

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 1, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Senator Morris moved, Senator Salmans seconded, that the minutes of the February 22nd and 23rd meetings be approved. The motion carried on a voice vote.

Chairman Kerr reviewed the following FY 2001 subcommittee reports:

Regents Systemwide (Attachment 1)

Senator Petty reviewed the minority report found on page 10 of the attachment. The Chairman noted that most of the issues are addressed in the systemwide portion of the budget rather than at the institutional level. It was moved by Senator Salisbury and seconded by Senator Salmans that item 7 of the subcommittee report be amended to reflect that the SGF match is not recommended in FY 2001. The motion to amend the report carried on a voice vote.

Emporia State University (Attachment 2)

Fort Hays State University (Attachment 3)

In discussing item 3 of the Senate subcommittee's recommendations, Chairman Kerr noted that the last sentence should have stated that only 12-13% of the additional credit hours were generated through the virtual college. A motion was made by Senator Salmans and seconded by Senator Petty that item 3 of the subcommittee report be amended by recommending an appropriation of \$156,000 from the SGF to fully fund the University's enrollment adjustment. The Chairman suggested that the Committee consider appropriating 87% of that amount to avoid setting a precedent on virtual hours. Senator Petty and Senator Salmans commended the University's program as exemplary and expressed concern that not fully funding the enrollment adjustment would discourage cost effective and innovative programs. Senator Salisbury noted that the House Committee had recommended full funding of this item and suggested a substitute motion might be in order that would allow further study of the costs associated with providing virtual college. A substitute motion was offered by Senator Salisbury and seconded by Senator Jordan that 87% of costs associated with credit hours generated through traditional coursework be reinstated and that costs associated with the 13% of credit hours generated through virtual college curriculum be examined at a later date. The substitute motion failed on a voice vote. The original motion carried on a voice vote.

Kansas State University (Attachment 4)

KSU-Extension Systems and Agriculture Research Programs (Attachment 5)

KSU-Veterinary Medical Center (Attachment 6)

Pittsburg State University (Attachment 7)

University of Kansas (Attachment 8)

University of Kansas Medical Center (Attachment 9)

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

Wichita State University (Attachment 10)

Board of Regents (Attachment 11)

Senator Ranson called attention to a summary of regents universities' undergraduate tuition and fees in comparison to that of peer universities in FY 1999 and FY 2000. (Attachment 11-7 & 8)
Senator Salmans expressed his desire to consider funding for an Alzheimers pilot project at KUMC.

It was moved by Senator Moris and seconded by Senator Salisbury that the FY 2001 subcommittee reports for the University of Kansas, KSU-Veterinary Medical Center, KSU-Agricultural Extension, Wichita State University, Emporia State University, Pittsburg State University, Board of Regents, University of Kansas Medical Center be adopted and that the FY 2001 subcommittee reports as amended on Regents Systemwide Issues and Fort Hays State University be adopted. The motion carried on a voice vote.

HB 2476: Kansas partnership for faculty of distinction program, state educational institutions

A copy of the balloon that was submitted for the Committee's consideration on February 15, 2000 was distributed to members (Attachment 12). It was noted that the revisor's office had prepared a technical amendment which was also distributed to members (Attachment 13). A member of the Revisor's staff explained that the language in Attachment 12 could be interpreted to mean that all the monies in the account should be matched and the proposed language in Attachment 13 clarifies that the interest earnings only apply to the qualifying gifts. Marlin Rein, University Director of Budget and Governmental Relations, KUMC, added that the proposed language in Attachment 13 clarifies that the state share does not grow if the endowment grows with interest. In answer to Senator Petty, Mr. Rein stated that:

- the bill sets the threshold for the award and caps it
- the gift has to be for a professorship
- the gift is certified by Accounts and Reports
- the interest is based on the initial certified gift


Senator Feleciano distributed a flow chart to members of the Committee (Attachment 14).

Members expressed a desire to have all proposals before them in one bill. It was moved by Senator Ranson and seconded by Senator Lawrence that a substitute bill be introduced for HB 2476 that would incorporate all the balloons. The motion carried on a voice vote. The Chairman announced that the substitute bill would be distributed in Committee as soon as it became available and would be voted upon the following day.

The Chairman adjourned the meeting at 12:05 p.m. The next meeting will be March 2, 2000.

SENATE SUBCOMMITTEE REPORT

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



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment #

1

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
Operating Expenditures:			
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
Subtotal - General Use	\$ 804,631,712	\$ 765,107,201	\$ (666,666)
Restricted Use Funds	533,498,446	522,617,687	0
Total - Operating Expenditures	\$ 1,338,130,158	\$ 1,287,724,888	\$ (666,666)
Capital Improvements:			
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
Total - Capital Improvements	\$ 24,691,472	\$ 15,443,398	\$ 0
GRAND TOTAL	\$ 1,362,821,630	\$ 1,303,168,283	\$ (666,666)
FTE Positions	15,772.4	15,747.4	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	15,772.4	15,747.4	0.0

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: \$666,666 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.

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).

Senate Subcommittee Recommendation

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

1. Delete a total of \$19,904,967, including \$10,615,305 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$15,448,143), classified step movement (\$2,380,496), and longevity bonus payments (\$2,076,328) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1, Items 9, 10, and 11, which add a total of \$433,934 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefit adjustments, and also reduce FTE positions by 1.0 to accurately reflect the Governor's recommendation.
3. The Subcommittee notes that the Governor's recommendation encompasses the top priority noted by the Board of Regents, which is funding for Senate Bill 345, the Higher Education Coordination Act, approved by the 1999 Legislature. For the Regents institutions, that includes funding of \$8.4 million for a faculty salary enhancement pool. To fund this priority, however, difficult choices were required regarding other aspects of Regents funding. For example, no funding for any kind of other operating expenditure (OOE) increase is included in the Governor's recommendation. On a systemwide average, Regents institutions are at less than 60 percent of their peers for OOE funding. While funding of SB 345 should

serve to help the overall standing of the institutions relative to peers, the Subcommittee notes that the institutions' standing regarding OOE expenditures will very likely continue to decline.

4. The Subcommittee also notes the absence of funding for servicing new buildings in the Governor's FY 2001 budget recommendation. The institutions requested a total of \$739,356 and 12.0 FTE positions for new buildings operating support. The request was based on a formula approved by the Board of Regents which made a distinction between the type of space being serviced. Under the most recent servicing policy, the Legislature has approved 1.0 new FTE position for each 15,000 gross square feet of space to be maintained. Under the policy approved by the Board, buildings would be designated low care (1.0 FTE position per 31,800 square feet), normal care (1.0 FTE position per 13,900 square feet), or high care (1.0 FTE position per 8,600 square feet) facilities. The new proposed formula would have required approximately \$19,000 and 1.0 FTE more than the most recent formula approved by the Legislature. As noted however, the Governor does not recommend any funding for servicing new buildings in FY 2001. In some instances, the recommendation is based on later than anticipated opening dates for the facilities. In others, however, some internal reallocation of resources will be necessary to maintain the buildings. Because the Governor did not recommend the funding, and because the Subcommittee believes that resources are not available to provide additional funding, the Subcommittee makes no recommendation as to the merit of the Board's new proposed formula.
5. In reviewing institutional performance measures, the Subcommittee notes that the performance outcomes provided are rather generic and do not necessarily reflect the missions of each institution. For example, there are distinct differences in the students served from institution to institution. Some of the institutions serve an older or otherwise more diverse student body. The Subcommittee believes that the performance measures could be made more useful for evaluation purposes if more effort was made to tie the measures to the mission of each institution, and encourages the Board of Regents to consider refining the performance measures in that manner.
6. The Subcommittee expresses concern with the December 1999 tuition increase as it relates to financial aid provided to students at Regents' institutions. This "second" increase, which provides for a \$3.20 per credit hour increase at the research institutions 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 to offset the impact of the FY 2000 State General Fund reduction approved in Senate Bill No. 39 on the institutions' base budgets. The Subcommittee recognizes that even with this increase, tuition in Kansas is significantly less than that of peer institutions and the tuition at universities in surrounding states. Kansas,

however, has long been considered a "low tuition, low financial aid" state, and the Subcommittee believes that as tuition increases, it is important to consider increases in financial aid and that all of the interested parties need to work toward a more realistic level of student assistance as resources allow. The Subcommittee specifically does not agree with proposals by some students that \$1 million of the tuition increase be diverted for increased student aid in the comprehensive grant program.

7. The Subcommittee notes that the institutions requested an enhancement package totaling \$3.8 million for libraries. The funding for the enhancement was to be generated by a \$1 per credit hour tuition increase, to be matched dollar for dollar with funding from the State General Fund. The Governor's recommendation authorizes expenditures of \$1.9 million from the General Fees Fund (tuition) for the enhancement. The State General Fund match is not recommended. Conflicting testimony was presented to the Subcommittee regarding continued student support for the tuition increase in light of the fact that the state will not be matching the increased tuition. The Subcommittee believes that the issue of whether to follow through with the \$1 per credit hour tuition increase is a decision for the Board of Regents, and not the Legislature, to make.
8. The Subcommittee notes that the Performance Review Board indicated that the Regents institutions could save a considerable amount of money if they discontinued the policy of operating their own fleets, and participated in the central motor pool or took steps to make their operations as cost effective as utilization of the motor pool. At least one institution representative took issue with the findings of the report and noted that he believed his institution's operation was as efficient and cost effective as motor pool utilization. The Subcommittee believes that to realize any cost savings related to vehicle maintenance and operation, leadership on this issue must come from the Department of Administration and suggests that the institutions and the Department of Administration work together to insure that the operations are run in as efficient a manner as possible.

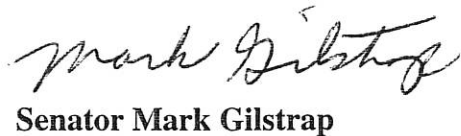
**Senate Ways and Means
Minority Report
Regents Budget
March 1, 2000**

While we have signed the subcommittee report, we have many reservations about the second tuition increase that was approved by the Board of Regents in December. This increase of \$5.4 million dollars should have come from the State General Fund and because it did not, we are balancing the Regents budget on the backs of our college students.

During the last seven years, need-based financial aid has increased a mere 5.21%. During that same time period, tuition costs have increase by over 30%. We cannot continue to balance the state's budget on the backs of the future workforce of Kansas.

We also have reservations regarding the sub-committee's decision to not agree with proposals that would use \$1 million of the tuition increase to be directed for increased financial aid through the Comprehensive Grant Program for student aid. If we are to accept two tuition increases in the same year, the least we can do is provide adequate funding for student financial aid.


Senator Marge Petty


Senator Mark Gilstrap

Budget Committee Report

Agency: Emporia State University

Bill No. 2994

Bill Sec. 45

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>
Operating Expenditures:			
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
Subtotal General Use	\$ 40,157,535	\$ 38,201,349	\$ (22,333)
Restricted Use Funds	14,197,891	13,975,963	0
TOTAL—Oper. Exp.	\$ 54,355,426	\$ 52,177,312	\$ (22,333)
Capital Improvements:			
State General Fund	\$ 325,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	3,291,000	426,000	0
TOTAL—Cap. Impr.	\$ 3,616,000	\$ 426,000	\$ 0
 GRAND TOTAL	 \$ 57,971,426	 \$ 52,603,312	 \$ (22,333)
 FTE Positions	 764.3	 764.3	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	764.3	764.3	0.0

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).

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment # *2*

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

Subcommittee Report

Agency: Emporia State University

Bill No. 639

Bill Sec. 45

Analyst: West

Analysis Pg. No. 81

Budget Pg No.171

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01*	Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 31,549,602	\$ 29,353,656	\$ 0
General Fees Fund	8,592,933	8,855,138	(834,658)
Other Funds	15,000	15,000	0
Subtotal General Use	\$ 40,157,535	\$ 38,223,794	\$ (834,658)
Restricted Use Funds	14,197,891	13,975,963	(105,179)
TOTAL -- Oper. Exp.	\$ 54,355,426	\$ 52,199,757	\$ (939,837)
Capital Improvements:			
State General Fund	\$ 325,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	3,291,000	426,000	0
TOTAL -- Cap. Impr.	\$ 3,616,000	\$ 426,000	\$ 0
 GRAND TOTAL	 \$ 57,971,426	 \$ 52,625,757	 \$ (939,837)
 FTE Positions	 764.3	 764.3	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	764.3	764.3	0.0

* Includes GBA No. 1, item 9.

** Includes a reduction of \$939,837 for the Governor's state employee salary adjustment.

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 \$400,742 (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.)

Senate Subcommittee Recommendation

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

1. Delete a total of \$939,837 based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$623,297), classified step movement (\$185,093) and longevity bonus payments (\$131,447) from individual agency budgets.
2. Concur with Governor's Budget Amendment Number 1, Item 9, which adds \$22,445 from the State General Fund as a technical adjustment to fringe benefits.

Budget Committee Report

Agency: Fort Hays State University

Bill No. 2994

Bill Sec. 41

Analyst: West

Analysis Pg. No. 98

Budget Pg No. 177

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

Agency Request/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),

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment # *3*

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee, with the following adjustment:

1. Add \$155,918 from the State General Fund to fully fund the University's enrollment adjustment.
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Subcommittee Report

Agency: Fort Hays State University

Bill No. 639

Bill Sec. 41

Analyst: West

Analysis Pg. No. 98

Budget Pg No. 177

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01*	Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 32,490,680	\$ 30,263,247	\$ (627,669)
General Fees Fund	8,329,580	8,760,045	(199,793)
Other Funds	0	0	0
Subtotal General Use	\$ 40,820,260	\$ 39,023,292	\$ (827,462)
Restricted Use Funds	15,606,616	15,314,943	(63,578)
TOTAL -- Oper. Exp.	\$ 56,426,876	\$ 54,338,235	\$ (891,040)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	330,000	0	0
Other Funds	505,000	505,000	0
TOTAL -- Cap. Impr.	\$ 835,000	\$ 505,000	\$ 0
 GRAND TOTAL	 \$ 57,261,876	 \$ 54,843,235	 \$ (891,040)
 FTE Positions	 710.6	 710.6	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	710.6	710.6	0.0

* Includes GBA No. 1, item 9.

** Includes a reduction of \$891,040 (including \$627,669 from the State General Fund) for the Governor's state employee salary adjustment.

Agency Request/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.

Senate Subcommittee Recommendation

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

1. Delete a total of \$891,040 based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$596,101), classified step movement (\$177,570) and longevity bonus payments (\$117,369) from individual agency budgets.
2. Concur with Governor's Budget Amendment Number 1, Item 9, which adds \$21,641 from the State General Fund as a technical adjustment to fringe benefits.
3. The Subcommittee notes the Governor's recommendation provides \$201,094 an enrollment adjustment in lieu of the University's request for \$357,012. The Subcommittee understands that this was due to the number of credit hours taught through the virtual university instead of on campus. The Subcommittee agrees that before we can ascribe the same costs to virtual hours as on campus hours a more detailed analysis of the relevant cost centers is required. Nonetheless, the Subcommittee is concerned that providing no enrollment adjustment for virtual hours could be punitive to schools that take an innovative approach to service delivery. The University is to be complimented on the active role it has taken in development of distance learning techniques. The Subcommittee understands that the University has submitted more detailed information to the Division of the Budget on the costs associated with delivering distance learning and that a Governor's budget amendment has been requested for full funding of the enrollment adjustment.

Budget Committee Report

Agency: Kansas State University

Bill No. 2994

Bill Sec. 42

Analyst: Robinson

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

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
Operating Expenditures:			
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
Subtotal - General Use	\$ 154,440,940	\$ 146,569,179	\$ (132,333)
Restricted Use Funds	148,389,518	148,077,565	0
Total - Operating Expenditures	\$ 302,830,458	\$ 294,646,744	\$ (132,333)
Capital Improvements:			
State General Fund	\$ 439,446	\$ 189,446	\$ 0
Educational Building Fund	0	0	0
Other Funds	4,508,917	2,265,843	0
Total - Capital Improvements	\$ 4,948,363	\$ 2,455,289	\$ 0
GRAND TOTAL	\$ 307,778,821	\$ 297,102,033	\$ (132,333)
FTE Positions	3,152.0	3,147.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	3,152.0	3,147.8	0.0

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

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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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

SENATE SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 639

Bill Sec. 42

Analyst: Robinson

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

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01*	Senate Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 110,827,744	\$ 101,532,420	\$ (2,110,236)
General Fees Fund	43,463,196	44,947,038	(807,566)
Other Funds	150,000	175,000	0
Subtotal - General Use	\$ 154,440,940	\$ 146,654,458	\$ (2,917,802)
Restricted Use Funds	148,389,518	148,077,565	(712,347)
Total - Operating Expenditures	\$ 302,830,458	\$ 294,732,023	\$ (3,630,149)
Capital Improvements:			
State General Fund	\$ 439,446	\$ 189,446	\$ 0
Educational Building Fund	0	0	0
Other Funds	4,508,917	2,265,843	0
Total - Capital Improvements	\$ 4,948,363	\$ 2,455,289	\$ 0
GRAND TOTAL	\$ 307,778,821	\$ 297,187,312	\$ (3,630,149)
FTE Positions	3,152.0	3,147.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	3,152.0	3,147.8	0.0

* Reflects Governor's Budget Amendment No. 1, Item 9.

** The total amount of the reduction, \$3,630,149, including \$2,110,236 from the State General Fund, is related to deletion of the Governor's recommended pay plan adjustments.

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).

Senate Subcommittee Recommendation

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

1. Delete a total of \$3,630,149, including \$2,110,236 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$2,864,903), classified step movement (\$387,001), and longevity bonus payments (\$378,245) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1, Item 9, which adds a total of \$85,279 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefit adjustments.

Budget Committee Report

Agency: KSU-Extension Systems and Agriculture Research Programs **Bill No.** 2994

Bill Sec. 43

Analyst: Robinson

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

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

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.

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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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

SENATE SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and Agriculture Research Programs
Bill No. 639

Bill Sec. 43

Analyst: Robinson

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

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01*	Senate Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 49,812,334	\$ 46,441,028	\$ (999,510)
Federal Land Grant Funds	7,927,716	8,314,991	(160,286)
Subtotal - General Use	\$ 57,740,050	\$ 54,756,019	\$ (1,159,796)
Restricted Use Funds	40,179,148	40,041,117	(457,945)
Total - Operating Expenditures	\$ 97,919,198	\$ 94,797,136	\$ (1,617,741)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	6,000,000	6,000,000	0
Total - Capital Improvements	\$ 6,000,000	\$ 6,000,000	\$ 0
GRAND TOTAL	\$ 103,919,198	\$ 100,797,136	\$ (1,617,741)
FTE Positions	1,276.9	1,272.2	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,276.9	1,272.2	0.0

* Reflects Governor's Budget Amendment No. 1, Item 9.

** The total amount of the reduction, \$1,617,741, including \$999,510 from the State General Fund, is related to deletion of the Governor's recommended pay plan adjustments.

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.

Senate Subcommittee Recommendation

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

1. Delete a total of \$1,617,741, including \$999,510 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$1,323,159), classified step movement (\$159,365), and longevity bonus payments (\$135,217) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1, Items 9 and 11, which add a total of \$75,820 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefit adjustments.

Budget Committee Report

Agency: KSU-Veterinary Medical Center **Bill No.** 2994

Bill Sec. 44

Analyst: Robinson

Analysis Pg. No. 143 **Budget Page No.** 319

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
Operating Expenditures:			
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
Subtotal - General Use	\$ 18,713,669	\$ 17,858,746	\$ (11,667)
Restricted Use Funds	2,663,063	2,654,796	0
Total - Operating Expenditures	\$ 21,376,732	\$ 20,513,542	\$ (11,667)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	0	0	0
Total - Capital Improvements	\$ 0	\$ 0	\$ 0
 GRAND TOTAL	 \$ 21,376,732	 \$ 20,513,542	 \$ (11,667)
 FTE Positions	 255.5	 254.5	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	255.5	254.5	0.0

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

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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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

SENATE SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center **Bill No.** 639 **Bill Sec.**44

Analyst: Robinson **Analysis Pg. No.** 143 **Budget Page No.** 319

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 10,323,241	\$ 9,283,551	\$ (220,783)
General Fees Fund	5,201,376	5,258,707	(101,010)
Hosp.& Diag. Lab. Fund	3,189,052	3,325,781	(24,157)
Subtotal - General Use	\$ 18,713,669	\$ 17,868,039	\$ (345,950)
Restricted Use Funds	2,663,063	2,654,796	(37,517)
Total - Operating Expenditures	\$ 21,376,732	\$ 20,522,835	\$ (383,467)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	0	0	0
Total - Capital Improvements	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 21,376,732	\$ 20,522,835	\$ (383,467)
FTE Positions	255.5	254.5	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	255.5	254.5	0.0

* Reflects Governor's Budget Amendment No. 1, Item 9

** The total amount of the reduction, \$383,467, including \$220,783 from the State General Fund, is related to deletion of the Governor's recommended pay plan adjustments.

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).

Senate Subcommittee Recommendation

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

1. Delete a total of \$383,467, including \$220,783 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$236,130), classified step movement (\$81,420), and longevity bonus payments (\$65,917) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1, Item 9, which adds a total of \$9,293 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefit adjustments.

Budget Committee Report

Agency: Pittsburg State University

Bill No. 2994

Bill Sec. 46

Analyst: West

Analysis Pg. No. 158

Budget Pg No. 353

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
Operating Expenditures:			
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
Subtotal General Use	\$ 45,084,846	\$ 42,860,665	\$ (33,333)
Restricted Use Funds	17,397,787	16,607,679	0
TOTAL -- Oper. Exp.	\$ 62,482,633	\$ 59,468,347	\$ (33,333)
Capital Improvements:			
State General Fund	\$ 410,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,335,000	1,335,000	0
TOTAL -- Cap. Impr.	\$ 1,745,000	\$ 1,335,000	\$ 0
 GRAND TOTAL	 \$ 64,227,633	 \$ 60,803,347	 \$ (33,333)
 FTE Positions	 800.2	 800.2	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	800.2	800.2	0.0

Agency Request/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 (OPE) 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),

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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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

Subcommittee Report

Agency: Pittsburg State University

Bill No. 639

Bill Sec. 46

Analyst: West

Analysis Pg. No. 158

Budget Pg No. 353

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01*	Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 34,249,313	\$ 31,726,730	\$ (676,382)
General Fees Fund	10,835,533	11,159,978	(182,878)
Other Funds	0	0	0
Subtotal General Use	\$ 45,084,846	\$ 42,886,708	\$ (859,260)
Restricted Use Funds	17,397,787	16,607,679	(76,963)
TOTAL -- Oper. Exp.	\$ 62,482,633	\$ 59,494,390	\$ (936,223)
Capital Improvements:			
State General Fund	\$ 410,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,335,000	1,335,000	0
TOTAL -- Cap. Impr.	\$ 1,745,000	\$ 1,335,000	\$ 0
 GRAND TOTAL	 \$ 64,227,633	 \$ 60,829,390	 \$ (936,223)
 FTE Positions	 800.2	 799.2	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	800.2	800.2	0.0

* Includes GBA No. 1, items 9 and 10.

** Includes a reduction of \$936,223 (including \$676,382 from the State General Fund) for the Governor's state employee salary adjustment.

Agency Request/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). FTE positions are reduced by 1.0 to reflect a retirement reduction. 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.)

Senate Subcommittee Recommendation

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

1. Delete a total of \$936,223 based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$634,632), classified step movement (\$184,247) and longevity bonus payments (\$117,344) from individual agency budgets.
2. Concur with Governor's Budget Amendment Number 1, Item 9, which adds \$26,043 from the State General Fund as a technical adjustment to fringe benefits.
3. Concur with Governor's Budget Amendment Number 1, Item 10, which deletes 1.0 FTE position as a technical adjustment due to a retirement.

Budget Committee Report

Agency: University of Kansas

Bill No. 2994

Bill Sec. 47

Analyst: Robinson

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

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
Operating Expenditures:			
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
Subtotal - General Use	\$ 228,046,731	\$ 216,354,341	\$ (141,666)
Restricted Use Funds	183,312,400	177,705,037	0
Total - Operating Expenditures	\$ 411,359,131	\$ 394,059,378	\$ (141,666)
Capital Improvements:			
State General Fund	\$ 1,225,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	2,905,000	2,905,000	0
Total - Capital Improvements	\$ 4,130,000	\$ 2,905,000	\$ 0
GRAND TOTAL	\$ 415,489,131	\$ 396,964,378	\$ (141,666)
FTE Positions	4,590.4	4,576.1	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4,590.4	4,576.1	0.0

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

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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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

SENATE SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 639

Bill Sec. 47

Analyst: Robinson

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

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01*	Senate Subcommittee Adjustments**
Operating Expenditures:			
State General Fund	\$ 144,424,790	\$ 131,005,615	\$ (2,647,829)
General Fees Fund	82,252,051	84,147,305	(1,800,011)
Other Funds	1,369,890	1,320,810	(16,347)
Subtotal - General Use	\$ 228,046,731	\$ 216,473,730	\$ (4,464,187)
Restricted Use Funds	183,312,400	177,705,037	(1,156,440)
Total - Operating Expenditures	\$ 411,359,131	\$ 394,178,767	\$ (5,620,627)
Capital Improvements:			
State General Fund	\$ 1,225,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	2,905,000	2,905,000	0
Total - Capital Improvements	\$ 4,130,000	\$ 2,905,000	\$ 0
GRAND TOTAL	\$ 415,489,131	\$ 397,083,767	\$ (5,620,627)
FTE Positions	4,590.4	4,576.1	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4,590.4	4,576.1	0.0

* Reflects Governor's Budget Amendment No. 1, Item 9

** The total amount of the reduction, \$5,620,627, including \$2,647,829 from the State General Fund, is related to deletion of the Governor's recommended pay plan adjustments.

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).

Senate Subcommittee Recommendation

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

1. Delete a total of \$5,620,627, including \$2,647,829 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$4,439,716), classified step movement (\$659,710), and longevity bonus payments (\$521,206) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1, Item 9, which adds a total of \$119,389 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefit adjustments.

Budget Committee Report

Agency: University of Kansas
Medical Center

Bill No. 2994

Bill Sec. 48

Analyst: West

Analysis Pg. No. 189

Budget Pg No. 465

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
Operating Expenditures:			
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
Subtotal General Use	\$ 124,067,918	\$ 118,549,517	\$ 1,000,000
Restricted Use Funds	71,004,976	67,551,136	0
TOTAL—Oper. Exp.	\$ 195,072,894	\$ 186,100,653	\$ 836,000
Capital Improvements:			
State General Fund	\$ 300,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,202,109	1,202,109	0
TOTAL—Cap. Impr.	\$ 1,502,109	\$ 1,202,109	\$ 0
 GRAND TOTAL	 \$ 196,575,003	 \$ 187,302,762	 \$ 836,000
 FTE Positions	 2,494.7	 2,493.7	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	2,494.7	2,493.7	0.0

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

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment # *9*

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

Subcommittee Report

Agency: University of Kansas
Medical Center

Bill No. 639

Bill Sec. 48

Analyst: West

Analysis Pg. No. 189 **Budget Pg No.** 465

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01*	Budget Committee Adjustments**
Operating Expenditures:			
State General Fund	\$ 104,983,647	\$ 98,517,111	\$ (2,039,432)
General Fees Fund	10,483,626	11,033,864	(344,880)
Other Funds	8,600,646	9,057,383	0
Subtotal General Use	\$ 124,067,918	\$ 118,608,358	\$ (2,384,312)
Restricted Use Funds	71,004,976	67,551,136	(1,197,198)
TOTAL -- Oper. Exp.	\$ 195,072,894	\$ 186,159,494	\$ (3,581,510)
Capital Improvements:			
State General Fund	\$ 300,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,202,109	1,202,109	0
TOTAL -- Cap. Impr.	\$ 1,502,109	\$ 1,202,109	\$ 0
 GRAND TOTAL	 \$ 196,575,003	 \$ 187,361,603	 \$ (3,581,510)
 FTE Positions	 2,494.7	 2,493.7	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	2,494.7	2,493.7	0.0

* Includes GBA No. 1, item 9.

** Includes a reduction of \$3,581,510 (including \$2,039,432 from the State General Fund) for the Governor's state employee salary adjustment.

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.

Senate Subcommittee Recommendation

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

1. Delete a total of \$3,581,510 based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$2,834,207), classified step movement (\$356,439) and longevity bonus payments (\$390,864) from individual agency budgets.
2. Concur with Governor's Budget Amendment Number 1, Item 9, which adds \$58,841 from the State General Fund as a technical adjustment to fringe benefits.

Budget Committee Report

Agency: Wichita State University

Bill No. 2994

Bill Sec. 49

Analyst: Robinson

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

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

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

Senate Ways and Means Committee

Date: *March 1, 2000*

Attachment # *10*

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

House Committee of the Whole Recommendation

The House Committee of the Whole has not considered this budget.

SENATE SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 639

Bill Sec. 49

Analyst: Robinson

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

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 68,024,561	\$ 62,621,360	\$ (1,293,464)
General Fees Fund	27,535,202	28,425,377	(420,981)
Subtotal - General Use	\$ 95,559,763	\$ 91,046,737	\$ (1,714,445)
Restricted Use Funds	40,747,047	40,689,448	(589,928)
Total - Operating Expenditures	\$ 136,306,810	\$ 131,736,185	\$ (2,304,373)
Capital Improvements:			
State General Fund	\$ 465,000	\$ 0	\$ 0
Educational Building Fund	975,000	0	0
Other Funds	615,000	615,000	0
Total - Capital Improvements	\$ 2,055,000	\$ 615,000	\$ 0
GRAND TOTAL	\$ 138,361,810	\$ 132,351,185	\$ (2,304,373)
FTE Positions	1,728.0	1,728.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,728.0	1,728.0	0.0

* Reflects Governor's Budget Amendment No. 1, Item 9.

** The total amount of the reduction, \$2,304,373, including \$1,293,464 from the State General Fund, is related to deletion of the Governor's recommended pay plan adjustments.

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).

Senate Subcommittee Recommendation

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

1. Delete a total of \$2,304,373, including \$1,293,464 from the State General Fund, based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$1,895,998), classified step movement (\$189,651), and longevity bonus payments (\$218,724) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 1, Item 9, which adds a total of \$15,183 from the State General Fund to accurately reflect the Governor's recommendation for fringe benefit adjustments.

Budget Committee Report

Agency: Board of Regents

Bill No. 2994

Bill Sec. 50

Analyst: West

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

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
All Funds:			
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
TOTAL	<u><u>\$ 171,206,340</u></u>	<u><u>\$ 165,754,042</u></u>	<u><u>\$ 666,666</u></u>
State General Fund:			
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
TOTAL	<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	0.0	0.0	0.0
TOTAL	<u><u>39.0</u></u>	<u><u>28.0</u></u>	<u><u>0.0</u></u>

Agency Request/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 SB 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 SB 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.

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment # *11*

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
TOTAL	<u>\$ 14,125,670</u>	<u>\$ 14,032,342</u>	<u>\$ 666,666</u>	<u>\$ 14,699,008</u>

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Budget Committee.

Subcommittee Report

Agency: Board of Regents

Bill No. 639

Bill Sec. 50

Analyst: West

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

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Subcommittee Adjustments*
All Funds:			
State Operations	\$ 10,447,869	\$ 9,459,622	\$ (38,158)
Aid to Local Units	128,238,256	125,192,078	0
Other Assistance	16,055,215	14,637,342	0
Subtotal - Operating	\$ 154,741,340	\$ 149,289,042	\$ (38,158)
Capital Improvements	16,465,000	16,465,000	0
TOTAL	<u>\$ 171,206,340</u>	<u>\$ 165,754,042</u>	<u>\$ (38,158)</u>
State General Fund:			
State Operations	\$ 3,514,771	\$ 2,507,268	\$ (33,590)
Aid to Local Units	116,817,194	113,301,016	0
Other Assistance	15,165,470	13,567,597	0
Subtotal - Operating	\$ 135,497,435	\$ 129,375,881	\$ (33,590)
Capital Improvements	0	0	0
TOTAL	<u>\$ 135,497,435</u>	<u>\$ 129,375,881</u>	<u>\$ (33,590)</u>
FTE Positions	39.0	28.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>39.0</u>	<u>28.0</u>	<u>0.0</u>

* Includes a reduction of \$38,158 (including \$33,590 from the State General Fund) for the Governor's state employee salary adjustment.

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 SB 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 SB 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.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following adjustment and observations:

1. Delete a total of \$38,158 (including \$33,590 from the State General Fund) based on the recommendation to delete funding for a 2.5 percent unclassified merit pool (\$27,037), classified step movement (\$4,163) and longevity bonus payments (\$6,958) from individual agency budgets.
2. The Subcommittee notes that SB 381 includes a new Dental Service Scholarship program patterned off of the existing program for Osteopaths. The Subcommittee is unconvinced that this is the correct approach to address the shortage of dentists in certain parts of the state and recommends that the Board examine the existing reciprocal agreement with Missouri to ascertain that Kansas is getting an equitable deal. The Subcommittee understands that there may be some additional capacity available in programs such as veterinary science and grain milling and recommends the Board explore the possibility of reciprocal agreements with other states that provide additional access for Kansans to dental schools in other states in exchange for increased access to Kansas programs which enjoy a high demand.
3. The Subcommittee notes that the Governor has recommended \$350,000 and 2.0 FTE positions to begin the creation of a comprehensive student data collection system. Such a system was envisioned under 1999 SB 345 and should provide valuable data to the board and other policy makers in the future.

4. The Subcommittee is concerned that waiting lists exist for access to vocational education training. Vocational education was not addressed in the development of 1999 SB 345, when it is perhaps one of the most important areas of education to today's economy. While the Governor's recommendation does provide for a 1.4 percent increase in funding for vocational education assistance provided through the Board, the Subcommittee believes vocational education should be a high level of consideration for enhanced funding should additional resources become available. The Subcommittee recommends that the issue of vocational education funding be reviewed for Omnibus consideration. The Subcommittee also recommends that the Board work with the governing bodies in charge of vocational education to determine if efficiencies in the cost per student trained could be achieved in order to expand the availability of vocational education.
5. The Subcommittee understands that some states neighboring Kansas are actively recruiting Kansas students to attend their schools, including offers of in-state tuition rates. The Subcommittee recommends that the Board review this issue to determine the impact on the state's universities and community colleges.
6. The Subcommittee notes the Governor's recommendation for Community College Operating Grants utilizes the revised distribution formula recommended by the Board in lieu of the formula originally included in 1999 SB 345. The new formula, which incorporates a vocational education component, provides for a fairer distribution of the additional state dollars among the institutions while retaining the spirit of the original formula by targeting the majority of the new resources to property tax relief. The Subcommittee also notes that the formula was devised and unanimously endorsed by the community colleges themselves, instead of being imposed on them by the Legislature. The new funding formula is contained in HB 2996 and the Subcommittee recommends passage of the bill.

The community colleges are also currently developing performance factors which can be used for program evaluation and serve as the basis for providing performance based incentives in the future. The Subcommittee recognizes that the Board must move cautiously between its roles as a governing body and as a coordinator of higher education, but recommends that the Board assist the community colleges in developing meaningful performance indicators as soon as possible.

7. The Subcommittee notes that one of the main purposes of 1999 SB 345 is to have one voice speaking for all of postsecondary education. While the Board has done an admirable job in beginning the process, the Subcommittee understands that some professional assistance may be required in developing the plan best suited to the coordination of postsecondary education. The development of the plan is too important to delay and the

Subcommittee understands the Board may request funding for consultant services to be considered for inclusion in the Omnibus bill.

8. The Subcommittee notes that the tuition increases recently adopted by the Board has brought renewed attention to the area of student financial assistance. While Kansas has traditionally has been a low tuition/low financial aid state, there probably exists a need to work toward a more realistic level of student assistance as resources allow. Student financial access is an important component of the overall plan on the direction of higher education and the Subcommittee is encouraged to learn that a task force that includes both students and university officials has been formed to focus on student financial need and student financial aid. The following table compares tuition and required fees at the universities under the governance of the Board with the tuition of their peers and also the tuition and required fees of KU and K-State with those of several of our neighboring states. While this FY 2000 data does not incorporate the most recent tuition increases, it is apparent that Kansas still charges lower tuition than the majority of other comparable institutions.

**FY 2000 and FY 1999 UNDERGRADUATE TUITION AND REQUIRED FEES
REGENTS UNIVERSITIES AND PEERS (Fulltime, Per Semester)**

	FY 2000		FY 1999	
	Resident	Non-Resident	Resident	Non-Resident
University of Kansas	\$ 1,259	\$ 4,560	\$ 1,235	\$ 4,459
University of Colorado	1,577	7,967	1,485	7,726
University of Iowa	1,519	5,240	1,434	4,995
University of North Carolina- Chapel Hill	1,183	5,766	1,131	5,714
University of Oklahoma	1,313	3,353	1,156	3,196
University of Oregon	1,905	6,599	1,863	6,255
<i>Peer Average</i>	<i>1,499</i>	<i>5,785</i>	<i>1,414</i>	<i>5,577</i>
<i>KU as a Percent of Average</i>	<i>84.0%</i>	<i>78.8%</i>	<i>87.3%</i>	<i>80.0%</i>
Kansas State University	\$ 1,296	\$ 4,597	\$ 1,272	\$ 4,496
Colorado State University	1,531	5,374	1,498	5,251
Iowa State University	1,525	4,805	1,437	4,576
North Carolina State University	1,207	5,790	1,182	5,765
Oklahoma State University	1,206	3,246	1,084	2,974
Oregon State University	1,781	6,203	1,775	5,909
<i>Peer Average</i>	<i>1,450</i>	<i>5,083</i>	<i>1,395</i>	<i>4,895</i>
<i>KSU as a Percent of Average</i>	<i>89.4%</i>	<i>90.4%</i>	<i>91.2%</i>	<i>91.8%</i>
Wichita State University	\$ 1,286	\$ 4,513	\$ 1,275	\$ 4,426
University of Akron	2,151	5,252	1,959	5,071
Portland State University	1,719	5,816	1,719	5,657
University of Nevada-Las Vegas	1,096	4,269	1,058	3,968
Old Dominion University	2,147	5,537	2,147	5,537
Oakland University	1,984	5,464	1,939	5,396
<i>Peer Average</i>	<i>1,819</i>	<i>5,267</i>	<i>1,764</i>	<i>5,126</i>
<i>WSU as a Percent of Average</i>	<i>70.7%</i>	<i>85.7%</i>	<i>72.3%</i>	<i>86.3%</i>

	FY 2000		FY 1999	
	Resident	Non-Resident	Resident	Non-Resident
Emporia State University	\$ 1,043	\$ 3,276	\$ 991	\$ 3,173
Pittsburg State University	1,071	3,304	1,050	3,232
Fort Hays State University	1,032	3,265	1,013	3,195
Northwest Missouri State University	1,534	2,599	1,407	2,411
Salisbury State University	2,078	4,275	2,001	4,106
Western Carolina University	900	4,535	900	4,535
Northern Michigan University	1,573	2,791	1,493	2,633
Eastern Washington University	1,401	4,848	1,362	4,709
<i>Peer Average</i>	1,497	3,810	1,432	3,679
ESU as a Percent of Average	69.7%	86.0%	69.2%	86.2%
PSU as a Percent of Average	71.5%	86.7%	73.3%	87.8%
FHSU as a Percent of Average	68.9%	85.7%	70.7%	86.8%

**FY 2000 TUITION AND REQUIRED FEES
KANSAS AND SURROUNDING STATES**

	Resident	Non-Resident
University of Kansas	\$ 1,259	\$ 4,560
Kansas State University	1,296	4,597
University of Colorado	1,577	7,967
Colorado State University	1,531	5,374
University of Nebraska	1,649	3,903
University of Oklahoma	1,313	3,353
Oklahoma State University	1,206	3,246
University of Iowa	1,519	5,240
Iowa State University	1,525	4,805
University of Missouri	2,321	6,278
<i>Average</i>	1,580	5,020
KU as a Percent of Average	79.7%	90.8%
KSU as a Percent of Average	82.0%	91.6%

HOUSE BILL No. 2476

By Representatives J. Peterson, Adkins, Ballard, Boston, Campbell, Farmer, Findley, Glasscock, Henderson, McKechnie, Phelps, Pottorff, Reinhardt, Stone, Storm and Wagle

2-10

PROPOSED AMENDMENTS

For Consideration by Senate Committee on Ways and Means
February 15, 2000

Senate Ways and Means Committee

Date March 1, 2000

Attachment # 12

11 AN ACT concerning ~~state educational institutions~~; enacting the Kansas
12 partnership for faculty of distinction program; prescribing certain pow-
13 ers, duties and functions and guidelines therefor; transfers from the
14 state general fund.
15

educational institutions governed or coordinated by the state board of regents

16 *Be it enacted by the Legislature of the State of Kansas:*

17 Section 1. As used in this act:

18 (a) "State educational institution" means Fort Hays state university,
19 Kansas state university of agriculture and applied science, Emporia state
20 university, Pittsburg state university, the university of Kansas, the uni-
21 versity of Kansas medical center and Wichita state university.

22 (b) "Endowment association" means:

23 (1) The Fort Hays Kansas state university endowment association for
24 Fort Hays state university;

25 (2) the Kansas state university foundation for the Kansas state uni-
26 versity of agriculture and applied science;

27 (3) the Emporia state university foundation, inc., for Emporia state
28 university;

29 (4) the Pittsburg state university foundation, inc., for Pittsburg state
30 university;

31 (5) the Kansas university endowment association for the university of
32 Kansas;

33 (6) the Kansas university endowment association for the university of
34 Kansas medical center; and

35 (7) the Wichita state university endowment association for Wichita
36 state university.

(a) "Eligible educational institution" means any state educational institution, municipal university, community college, technical college or vocational education school under the governance or coordination of the state board of regents.

(b) "Endowment association" means a not-for-profit endowment association or foundation that is organized and operated exclusively to receive, hold, invest and administer moneys and property as a permanent fund for the support and sole benefit of an eligible educational institution.

37 (c) "Qualifying gift" means a monetary donation which (1) is a single
38 monetary donation from a single donor or entity or is a joint monetary
39 donation from or on behalf of two or more donors or entities that are
40 directly related or associated or that otherwise are determined by the
41 state board of regents to have common characteristics or similarities such
42 that the joint monetary donation conforms with the purposes of the pro-
43 gram, (2) is made ~~at one time~~ in cash or the equivalent of cash, (3) has

12-2

1 been received by the endowment association of ~~the state~~ educational insti-
2 tution from a single donor or entity for the purpose of endowing a profes-
3 sorship at the ~~state~~ educational institution in accordance with the pro-
4 gram, and (4) is:

[an eligible ✓

[eligible ✓

(B) ~~(A)~~ For Fort Hays state university, Emporia state university and Pitts-
6 burg state university, an aggregate amount of at least \$200,000;

(A) For community colleges, technical colleges and vocational
education schools, an aggregate amount of at least \$50,000;

(C) ~~(B)~~ for Wichita state university, an aggregate amount of at least
8 \$350,000; and

(D) ~~(C)~~ for the university of Kansas, the university of Kansas medical
10 center and Kansas state university of agriculture and applied science, an
11 aggregate amount of at least \$500,000.

[and Washburn university ✓

12 (d) "Endowed professorship" means the position of a professor of the
13 faculty of ~~the state~~ educational institution for which a qualifying gift is re-
14 ceived by the endowment association of the ~~state~~ educational institution
15 in accordance with the Kansas partnership for faculty of distinction pro-
16 gram.

[an eligible ✓

[eligible ✓

17 (e) "Program" means the Kansas partnership for faculty of distinction
18 program established by this act.

19 Sec. 2. (a) The Kansas partnership for faculty of distinction program
20 is hereby established to encourage gifts by private donors to enhance the
21 ability of ~~state~~ educational institutions to attract and retain faculty of dis-
22 tinction. The program shall be administered by the state board of regents
23 in accordance with this act. Under the Kansas partnership for faculty of
24 distinction program, the state shall contribute income earnings equivalent
25 awards in accordance with this act to supplement endowed professorships
26 at ~~state~~ educational institutions for which qualifying gifts have been re-
27 ceived by endowment associations.

(f) "State educational institution," "municipal university,"
"community college," "technical college," "vocational education school" and
"state board of regents" have the meanings respectively ascribed thereto by
K.S.A. 74-3201b and amendments thereto.

[eligible ✓

28 (b) ~~There is hereby established a faculty of distinction matching fund~~
29 ~~at each state educational institution. The state~~ educational institution shall
30 establish an endowed professorship account in the faculty of distinction
31 matching fund for each endowed professorship established under the
32 Kansas partnership for faculty of distinction program. All expenditures
33 from the faculty of distinction matching fund shall be for one or more
34 endowed professorships to supplement salary and to provide additional
35 operating support for assistants, travel, equipment or other expenses of
36 the endowed professorships.

Each eligible educational institution shall establish within the general budget
of the eligible educational institution a faculty of distinction matching fund.
The eligible

37 (c) The ~~president or chancellor of a state~~ educational institution shall
38 notify the state board of regents of the receipt of a qualifying gift under
39 the Kansas partnership for faculty of distinction program. Upon receiving
40 such notice, the state board of regents shall determine if the donation is
41 a qualifying gift ~~for such state educational institution~~. Upon determining
42 that a qualifying gift has been received by the endowment association for
43 ~~the state~~ educational institution, the state board of regents shall certify to

[chancellor, president, director or other chief executive officer of an eligible

[an eligible

12-3

1 the director of accounts and reports the amount and date of receipt of
2 the qualifying gift under the program and the endowed professorship
3 account established in the faculty of distinction matching fund therefor.

4 (d) No moneys committed or pledged to be given to an endowment
5 association prior to the effective date of this act shall be included as part
6 of any qualifying gift under the program, notwithstanding the date when
7 such moneys were actually received by the endowment association.

8 Sec. 3. ~~(a) Subject to the other provisions of this act, on the first day
9 of the first month commencing 12 months after the date of receipt of the
10 certification of receipt of a qualifying gift under section 3 and amend-
11 ments thereto, and on the first day of the month each 12 months there-
12 after, the director of accounts and reports shall transfer from the state
13 general fund to the endowed professorship account of the faculty of dis-
14 tinction matching fund of the state educational institution the amount
15 determined by the director of accounts and reports to be the earnings
16 equivalent award for such qualifying gift for such twelve-month period.~~

(c) ~~(b) The earnings equivalent award for an endowed professorship for
17 a twelve-month period shall be determined by the director of accounts
18 and reports and shall be the amount of interest earnings that the amount
19 credited to the endowed professorship account of the endowment asso-
20 ciation would have earned at the average monthly net earnings rate of
21 the pooled money investment board portfolio for such preceding twelve-
22 month period.~~

(d) ~~(c) The total amount of new qualifying gifts which may be certified
24 to the director of accounts and reports under this act during any state
25 fiscal year for all state educational institutions shall not exceed
26 \$30,000,000. The total amount of new qualifying gifts which may be cer-
27 tified to the director of accounts and reports under this act during any
28 state fiscal year for any individual state educational institution shall not
29 exceed \$10,000,000.~~

(a) 31 Sec. 4. The ~~president or chancellor of the state~~ educational institu-
32 tion for which a qualifying gift has been received by the endowment
33 association shall provide from the institution's operating budget a salary
34 and full-time position for the endowed professorship. In the manner pre-
35 scribed by policies adopted by the state board of regents, the ~~president~~
36 ~~or chancellor of each state~~ educational institution having an endowed
37 professorship under this program shall report annually to the state board
38 of regents a full accounting of the amounts and purposes of all expendi-
39 tures of the moneys transferred to the faculty of distinction matching fund
40 of the state educational institution under this act and the moneys realized
41 from the interest earned on the qualifying gift held in trust by the en-
42 dowment association for such endowed professorship during the preced-
43 ing state fiscal year.

(a) Subject to the other provisions of this act, on the first day of the
first state fiscal year commencing after receiving a certification of receipt of a
qualifying gift under section 2 and amendments thereto, the director of
accounts and reports shall transfer from the state general fund the amount
determined by the director of accounts and reports to be the earnings
equivalent award for such qualifying gift for the period of time between the
date of certification of the qualifying gift and the first day of the ensuing state
fiscal year to either (1) the endowed professorship account of the faculty of
distinction matching fund of the eligible educational institution, in the case of
a certification of a qualifying gift to an eligible educational institution that is
a state educational institution, or (2) the faculty of distinction program fund
of the state board of regents, in the case of a certification of a qualifying gift
to an eligible institution that is not a state educational institution. Subject to
the other provisions of this act, on each July 1st thereafter, the director of
accounts and reports shall make such transfer from the state general fund of
the earnings equivalent award for such qualifying gift for the period of the
preceding state fiscal year. All transfers made in accordance with the
provisions of this subsection shall be considered demand transfers from the
state general fund.

(b) There is hereby established in the state treasury the faculty of
distinction program fund which shall be administered by the state board of
regents. All moneys transferred under this section to the faculty of distinction
program fund of the state board of regents shall be paid to eligible
educational institutions that are not state educational institutions for earnings
equivalent awards for qualifying gifts to such eligible educational
institutions. The state board of regents shall pay from the faculty of
distinction program fund the amount of each such transfer to the eligible
educational institution for the earnings equivalent award for which such
transfer was made under this section.

the period for which the determination is being made

eligible

No additional qualifying gifts shall be certified by the state board of regents
under this act when the total of all transfers from the state general fund for
earnings equivalent awards for qualifying gifts pursuant to section 3 and
amendments thereto for a fiscal year is equal to or greater than \$5,000,000.

chancellor, president, director or other chief executive officer of an eligible

eligible educational

chancellor, president, director or other chief executive officer of an eligible

eligible

1 Sec. 5. This act shall take effect and be in force from and after its
2 publication in the statute book.

(b) The state board of regents shall develop and conduct an ongoing assessment of the Kansas partnership for faculty of distinction program which shall be commenced on or before the first day of the first state fiscal year during which the total of all transfers from the state general fund for earnings equivalent awards for qualifying gifts pursuant to section 3 and amendments thereto is equal to or greater than \$4,000,000. The assessment shall include evaluations of (1) the effectiveness of the program to increase private gifts and to attract and retain professors of distinction for eligible educational institutions, (2) the economic impact of the program on eligible educational institutions and the state, and (3) other appropriate factors specified by the state board of regents. After commencing the assessment of the program, the state board of regents shall annually present a report on the assessment to the legislature at the beginning of each regular session.

Memorandum

TO: Senate Ways and Means Committee
FROM: Mike Corrigan, Assistant revisor of statutes
DATE: March 1, 2000
SUBJECT: HB 2476

The proposed technical amendment to HB 2476 clarifies that the state general fund match of interest earnings would be determined on the basis of the amount of the qualifying gift, as defined by subsection (c) of section 1 and certified by the state board of regents, made pursuant to this section and not on the basis of any other funds that might be credited to the endowed professorship account which are not eligible to be matched.

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment # *13*

of the qualifying gift certified by the state board of regents

13-2

1 the director of accounts and reports the amount and date of receipt of
2 the qualifying gift under the program and the endowed professorship
3 account established in the faculty of distinction matching fund therefor.

4 (d) No moneys committed or pledged to be given to an endowment
5 association prior to the effective date of this act shall be included as part
6 of any qualifying gift under the program, notwithstanding the date when
7 such moneys were actually received by the endowment association.

8 Sec. 3. ~~(a) Subject to the other provisions of this act, on the first day
9 of the first month commencing 12 months after the date of receipt of the
10 certification of receipt of a qualifying gift under section 3 and amend-
11 ments thereto, and on the first day of the month each 12 months there-
12 after, the director of accounts and reports shall transfer from the state
13 general fund to the endowed professorship account of the faculty of dis-
14 tinction matching fund of the state educational institution the amount
15 determined by the director of accounts and reports to be the earnings
16 equivalent award for such qualifying gift for such twelve-month period.~~

(c) ~~(b) The earnings equivalent award for an endowed professorship for
17 a twelve month period shall be determined by the director of accounts
18 and reports and shall be the amount of interest earnings that the amount
19 credited to the endowed professorship account of the endowment asso-
20 ciation would have earned at the average monthly net earnings rate of
21 the pooled money investment board portfolio for such preceding twelve
22 month period.~~

(d) ~~(e) The total amount of new qualifying gifts which may be certified
24 to the director of accounts and reports under this act during any state
25 fiscal year for all state educational institutions shall not exceed
26 \$30,000,000. The total amount of new qualifying gifts which may be cer-
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28 state fiscal year for any individual state educational institution shall not
29 exceed \$10,000,000.~~

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32 tion for which a qualifying gift has been received by the endowment
33 association shall provide from the institution's operating budget a salary
34 and full-time position for the endowed professorship. In the manner pre-
35 scribed by policies adopted by the state board of regents, the president
36 or chancellor of each state educational institution having an endowed
37 professorship under this program shall report annually to the state board
38 of regents a full accounting of the amounts and purposes of all expendi-
39 tures of the moneys transferred to the faculty of distinction matching fund
40 of the state educational institution under this act and the moneys realized
41 from the interest earned on the qualifying gift held in trust by the en-
42 dowment association for such endowed professorship during the preced-
43 ing state fiscal year.

(a) Subject to the other provisions of this act, on the first day of the
first state fiscal year commencing after receiving a certification of receipt of
qualifying gift under section 2 and amendments thereto, the director of
accounts and reports shall transfer from the state general fund the amount
determined by the director of accounts and reports to be the earnings
equivalent award for such qualifying gift for the period of time between the
date of certification of the qualifying gift and the first day of the ensuing sta-
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preceding state fiscal year. All transfers made in accordance with the
provisions of this subsection shall be considered demand transfers from the
state general fund.

(b) There is hereby established in the state treasury the faculty of
distinction program fund which shall be administered by the state board of
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equivalent awards for qualifying gifts to such eligible educational
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educational institution for the earnings equivalent award for which such
transfer was made under this section.

the period for which the determination is being made

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No additional qualifying gifts shall be certified by the state board of regents
under this act when the total of all transfers from the state general fund for
earnings equivalent awards for qualifying gifts pursuant to section 3 and
amendments thereto for a fiscal year is equal to or greater than \$5,000,000.

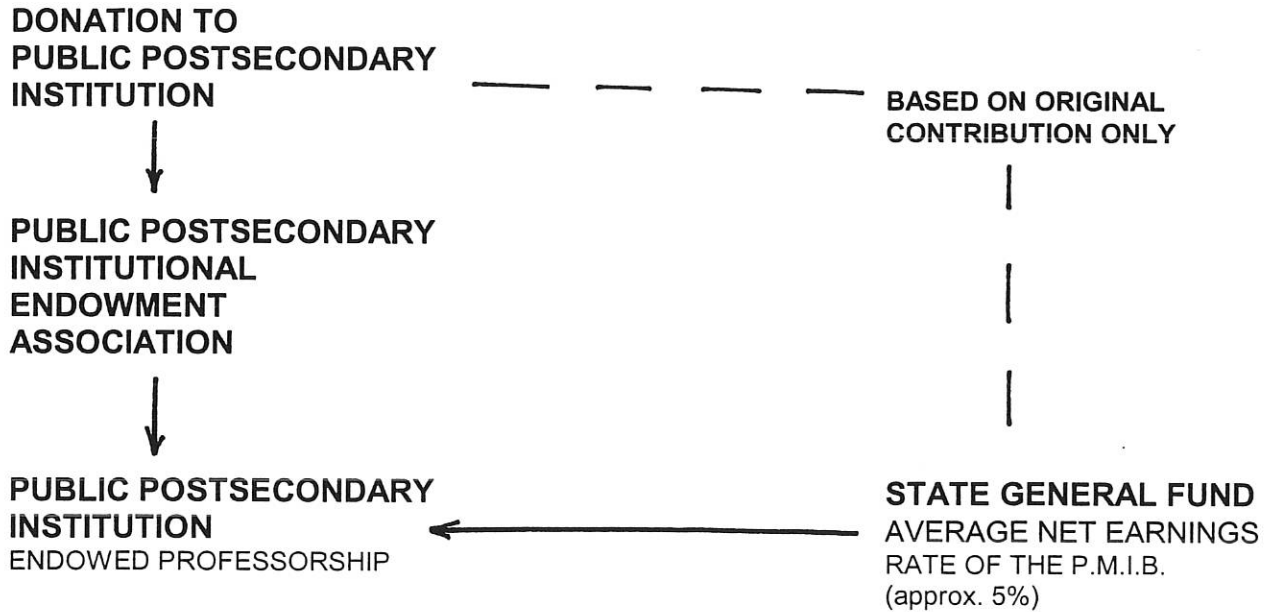
chancellor, president, director or other chief executive officer of an eligible

eligible educational

chancellor, president, director or other chief executive officer of an eligible

eligible

Faculty of Distinction Program House Bill 2476



TOTAL ELIGIBLE QUALIFYING DONATION AMOUNTS

Kansas University	\$500,000
Kansas State University	500,000
Wichita State	350,000
Emporia State	200,000
Fort Hays State	200,000
Pittsburg State	200,000
Washburn	200,000
Community Colleges	50,000
Technical Schools	50,000

- As it passed the House last year, HB 2476 applied only to state universities.
- HB 2476 now encompasses all public postsecondary institutions in Kansas: Universities, Washburn, Community Colleges and Technical Schools.
- The measure before the Senate Ways & Means committee caps the SGF transfers at \$5M per fiscal year. This provision was not contained in the measure which passed the House in 1999.

Senate Ways and Means Committee

Date *March 1, 2000*

Attachment # *14*