	\$ 14,142,376	\$ (42,247) **
Aid to Local Units	7,902,169	7,934,345	(32,176)
Other Assistance	<u>13,279,661</u>	<u>13,540,000</u>	<u>0</u>
Subtotal - Operating	\$ 30,329,013	\$ 35,616,721	\$ (74,423)
Capital Improvements	<u>12,770,000</u>	<u>12,770,000</u>	<u>0</u>
TOTAL	<u>\$ 43,099,013</u>	<u>\$ 48,386,721</u>	<u>\$ (74,423)</u>
State General Fund:			
State Operations	\$ 1,915,177	\$ 1,910,370	\$ (42,247)
Aid to Local Units	7,902,169	7,934,345	(32,176)
Other Assistance	<u>12,444,196</u>	<u>12,848,215</u>	<u>(280,000)</u>
Subtotal - Operating	\$ 22,261,542	\$ 22,692,930	\$ (354,423)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 22,261,542</u>	<u>\$ 22,692,930</u>	<u>\$ (354,423)</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>18.0</u>	<u>18.0</u>	<u>0.0</u>

* Includes the addition of \$136,328 from the State General Fund per GBA No. 2 to properly fund the Nursing Scholarship program.

** Includes a reduction of \$42,247 from the State General Fund for the Governor's employee salary adjustments.

Agency Req./Governor's Recommendation

The Board of Regents submits an FY 1999 budget request totaling \$43,099,013, which includes \$1,405,963 for General Administration; \$13,790,881 for Student Financial Aid and other Special Programs; \$7,902,169 for the Washburn University Operating Grant; and \$20.0 million from the Educational Building Fund for Capital Improvements for rehabilitation and repair projects at the Regents institutions and debt service on the "Crumbling Classrooms" bond issue. The operating budget is composed of \$22,261,542 from the State General Fund and \$8,067,471 from other funds. **(Staff Note:**

Of the \$8,067,471 in other funds in the operating budget, a total of \$7,230,000 is interest payments on the Regents bond issue financed from the Educational Building Fund.) The operating budget change from FY 1998 to FY 1999 is a decrease of \$483,036, which is composed of increases in the General Administration program (\$14,887), Student Financial Aid and other Special Programs (\$276,694), and the Washburn University operating grant (\$447,293); offset by decreases in debt service interest payments (\$290,000), Regents equipment (\$750,000), and various other expenditures (\$181,910). The decrease is also influenced by the expected loss of federal funds (\$565,118) and reduced expenditures from two of the repayment funds (Optometry Repayment, \$100,000; and State Scholarship, \$35,000).

The Governor recommends an FY 1999 budget of \$35,616,721 which includes \$1,405,476 for General Administration, \$14,046,900 for Student Financial Aid and other Special Programs, \$7,934,345 for the Washburn University Operating Grant, \$5,000,000 for Regents equipment, and \$7,230,000 for debt service. The operating budget is composed of \$22,556,602 from the State General Fund and \$13,060,119 from other funds.

Absent requested FY 1999 enhancements, the agency request would represent a decrease of \$1,575,682 or 5.1 percent from the current year estimate.

FY 1999 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
General Administration:						
Additional 1.5% Salary	\$ 12,422	\$ 12,422	0.0	\$ 15,329	\$ 15,329	0.0
Additional 2.0% OOE	3,394	3,394	0.0	0	0	0.0
Washburn Univ. Grant	\$ 309,378	\$ 309,378	0.0	\$ 479,469	\$ 479,469	0.0
Regents Equipment	\$ 0	\$ 0	0.0	\$ 0	\$ 5,000,000	0.0
Student Financial Aid:						
Regents Disting. Professor—Salary	\$ 4,320	\$ 4,320	0.0	\$ 0	\$ 0	0.0
Regents Supplemental Grant	194,113	194,113	0.0	0*	0	0.0
Tuition Grant Program	346,694	346,694	0.0	0*	0	0.0
Washburn Univ. Tuition Grant Prog.	25,000	25,000	0.0	0*	0	0.0
Work Study Program	23,275	23,275	0.0	0	0	0.0
Nursing Student Scholarship Program	24,753	32,105	0.0	0	0	0.0
State Scholarship Program	141,945	141,945	0.0	0	0	0.0
TOTAL - FY 1999 Enhancement Request	\$ 1,085,294	\$ 1,092,646	0.0	\$ 494,798	\$ 5,494,798	0.0
<p>*Note: The Governor has recommended that the Tuition Grant Program, the Washburn University Tuition Grant Program and the Regents Supplemental Grant Program be combined into a new Comprehensive Grant Program; the Governor recommends funding of \$9.9 million for the new program in FY 1999.</p>						

FY 1999 Enhancements

- ◆ **General Administration.** The agency requests salaries and wages funding of \$12,422 to finance an additional 1.5 percent salary increase for unclassified staff; and an additional \$3,394 for other operating expenditures to finance an additional increase of 2 percent in OOE. Both of these increases were approved by the Board of Regents.
- ◆ **Washburn University Operating Grant.** The agency requests an additional \$309,378 (and an increase of \$137,915 which is included at the current service level, for a total of \$447,293) from the State General Fund for the Washburn operating grant, which would bring the total grant in FY 1999 to \$7,902,169. This amount is a 6 percent increase over the current year, which is equal to the percentage increases requested for the Regents universities.
- ◆ **Student Financial Aid.** The agency requests a total of \$767,452 (of which \$760,100 is from the State General Fund) for enhanced spending for several student financial aid programs. The agency requests enhanced funding as follows: \$4,320 for the **Regents Distinguished Professors program** to provide for the same 4 percent salary increase as requested for other Regents faculty; \$194,113 for the **Regents Supplemental Grant program** which would allow the maximum award to increase from \$1,000 to \$1,100; \$346,694 for the **Tuition Grant program** which would allow the maximum award to increase from \$2,000 to \$2,300; \$25,000 for the **Washburn University Tuition Grant program** which would assist an additional 16 students at a maximum award of \$1,100; \$23,275 for the **Kansas Work Study program** which would assist an additional 14 students at an average award of \$1,677; \$32,105 for the **Nursing Student Scholarship program** which would assist an additional 15 students; and \$141,945 for the **State Scholarship program** which would assist an additional 39 students at a maximum award of \$1,100.

The Governor recommends:

1. Addition of \$2,149 for a 1.5 percent classified base salary adjustment and \$28,787 for a 4.0 percent unclassified merit pool.
2. A total of \$7,934,345 (State General Fund) for the Washburn University operating grant (an increase of \$479,469 or 6.4 percent) and the conversion of the Washburn grant to a "public funding base".
3. A total of \$14.0 million for student financial aid and other special programs and the creation of a new "Comprehensive Grants Program" to be funded at \$9.9 million (SGF) in FY 1999.
4. A total of \$5.0 million (State Budget Stabilization Fund) for technology equipment at the Regents universities.

Senate Subcommittee Recommendation

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

1. Delete \$42,247 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$33,738); classified step movement (\$1,161); longevity bonus payment (\$4,829); and the 1.5 percent classified base salary adjustment (\$2,519) from individual agency budgets.
2. Shift \$280,000 of the \$9.9 million recommended in FY 1999 by the Governor for the new "Comprehensive Grant Program" from the State General Fund to federal funds. The Subcommittee supports the creation of this new financial aid program which will combine three existing programs (the Tuition Grant Program, the Washburn University Tuition Grant Program, and the Regents Supplemental Grant Program) into one new program; the necessary statutory changes are contained in 1998 H.B. 2758. The Governor's recommendation assumed that no federal funds for student financial aid would be available in FY 1999. However, later information received by the Board of Regents in early March indicates that Kansas will receive about \$280,000 in FY 1999 federal funds for student aid. The Subcommittee recommendation shifts financing of this amount from the State General Fund to federal funds.
3. The Subcommittee notes that the Governor recommends converting the four professional service programs administered by the Board (Nursing, Teaching, Osteopathic, and Optometry) from an employment obligation to a forgivable loan structure. Six months after graduation the student would begin repayment unless the student verified proper employment. The Subcommittee supports this structural change, which is contained in 1998 H.B. 2753.

With regard to the Nursing Scholarship Program, the Subcommittee concurs with the Governor's recommendation to fund 125 nursing scholarships in FY 1999. However, the Subcommittee recommends proviso language to limit the number of scholarships in nonunderserved areas (Douglas, Johnson, Wyandotte, Shawnee, and Sedgwick counties) to 25 percent of the total scholarships awarded. The Governor had recommended changing the current year-for-year requirement in an underserved area to a two-tier forgiveness feature, requiring 1.5 years of service in a nonunderserved area (Douglas, Johnson, Wyandotte, Shawnee, and Sedgwick counties) and 1.0 year in underserved areas. The Subcommittee would continue to place three-fourths of the nursing scholarships in rural areas.

Lastly, the Subcommittee believes that the entire Nursing Scholarship Program is overdue for a review, either by Legislative Post Audit or by an interim committee. The Subcommittee believes that there may be market forces at work which indicate that the program should be reevaluated or possibly scaled back. The review should determine whether a real shortage of nurses actually exists in Kansas at this time.

4. Concur with GBA No. 2, Item 5, which shifts \$136,328 in the Nursing Scholarship program in FY 1999 to the State General Fund and thereby eliminates the local sponsor requirement. Current practice requires each nursing scholarship student to have a local sponsor (a medical facility, a state agency that employs nurses, or a psychiatric hospital). Testimony indicated that a lack of local sponsors in recent years has been a barrier to the program.

5. With regard to the Washburn University operating grant, the Subcommittee reduces the Governor's recommendation by \$32,176 to fund the FY 1999 operating grant at \$7,902,169, an increase of \$447,293 or 6.0 percent over the current year. This is the increase requested by the Board of Regents. The Subcommittee questions the Governor's recommendation to convert Washburn's state grant to a "public funding base" from the current base that includes only the State General Fund amount.
6. Lastly, the Subcommittee was made aware of an offer by the National Geographic Society Education Foundation which invites Kansas to participate in the Foundation's "Endowment Fund Program." This program apparently provides financial support for a broad array of geography programs in Kansas. The preliminary materials provided to the Subcommittee indicate that such programs include professional development institutes for teachers and administrators, curriculum materials, exhibitions, and resource collections. It appears that a participating state must make a minimum investment of \$250,000, which will be matched by an equal amount from the Foundation. Five states are currently participating: Colorado, Mississippi, Oklahoma, Wyoming, and the District of Columbia. While the Subcommittee is interested in this concept, there was very little firm information at the time the Subcommittee was meeting. The Subcommittee will continue to investigate the ramifications of Kansas participating in this program, and flags this issue for Omnibus review.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee, with the following adjustment:

1. Add \$250,000 from the Economic Development Initiatives Fund (EDIF) for the minimum payment to the National Geographic Society Education Foundation, which will allow Kansas to participate in the Foundation's "Endowment Fund Program." This funding will be matched by a like amount from the Foundation, making a total of \$500,000 available. This item is discussed in Senate Subcommittee Recommendation No. 6 above.

Senate Committee of the Whole Recommendation

The full Senate has not considered this budget.

Agency: Board of Regents

Bill No. 2893

Bill Sec. 78

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 9,147,183	\$ 14,142,376	\$ 0
Aid to Local Units	7,902,169	7,934,345	0
Other Assistance	<u>13,279,661</u>	<u>13,540,000</u>	<u>0</u>
Subtotal - Operating	\$ 30,329,013	\$ 35,616,721	\$ 0
Capital Improvements	12,770,000	12,770,000	0
TOTAL	<u>\$ 43,099,013</u>	<u>\$ 48,386,721</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 1,915,177	\$ 1,910,370	\$ 0
Aid to Local Units	7,902,169	7,934,345	0
Other Assistance	<u>12,444,196</u>	<u>12,848,215</u>	<u>0</u>
Subtotal - Operating	\$ 22,261,542	\$ 22,692,930	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 22,261,542</u>	<u>\$ 22,692,930</u>	<u>\$ 0</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>18.0</u>	<u>18.0</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following adjustment:

1. Shift the \$5.0 million recommended by the Governor for technology equipment from the State Budget Stabilization Fund (SBSF) to the Economic Development Initiatives Fund (EDIF).
2. Concur with GBA No. 2, Item 5, which shifts \$136,328 in the Nursing Scholarship program in FY 1999 to the State General Fund and thereby eliminates the local sponsor requirement. Current practice requires each nursing scholarship student to have a local sponsor (a medical facility, a state agency that employs nurses, or a psychiatric hospital). Testimony indicated that a lack of local sponsors in recent years has been a barrier to the program.
3. **Systemwide Recommendation—Recommendations of the House Select Committee on Higher Education.** In keeping with the Subcommittee's decision to fund the recommendations of the Select Committee on Higher Education, add funding from

the State General Fund totaling \$13,200,000 in FY 2000 for Washburn University property tax mill levy reduction and transition expenses.

Overview of FY 1999 State General Finances

State General Fund Expenditures:

**House Appropriations Committee Major Additions:
Amount in Millions**

Computerization of the Legislature
 SRS - Mainly Medicaid Reimbursement Rates
 KBI - New Crime Unit (white collar crime, technology crimes, unsolved homicides)
 Highway Patrol - 10 New Troopers/Communication Line Costs
 Judicial Branch - 41 new positions; increased judicial salaries; no salary shrinkage

	FY 1999 House Appropriations Committee Rec.*	<u>Difference</u>
Gov. Rec. FY 1999	\$4,082,906,757	\$4,095,926,435
		\$13,019,678

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**Spending Enhancements for General & Supp. School Aid
(excluding mill levy reduction):**

Amounts in Millions

Current Law General and Supplemental School Aid Amount

 Base State Aid Per Pupil Increase (\$3,670 to \$3,705)
 Correlation Weight from 1,800 and Over to 1,775 and Over
 At-Risk Weight from 6.5% to 8.0%
 Subtotal - School Spending Enhancements
 Percent Increase

<u>Gov. Rec.</u>	<u>House Appropriations Rec.*</u>
\$1,650.8	\$1,650.8
19.9	19.9
10.0	10.0
<u>6.0</u>	<u>6.0</u>
\$35.9	\$35.9
2.4%	2.4%

**Increased Funding for General Government Operating Expenditures
(excluding school aid and demand transfers):**

General Government Operating Expenditures
 Dollar Increase Above FY 1998 Amount
 Percent Increase Above FY 1998 Amount

\$2,142.1	\$2,155.8
74.0	87.4
3.6%	4.2%

**Increased Funding for General Government Operating Expenditures
(including State Budget Stabilization Fund, but excluding school
aid and the demand transfers):**

General Government Operating Expenditures
 Dollar Increase Above FY 1998 Amount
 Percent Increase Above FY 1998 Amount

\$2,177.8	\$2,181.5
109.7	113.1
5.3%	5.5%

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Additional FTE Postions Approved by House Appropriations Committee:

Judicial Branch	41.0
Legislature	2.0
Highway Patrol	10.0
Department of Education	1.0
Fire Marshal	1.0
Animal Health Department	1.0
Kansas Water Office	1.0
Department of Health and Environment	0.5

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11**Amount of Tax Reduction (including mill levy reduction):**

(Amounts in millions)

	<u>Gov. Rec.</u>	<u>House Option #1</u>	<u>House Option #2</u>
FY 1999	(\$170.455)	(\$190.005)	(\$193.600)
FY 2000	(214.576)	(234.041)	(230.585)
FY 2001	(216.790)	(236.553)	(262.821)
FY 2002	(226.911)	(246.930)	(309.797)
FY 2003	(237.439)	(257.920)	(336.111)
Five Year Total	(\$1,066.171)	(\$1,165.449)	(\$1,332.914)

* Reflects House Appropriations Committee action as of March 17, 1998

Prepared at the Request and Direction of Representative Henry Helgerson
 Kansas Legislative Research Department
 March 18, 1998