

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson David Adkins at 9:20 a.m. on February 14, 2000 in Room 514-S of the Capitol.

All members were present except: Representative Ballard - excused

Committee staff present: Leah Robinson, Kansas Legislative Research Department  
Robert Waller, Kansas Legislative Research Department  
Paul West, Kansas Legislative Research Department  
Jim Wilson, Revisor of Statutes Office  
Dave Stallings, Assistant to the Chairman  
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

**Education and Legislative Budget Committee Reports on:**

**Regents Systemwide, Wichita State University, University of Kansas, University of Kansas Medical Center, Kansas State University, KSU-Extension Systems and Agricultural Research Program, KSU-Veterinary Medical Center, Fort Hays State University, Emporia State University, Pittsburg State University and the Board of Regents**

Representative Farmer presented the Education and Legislative Budget Committee report on the Governor's recommendations on the Regents Systemwide FY 2001 budget (Attachment 1).

Representative Farmer made a motion, seconded by Representative Dean, to adopt the Education and Legislative Budget Committee report recommendations regarding the Regents Systemwide issues for Wichita State University, University of Kansas, University of Kansas Medical Center, Kansas State University, KSU-Extension Systems and Agricultural Research Program, KSU-Veterinary Medical Center, Fort Hays State University, Emporia State University, Pittsburg State University and the Board of Regents. Committee questions and discussion followed.

Representative Reinhardt made a substitute motion, seconded by Representative Hermes, to offer an amendment to put back in the \$155,918 regarding Ft. Hays State University. Committee questions and discussion followed. A vote was taken and the Chairman requested division with 9 in favor and 7 opposed. Motion carried. There was detailed discussion regarding the Children's Cabinet and the Chairman mentioned that in talking to the chairperson of the Children's Cabinet, that they recognize that their recommendations for this year and the Governor's response to them probably did not afford them adequate time to prepare recommendations and that they were interested in remaining flexible. The Chairman also noted that it is his intention, given the fact that the Budget Division has appropriated Children's Initiative money throughout the various agencies that the budget committees will be dealing with, and that the Committee will re-visit specifically where Children's Initiative Fund money is being spent in a focused way before **HB 2994** is passed by the full Appropriations Committee. The Chairman noted that copies of the recommendations by the Children's Cabinet and a copy of a summary sheet of the Governor's recommendation on how the money would be spent, had been distributed to the Committee earlier.

The Chairman ruled and called the Committee's attention to the renewed motion by Representative Farmer, seconded by Representative Dean, to approve the Education and Legislative Budget Committee report for the Institutions and Regents Systemwide as amended. Motion carried.

CONTINUATION SHEET

**Bill Introductions**

Representative Farmer made a motion, seconded by Representative Reinhardt, for a bill introduction regarding the revised community college funding. Motion carried.

Representative Dean made a motion, seconded by Representative Reardon, to introduce a bill somewhat as a result of the visit to Wyandotte High School regarding the teachers service scholarship program that is not in an omnibus Senate bill regarding scholarships. Motion carried.

Representative Dean made a motion, seconded by Representative Neufeld, to introduce a bill regarding pharmacists and the pharmaceutical company or the drugstores selling information back to companies to do marketing and the privacy of prescriptions. Motion carried.

The meeting was adjourned at 10:20 a.m. The next meeting is scheduled for February 15, 2000.

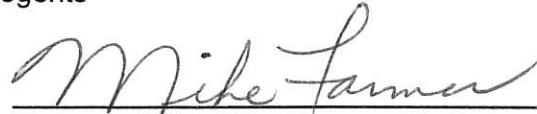
**HOUSE APPROPRIATIONS COMMITTEE  
GUEST LIST**

DATE February 14, 2000

NAME	REPRESENTING
Marlin Rein	KU
Ed Hammond	FHSC -
Kelly Wiese	AP
Laurie Harrison	Kansas Legal Services
Hebra Frideaux	FHSC
MC Pomatto	PSU
Deresa Lynn Clench	ESU
Sheila Feakwe	KACCT
Marvin Burns	KLBR
Mike Matson	"
Tom Rossillon	ESU
Jon Josseland	
ERIC Sexton	WSCU

**EDUCATION AND LEGISLATIVE BUDGET COMMITTEE**

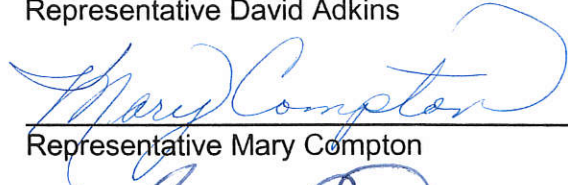
Regents Systemwide  
Wichita State University  
University of Kansas  
University of Kansas Medical Center  
Kansas State University  
KSU-Extension Systems and Agricultural Research Program  
KSU-Veterinary Medical Center  
Fort Hays State University  
Emporia State University  
Pittsburg State University  
Board of Regents



Representative Mike Farmer, Chairperson



Representative David Adkins



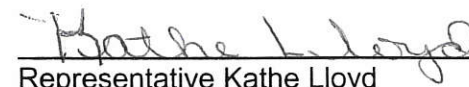
Representative Mary Compton



Representative George Dean



Representative Annie Kuether

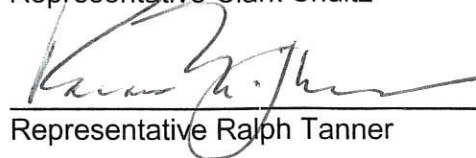


Representative Kathe Lloyd

Representative Richard Reinhardt



Representative Clark Shultz



Representative Ralph Tanner

# Budget Committee Report

**Agency:** Regents Systemwide Summary    **Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson/West

**Analysis Pg. No. 57    Budget Page No. --**

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 586,685,912	\$ 540,310,784	\$ (666,666)
General Fees Fund	196,693,497	202,587,452	0
Federal Land Grant Funds	7,927,716	8,314,991	0
Other Funds	13,324,587	13,893,974	0
<b>Subtotal - General Use</b>	<b>\$ 804,631,712</b>	<b>\$ 765,107,201</b>	<b>\$ (666,666)</b>
Restricted Use Funds	533,498,446	522,617,687	0
<b>Total - Operating Expenditures</b>	<b>\$ 1,338,130,158</b>	<b>\$ 1,287,724,888</b>	<b>\$ (666,666)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 3,164,446	\$ 189,446	\$ 0
Educational Building Fund	1,305,000	0	0
Other Funds	20,222,026	15,253,952	0
<b>Total - Capital Improvements</b>	<b>\$ 24,691,472</b>	<b>\$ 15,443,398</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 1,362,821,630</b>	<b>\$ 1,303,168,283</b>	<b>\$ (666,666)</b>
FTE Positions	15,772.4	15,747.4	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>15,772.4</b>	<b>15,747.4</b>	<b>0.0</b>

## Agency Request/Governor's Recommendation

The Regents institutions request a general use operating budget increase of \$43.1 million (5.7 percent) over the revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$39.3 million); a 3.5 percent other operating expenditures (OOE) increase (\$4.5 million), and a systemwide library enhancement request which would match a \$1 per credit hour tuition increase with \$1 from the State General Fund (\$3.8 million, including \$1.9 million from the State General Fund).

The Governor recommends a general use operating budget increase of \$11.3 million (1.5 percent) over the FY 2000 recommendation. The recommendation includes general use pay plan adjustments totaling \$12.4 million including funding for classified step movement, longevity bonus payments, and a 2.5 percent unclassified merit pool. The Governor does not recommend funding for additional other operating expenditures increases, and recommends \$1.9 million for the systemwide library enhancement request

(representing the amount to be raised by the \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments and observations:

1. As a systemwide recommendation, delete funding of \$1.0 million (State General Fund) from the general use operating budgets of the institutions. The Budget Committee recommends that the funding reduced be redirected in the following manner: \$666,000 would be added to student financial aid programs in the budget of the Board of Regents; and the remaining \$333,334 would be appropriated to the respective institutions to provide additional student salary increases. This funding would provide an approximate 5.4 percent increase in student salary funding. The Budget Committee's recommendation is based upon a number of factors, including the following:
  - Several Budget Committee members are troubled by the December, 1999 tuition increase approved by the Board. This "second" increase, which provides for a \$3.20 per credit hour increase at the University of Kansas, Kansas State University, and Wichita State University, and a 3.2 percent additional increase at the regional institutions, is estimated to increase tuition receipts by \$5.4 million. The increase is designed primarily to offset the impact of the FY 2000 State General Fund reduction approved in Senate Bill No. 39 on the institutions' base budgets.
  - While the Budget Committee recognizes that tuition in Kansas is considerably less than that of peer institutions, it observes that Kansas has also historically been considered a "low tuition, low financial aid" state. In recognition of that fact, the Budget Committee believes that, with a tuition increase of this magnitude, some corresponding increase in student financial aid is necessary. The additional funding recommended by the Budget Committee would provide increases for both need-based and service-based aid programs administered by the Board of Regents.
  - In addition, the Budget Committee recommendation provides an approximate 5.4 percent increase in student salary funding available to student workers at the institutions to provide additional financial assistance with the increased tuition rates.

The following table reflects, by institution, the adjustments recommended by the Budget Committee. This information is also included in the individual Budget Committee reports which follow the Systemwide report. The additional funding recommended for student financial aid is reflected in the budget of the Board of Regents and is not included in this report.

Institution	Portion of \$1.0 million SGF reduction	Additional SGF funding for student salaries	Net change from Governor's Rec.
Emporia State University	\$ (54,000)	\$ 31,667	\$ (22,333)
Fort Hays State University	(56,000)	35,667	(20,333)
Kansas State University	(188,000)	55,667	(132,333)
KSU-ESARP	(86,000)	9,667	(76,333)
KSU-Veterinary Med. Center	(17,000)	5,333	(11,667)
Pittsburg State University	(59,000)	25,667	(33,333)
University of Kansas	(242,000)	100,334	(141,666)
KU Medical Center	(182,000)	18,000	(164,000)
Wichita State University	(116,000)	51,333	(64,667)
Total	<u>\$ (1,000,000)</u>	<u>\$ 333,334</u>	<u>\$ (666,666)</u>

2. The Budget Committee notes that the library enhancement funding request was based on the concept that the \$1 per credit hour increase to be paid by students would be matched with \$1 from the State General Fund. The Governor's recommendation includes only that funding generated through the tuition increase; the State General Fund match is not recommended. Conflicting testimony was presented to the Budget Committee regarding continued student support for the increase in light of the fact that the state will not be matching the increased tuition. It is the recommendation of the Budget Committee that the individual campuses, in consultation with students, be allowed to determine whether imposition of the additional tuition should actually occur.
  
3. The Budget Committee believes that, even within the constraints of a difficult budget year, it is important to honor the commitments made to higher education in 1999 Senate Bill No. 345. The Budget Committee notes that the budget of the Board of Regents contains funding totaling \$21.8 million from the State General Fund to provide additional state aid to community colleges (\$12.4 million), additional grant funding for Washburn University (\$1.1 million), and faculty salary enhancement funding at the Regents institutions (\$8.4 million).
  
4. The Budget Committee experienced a substantial level of frustration during its review of the Regents budgets; some frustration as the result of the institutional presentations, and some as the result of the budget process

itself. The Budget Committee was disappointed with the institutions' apparent inability to articulate an ongoing justification for the large investment the state is requested to make in the institutional budgets. Until there is some clear articulation of strategic goals and some way to realistically evaluate the institutions' progress at achieving those goals, however, the tendency of both the Governor and the Legislature will be to continue to "micro-manage" institutional budgets. Specifically, the Budget Committee makes the following observations:

- The Budget Committee notes that the Higher Education Coordination Act passed during the 1999 session contains, in the out-years, a performance-based funding component and is supportive of moving more in the direction of a performance-based review of Regents budgets.
  - Each institution's budget submission contains a number of performance measures, goals, and objectives. While some discussion about the performance measures took place, there was no in-depth analysis of whether those goals were appropriate and whether the institutions' performance justified the increases requested. The current budget process does not lend itself to this kind of review. The Budget Committee observes that the full Appropriations Committee will be considering additional information on performance based budgeting and encourages the Committee to give serious consideration to the issue.
  - The Budget Committee also recommends that consideration be given to the creation of a "Task Force" on the budget process, whether it be limited to Regents budgeting or more expansive in nature. With regard to Regents budgeting in particular, the Budget Committee suggests that it would be appropriate to include members of the House Appropriations and Senate Ways and Means Committees, along with members of the Board of Regents, to work, during the 2000 interim, to develop appropriate performance measures and methods to tie performance to funding. The first few weeks of the 2001 Legislative session could then be devoted to the policy behind the recommended performance measures.
5. While the Budget Committee's recommendation makes an effort to provide more equitable treatment of students through financial aid increases and increases in student salary funding, the Budget Committee requests that the Board of Regents consider a more long-term approach to the issues of financial aid and other student support and report its conclusions to the House Appropriations Budget Committee during the 2001 Legislative Session.



## Budget Committee Report

**Agency:** Wichita State University

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No. 211 Budget Page No. 483**

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 68,024,561	\$ 62,606,177	\$ (64,667)
General Fees Fund	27,535,202	28,425,377	0
<b>Subtotal - General Use</b>	<b>\$ 95,559,763</b>	<b>\$ 91,031,554</b>	<b>\$ (64,667)</b>
Restricted Use Funds	40,747,047	40,689,448	0
<b>Total - Operating Expenditures</b>	<b>\$ 136,306,810</b>	<b>\$ 131,721,002</b>	<b>\$ (64,667)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 465,000	\$ 0	\$ 0
Educational Building Fund	975,000	0	0
Other Funds	615,000	615,000	0
<b>Total - Capital Improvements</b>	<b>\$ 2,055,000</b>	<b>\$ 615,000</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 138,361,810</b>	<b>\$ 132,336,002</b>	<b>\$ (64,667)</b>
FTE Positions	1,728.0	1,728.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>1,728.0</b>	<b>1,728.0</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$6.2 million (6.9 percent) over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$4.5 million); a 3.5 percent other operating expenditures (OOE) increase (\$532,591), and the systemwide library enhancement request (\$580,000, including \$290,000 from the State General Fund).

The Governor recommends a general use operating budget increase of \$2.6 million (3.0 percent) over the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$2.3 million including funding for classified step movement (\$189,651), longevity bonus payments (\$218,724), and a 2.5 percent unclassified merit pool (\$1,895,998). The Governor does not recommend funding for additional other operating expenditures increases, and recommends \$290,000 for the systemwide library enhancement

request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$116,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
  
2. **Systemwide Recommendation.** Add \$51,333 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an average student salary increase of 5.4 percent.

## Budget Committee Report

**Agency:** University of Kansas

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No. 173 Budget Page No. 463**

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 144,424,790	\$ 130,886,226	\$ (141,666)
General Fees Fund	82,252,051	84,147,305	0
Other Funds	1,369,890	1,320,810	0
<b>Subtotal - General Use</b>	<b>\$ 228,046,731</b>	<b>\$ 216,354,341</b>	<b>\$ (141,666)</b>
Restricted Use Funds	183,312,400	177,705,037	0
<b>Total - Operating Expenditures</b>	<b>\$ 411,359,131</b>	<b>\$ 394,059,378</b>	<b>\$ (141,666)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 1,225,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	2,905,000	2,905,000	0
<b>Total - Capital Improvements</b>	<b>\$ 4,130,000</b>	<b>\$ 2,905,000</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 415,489,131</b>	<b>\$ 396,964,378</b>	<b>\$ (141,666)</b>
FTE Positions	4,590.4	4,576.1	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>4,590.4</b>	<b>4,576.1</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$10.9 million (5.0 percent) over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$11.6 million); a 3.5 percent other operating expenditures (OOE) increase (\$1.3 million), and the systemwide library enhancement request (\$1,245,558, including \$622,779 from the State General Fund).

The Governor recommends a general use operating budget increase of \$1.4 million (0.6 percent) over the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$5.6 million including funding for classified step movement (\$659,710), longevity bonus payments (\$521,206), and a 2.5 percent unclassified merit pool (\$4,439,716). The Governor does not recommend funding for additional other operating

expenditures increases, and recommends \$622,779 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$242,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$100,334 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an average student salary increase of 5.4 percent.

## Budget Committee Report

**Agency:** University of Kansas  
Medical Center

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 189

**Budget Pg No.** 465

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 104,983,647	\$ 98,458,270	\$ (164,000)
General Fees Fund	10,483,626	11,033,864	0
Other Funds	8,600,646	9,057,383	1,000,000
<b>Subtotal General Use</b>	<b>\$ 124,067,918</b>	<b>\$ 118,549,517</b>	<b>\$ 1,000,000</b>
Restricted Use Funds	71,004,976	67,551,136	0
<b>TOTAL—Oper. Exp.</b>	<b>\$ 195,072,894</b>	<b>\$ 186,100,653</b>	<b>\$ 836,000</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 300,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,202,109	1,202,109	0
<b>TOTAL—Cap. Impr.</b>	<b>\$ 1,502,109</b>	<b>\$ 1,202,109</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 196,575,003</b>	<b>\$ 187,302,762</b>	<b>\$ 836,000</b>
FTE Positions	2,494.7	2,493.7	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>2,494.7</b>	<b>2,493.7</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$6.8 million (5.8 percent over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$6.2 million); a 3.5 percent other operating expenditures (OOE) increase (\$0.7 million), a systemwide tuition equity enhancement (\$62,840), and the systemwide library enhancement request (\$120,000, including \$60,000 from the State General Fund).

The Governor recommends a general use operating budget increase of \$2.7 million (2.4 percent) over the FY 2000 recommendation. The recommendation includes pay plan

adjustments totaling \$2.4 million including funding for classified step movement (\$356,439), longevity bonus payments (\$330,639), and a 2.5 percent unclassified merit pool (\$1,697,234). The Governor does not recommend funding for additional other operating expenditures increases, and recommends \$60,000 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.) The Governor also recommends \$250,000 from the Children's Initiatives Fund to extend the TeleKid Health Care Link.

## **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$182,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$18,000 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an increase student salary funding of 5.4 percent.
3. Add \$1,000,000 from the Children's Initiatives Fund for pediatric biomedical research. The Budget Committee notes that the basis for recovery from the tobacco companies is prior health care related expenditures, while the Children's Initiatives Fund is to be used to support programs beneficial to children. The Budget Committee feels that pediatric biomedical research is an excellent area in which to invest for the long term health of all children.

## Budget Committee Report

**Agency:** Kansas State University

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No. 114 Budget Page No. 315**

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 110,827,744	\$ 101,447,141	\$ (132,333)
General Fees Fund	43,463,196	44,947,038	0
Other Funds	150,000	175,000	0
<b>Subtotal - General Use</b>	<b>\$ 154,440,940</b>	<b>\$ 146,569,179</b>	<b>\$ (132,333)</b>
Restricted Use Funds	148,389,518	148,077,565	0
<b>Total - Operating Expenditures</b>	<b>\$ 302,830,458</b>	<b>\$ 294,646,744</b>	<b>\$ (132,333)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 439,446	\$ 189,446	\$ 0
Educational Building Fund	0	0	0
Other Funds	4,508,917	2,265,843	0
<b>Total - Capital Improvements</b>	<b>\$ 4,948,363</b>	<b>\$ 2,455,289</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 307,778,821</b>	<b>\$ 297,102,033</b>	<b>\$ (132,333)</b>
FTE Positions	3,152.0	3,147.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>3,152.0</b>	<b>3,147.8</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$10.1 million (7.0 percent) over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$7.6 million); a 3.5 percent other operating expenditures (OOE) increase (\$850,672), and the systemwide library enhancement request (\$1,008,000, including \$504,000 from the State General Fund).

The Governor recommends a general use operating budget increase of \$3.1 million (2.2 percent) over the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$3.6 million including funding for classified step movement (\$387,001), longevity bonus payments (\$378,245), and a 2.5 percent unclassified merit pool (\$2,864,903). The Governor does not recommend funding for additional other operating

expenditures increases, and recommends \$504,000 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$188,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$55,667 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an average student salary increase of 5.4 percent.



## Budget Committee Report

**Agency:** KSU-Extension Systems and  
Agriculture Research Programs

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No. 130 Budget Page No. 317**

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 49,812,334	\$ 46,365,208	\$ (76,333)
Federal Land Grant Funds	7,927,716	8,314,991	0
<b>Subtotal - General Use</b>	<b>\$ 57,740,050</b>	<b>\$ 54,680,199</b>	<b>\$ (76,333)</b>
Restricted Use Funds	40,179,148	40,041,117	0
<b>Total - Operating Expenditures</b>	<b>\$ 97,919,198</b>	<b>\$ 94,721,316</b>	<b>\$ (76,333)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	6,000,000	6,000,000	0
<b>Total - Capital Improvements</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 103,919,198</b>	<b>\$ 100,721,316</b>	<b>\$ (76,333)</b>
FTE Positions	1,276.9	1,272.2	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>1,276.9</b>	<b>1,272.2</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$1.7 million (3.1 percent) over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$3.1 million); and a 3.5 percent other operating expenditures (OOE) increase (\$260,218).

The Governor recommends a general use operating budget reduction of \$576,158 (1.0 percent) below the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$1.6 million including funding for classified step movement (\$159,365), longevity bonus payments (\$135,217), and a 2.5 percent unclassified merit pool (\$1,323,159). The Governor does not recommend funding for additional other operating expenditures increases.

## Budget Committee Recommendation

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$86,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$9,667 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an average student salary increase of 5.4 percent.

## Budget Committee Report

Agency: KSU-Veterinary Medical Center

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 143 Budget Page No. 319

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,323,241	\$ 9,274,258	\$ (11,667)
General Fees Fund	5,201,376	5,258,707	0
Hosp.& Diag. Lab. Fund	3,189,052	3,325,781	0
<b>Subtotal - General Use</b>	<b>\$ 18,713,669</b>	<b>\$ 17,858,746</b>	<b>\$ (11,667)</b>
Restricted Use Funds	2,663,063	2,654,796	0
<b>Total - Operating Expenditures</b>	<b>\$ 21,376,732</b>	<b>\$ 20,513,542</b>	<b>\$ (11,667)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	0	0	0
<b>Total - Capital Improvements</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 21,376,732</b>	<b>\$ 20,513,542</b>	<b>\$ (11,667)</b>
FTE Positions	255.5	254.5	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>255.5</b>	<b>254.5</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$177,433 (1.0 percent) over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$771,172); a 3.5 percent other operating expenditures (OOE) increase (\$141,201), and the systemwide library enhancement request (\$32,000, including \$16,000 from the State General Fund).

The Governor recommends a general use operating budget reduction of \$489,568 (2.7 percent) below the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$383,467 including funding for classified step movement (\$81,420), longevity bonus payments (\$65,917), and a 2.5 percent unclassified merit pool (\$236,130). The Governor does not recommend funding for additional other operating expenditures

increases, and recommends \$16,000 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$17,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$5,333 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an average student salary increase of 5.4 percent.

## Budget Committee Report

**Agency:** Fort Hays State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 98

**Budget Pg No.** 177

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 32,490,680	\$ 30,241,606	\$ (20,333)
General Fees Fund	8,329,580	8,760,045	0
Other Funds	0	0	0
<b>Subtotal General Use</b>	<b>\$ 40,820,260</b>	<b>\$ 39,001,651</b>	<b>\$ (20,333)</b>
Restricted Use Funds	15,606,616	15,314,943	0
<b>TOTAL -- Oper. Exp.</b>	<b>\$ 56,426,876</b>	<b>\$ 54,316,594</b>	<b>\$ (20,333)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	330,000	0	0
Other Funds	505,000	505,000	0
<b>TOTAL -- Cap. Impr.</b>	<b>\$ 835,000</b>	<b>\$ 505,000</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 57,261,876</b>	<b>\$ 54,821,594</b>	<b>\$ (20,333)</b>
FTE Positions	710.6	710.6	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>710.6</b>	<b>710.6</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

The University requests a general use operating budget increase of \$2.3 million (6.1 percent over its revised FY 2000 estimate). The request includes funding for an 8.5 percent unclassified salary increase (\$1.9 million), a 3.5 percent other operating expenditures (OOE) increase (\$234,116), a systemwide tuition equity adjustment (\$50,000), and the systemwide library enhancement request (\$268,000, including \$134,000 from the State General Fund).

The Governor recommends a general use operating budget increase of \$1.0 million (2.5 percent) over the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$827,642 including funding for classified step movement (\$177,750),

longevity bonus payments (\$108,218), and a 2.5 percent unclassified merit pool (\$541,674). The Governor does not recommend funding for additional other operating expenditures increases, and recommends \$134,000 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.) The recommendation also includes \$201,094 as an enrollment adjustment.

## **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$56,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$35,667 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an increase in student salary funding of 5.4 percent.

## Budget Committee Report

**Agency:** Emporia State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 81

**Budget Pg No.** 171

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 31,549,602	\$ 29,331,211	\$ (22,333)
General Fees Fund	8,592,933	8,855,138	0
Other Funds	15,000	15,000	0
<b>Subtotal General Use</b>	<b>\$ 40,157,535</b>	<b>\$ 38,201,349</b>	<b>\$ (22,333)</b>
Restricted Use Funds	14,197,891	13,975,963	0
<b>TOTAL—Oper. Exp.</b>	<b>\$ 54,355,426</b>	<b>\$ 52,177,312</b>	<b>\$ (22,333)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 325,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	3,291,000	426,000	0
<b>TOTAL—Cap. Impr.</b>	<b>\$ 3,616,000</b>	<b>\$ 426,000</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 57,971,426</b>	<b>\$ 52,603,312</b>	<b>\$ (22,333)</b>
FTE Positions	764.3	764.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>764.3</b>	<b>764.3</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The University requests a general use operating budget increase of \$1.9 million (5.0 percent) over its revised FY 2000 estimate. The request includes funding for an 8.5 percent unclassified salary increase (\$1.9 million); a 3.5 percent other operating expenditures (OOE) increase (\$202,301), a systemwide equity adjustment (\$51,000), and the systemwide library enhancement request (\$274,000, including \$137,000 from the State General Fund).

The Governor recommends a general use operating budget increase of \$378,297 (1.0 percent) over the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$0.9 million including funding for classified step movement (\$185,093),

longevity bonus payments (\$108,573), and a 2.5 percent unclassified merit pool (\$540,992). The Governor does not recommend funding for additional other operating expenditures increases, and recommends \$137,000 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$54,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$31,667 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an average student salary increase of 5.4 percent.



## Budget Committee Report

**Agency:** Pittsburg State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 158

**Budget Pg No.** 353

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 34,249,313	\$ 31,700,687	\$ (33,333)
General Fees Fund	10,835,533	11,159,978	0
Other Funds	0	0	0
<b>Subtotal General Use</b>	<b>\$ 45,084,846</b>	<b>\$ 42,860,665</b>	<b>\$ (33,333)</b>
Restricted Use Funds	17,397,787	16,607,679	0
<b>TOTAL -- Oper. Exp.</b>	<b>\$ 62,482,633</b>	<b>\$ 59,468,347</b>	<b>\$ (33,333)</b>
<b>Capital Improvements:</b>			
State General Fund	\$ 410,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,335,000	1,335,000	0
<b>TOTAL -- Cap. Impr.</b>	<b>\$ 1,745,000</b>	<b>\$ 1,335,000</b>	<b>\$ 0</b>
 <b>GRAND TOTAL</b>	 <b>\$ 64,227,633</b>	 <b>\$ 60,803,347</b>	 <b>\$ (33,333)</b>
 FTE Positions	 800.2	 800.2	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<b>800.2</b>	<b>800.2</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

The University requests a general use operating budget increase of \$2.9 million (6.8 percent over its revised FY 2000 estimate). The request includes funding for an 8.5 percent unclassified salary increase (\$2.3 million), a 3.5 percent other operating expenditures (OOE) increase (\$233,173), a systemwide tuition equity adjustment (\$64,000), and the systemwide library enhancement request (\$320,000, including \$160,000 from the State General Fund).

The Governor recommends a general use operating budget increase of \$1.1 million (2.7 percent) over the FY 2000 recommendation. The recommendation includes pay plan adjustments totaling \$859,260 including funding for classified step movement (\$184,247),

longevity bonus payments (\$99,532), and a 2.5 percent unclassified merit pool (\$575,481). The Governor does not recommend funding for additional other operating expenditures increases, and recommends \$160,000 for the systemwide library enhancement request (representing the amount to be raised by a \$1 per credit hour tuition increase; the State General Fund match is not recommended.)

### **Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. **Systemwide Recommendation.** Delete funding of \$59,000 from the State General Fund as part of the systemwide recommendation to delete \$1,000,000 in funding from the Regents institutions.
2. **Systemwide Recommendation.** Add \$25,667 from the State General Fund to provide additional funding for student salaries. With funding already recommended by the Governor, this would provide an increase in student salary funding of 5.4 percent.

## Budget Committee Report

**Agency:** Board of Regents

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No. 226 Budget Pg No. 359**

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 10,447,869	\$ 9,459,622	\$ 0
Aid to Local Units	128,238,256	125,192,078	0
Other Assistance	16,055,215	14,637,342	666,666
Subtotal - Operating	<u>\$ 154,741,340</u>	<u>\$ 149,289,042</u>	<u>\$ 666,666</u>
Capital Improvements	16,465,000	16,465,000	0
<b>TOTAL</b>	<u><u>\$ 171,206,340</u></u>	<u><u>\$ 165,754,042</u></u>	<u><u>\$ 666,666</u></u>
<b>State General Fund:</b>			
State Operations	\$ 3,514,771	\$ 2,507,268	\$ 0
Aid to Local Units	116,817,194	113,301,016	0
Other Assistance	15,165,470	13,567,597	666,666
Subtotal - Operating	<u>\$ 135,497,435</u>	<u>\$ 129,375,881</u>	<u>\$ 666,666</u>
Capital Improvements	0	0	0
<b>TOTAL</b>	<u><u>\$ 135,497,435</u></u>	<u><u>\$ 129,375,881</u></u>	<u><u>\$ 666,666</u></u>
FTE Positions	39.0	28.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>39.0</u></u>	<u><u>28.0</u></u>	<u><u>0.0</u></u>

### Agency Req./Governor's Recommendation

The agency requests an FY 2001 operating budget of \$154.7 million, an increase of 20.8 percent from the current year estimate. The request includes **State General Fund** financing of \$135.5 million, including \$22.3 million in increased expenses associated with 1999 S.B. 345 and \$4.8 million for requested enhancements; and \$19.2 million in **special revenue** fund financing, reflecting decreases from the current year of \$355,000 in debt service interest payments and \$6,503 from other funding sources.

The Governor recommends an FY 2001 budget of \$149.3 million, an increase of 17.4 percent from the current year recommendation. The recommendation includes **State General Fund** financing of \$129.4 million, including \$21.8 million for implementing 1999 S.B. 345, \$350,000 for program enhancements, and a net reduction of \$247,614 in other

State General Fund program support and **special revenue** financing of \$19.9 million, including a decrease of \$355,000 in debt service interest payments, an increase of \$400,000 in EDIF financing, and a net increase of \$114,013 from other special revenue sources.

**Budget Committee Recommendation**

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. While the Budget Committee recognizes that tuition in Kansas is considerably less than that of peer institutions, it observes that Kansas has also historically been considered a “low tuition, low financial aid” state. In recognition of that fact, the Budget Committee believes that, with a tuition increase of the magnitude of that adopted by the Board of Regents for next year, some corresponding increase in student financial aid is necessary. The Budget Committee recommends the addition of \$666,666 from the State General Fund to provide increases for both need-based and service-based aid programs administered by the Board of Regents. The additional funding will provide increased support of the programs in which students attending Regents institutions participate. The following table summarizes the programs impacted by the Budget Committee recommendation:

**SELECTED STUDENT FINANCIAL AID PROGRAMS  
ALL FUNDS**

<u>Program</u>	<u>FY 2000 Approved</u>	<u>FY 2001 Gov. Rec.</u>	<u>Bud. Comm. Adjust.</u>	<u>FY 2001 Revised Rec.</u>
Comp. Grant	\$ 10,500,000	\$ 10,447,500	\$ 398,531	\$ 10,846,031
State Scholarship	1,526,437	1,498,727	123,411	1,622,138
Minority Scholarship	368,210	361,000	32,139	393,139
Work Study	517,227	517,227	43,447	560,674
Teacher Scholar	452,500	460,000	28,554	488,554
Nursing Scholarship	426,875	414,567	15,993	430,560
Minority Fellowship	150,000	148,900	9,100	158,000
ROTC Scholarship	184,421	184,421	15,491	199,912
<b>TOTAL</b>	<b><u>\$ 14,125,670</u></b>	<b><u>\$ 14,032,342</u></b>	<b><u>\$ 666,666</u></b>	<b><u>\$ 14,699,008</u></b>

2. The Budget Committee learned that the community colleges and the Board of Regents have recommended some modifications to the formula adopted last year for the distribution of Community College Operating Grants. The revised formula includes a vocational education element which was not

included in the original formula, but does not change the funding base or tax relief provisions of the Higher Education Coordination Act. The Governor's recommendation adopts this formula change and the Budget Committee recommends the introduction of the legislation necessary to implement the change. While the Budget Committee recognizes that as the Higher Education Coordination Act is implemented continual changes may be required, the Budget Committee recommends that the Board of Regents remain focused on developing the performance-based budgeting aspects of the Act.