

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on March 19, 2002 in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Janet McPherson, Assistant Director, Public Policy Division, Kansas Farm Bureau
Mike Beam, Governmental Affairs Staff, Kansas Livestock Association
Bud Burke, Cessna Aircraft Company and the Aircraft Industry
Jewel Scott, Executive Director, Civic Council of Greater Kansas City
Shawn Hennessee, on behalf of the Greater Kansas City Chamber of Commerce
Robert Marcusse, President/CEO, Kansas City Area Development Council
Trudy Aron, Executive Director, American Institute of Architects
Clay Blair, Chair, Kansas Board of Regents
Ron Gaches, Executive Vice President, Kansas Society of Professional Engineers
Terry Leatherman, Vice President-Legislative Affairs, Kansas Chamber of Commerce and Industry
Jim DeHoff, Executive Secretary-Treasurer, Kansas AFL CIO (written)
Bernie Koch, Wichita Chamber of Commerce (written)
Mike Taylor, Government Relations Director, City of Wichita

Others attending: See attached list

Bill Introduction

Senator Feleciano moved, with a second by Senator Jackson, to introduce a bill concerning tax increment financing; relating to major tourism areas (1rs2359). Motion carried on a voice vote.

Chairman Morris opened the public hearing on:

HB 2690--University research and development enhancement act

Staff briefed the Committee on the bill.

Copies of a chart, Construction Process Flowchart for **HB 2690** - "Construction Manager at Risk" were distributed to the Committee (Attachment 1).

Janet McPherson, Assistant Director, Public Policy Division, Kansas Farm Bureau, testified in support of **HB 2690** (Attachment 2). Ms. McPherson mentioned that the Kansas Farm Bureau encourages federal, state and local units of government, research institutions and the agricultural industry to make every reasonable effort to protect livestock and crop production in Kansas from the threat of bioterrorism or from introduction through accidental infestation by animal and plant pests or diseases. It was mentioned that one asset for helping carry forward this endeavor is the construction of the Food Safety and Security Center at Kansas State University.

CONTINUATION SHEET

Mike Beam, Governmental Affairs Staff, Kansas Livestock Association, testified in support of **HB 2690** (**Attachment 3**). Mr. Beam explained that the Kansas Livestock Association supports the effort to build a BSL-3 facility in Kansas and encourages the Kansas Legislature to give Kansas State University and other Board of Regents institutions the tools necessary to enhance important research facilities in Kansas.

Bud Burke, Issues Management Group, Inc., on behalf of Cessna Aircraft Company and the Aircraft Industry, testified in support of **HB 2690** (**Attachment 4**). Mr. Burke explained that he was present to appear before the Committee to underscore the importance of research and development in Kansas. He also indicated that the aviation industry looks forward to working with the Legislature regarding the request for research and development funding for the Wichita State University National Institute for Aviation Research.

Jewel D. Scott, Executive Director, Civic Council of Greater Kansas City, testified in support of **HB 2690** (**Attachment 5**). Ms. Scott mentioned that they believe **HB 2690** is the right step at a critical time and creates an opportunity for the Kansas Legislature to leave a legacy that will benefit Kansans for generations to come.

Shawn Hennessee, on behalf of the Greater Kansas City Chamber of Commerce, testified in support of **HB 2690** (**Attachment 6**). Mr. Hennessee explained that the development and enhancement of scientific research facilities is imperative to promote the economic development of the state.

Robert J. Marcusse, President/CEO, Kansas City Area Development Council, testified in support of **HB 2690** (**Attachment 7**). Mr. Marcusse mentioned that the message he wanted to leave with the Committee was that funding the ability of Kansas universities to expand their research programs is not about scientists in white lab coats playing with test tubes. It is about the future of Kansas and about the ability to attract or lose millions of dollars, investment and thousands of jobs.

Trudy Aron, Executive Director, American Institute of Architects, testified in support of **HB 2690** (**Attachment 8**). Ms. Aron mentioned that they wholeheartedly support the development of scientific research and development facilities at the universities. She also noted that these projects will not only bring research dollars into the state, but will allow Kansas to keep her brightest scholars while attracting world-class researchers.

Clay Blair, III, Chair, Kansas Board of Regents, testified in support of **HB 2690** (**Attachment 9**). Mr. Blair emphasized a point in closing remarks that this initiative is for higher education and the State of Kansas and it only moves the state ahead if adequate operational support for the institutions is ensured. He noted that the Board of Regents priorities remain restoration of the base budgets, full funding of **SB 345**, and the development of research infrastructure.

Ron Gaches, Executive Vice President, Kansas Society of Professional Engineers, testified in support of **HB 2690** (**Attachment 10**). Mr. Gaches mentioned that their Board recognizes the importance of making targeted investments in the research and development facilities of Kansas universities in order to ensure that Kansas can capture its share of federal and private sector funding for research and development facilities.

Terry Leatherman, Vice President-Legislative Affairs, Kansas Chamber of Commerce and Industry (KCCI), testified in support of **HB 2690** (**Attachment 11**). Mr. Leatherman addressed in his closing testimony that KCCI urges the Committee to remove the House "prevailing wage" amendment, and urged exploration of the impact funding this program will have on existing Economic Development Initiatives Fund programs and projects.

The following conferees submitted testimony in support of **HB 2690**:

- Jim DeHoff, Executive Secretary-Treasurer, Kansas AFL CIO (**Attachment 12**)
- Bernie Koch, Wichita Area Chamber of Commerce (**Attachment 13**)
- Mike Taylor, Government Relations Director, City of Wichita (**Attachment 14**)

Committee questions and discussion followed various conferee testimony. Chairman Morris mentioned that the hearing on **HB 2690** would continue on the following day, March 20, 2002.

CONTINUATION SHEET

Subcommittee report on:

State Board of Regents (Attachment 15)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with observations as listed in the subcommittee budget report.

Senator Barone requested information on any programs initiated in the last five to seven years where the institutions were given a line item authority to start a new program and then the State had set that program as things have moved forward.

University of Kansas (Attachment 16)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

University of Kansas Medical Center (Attachment 17)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Kansas State University (Attachment 18)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Kansas State University Veterinary Medical Center (Attachment 19)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Kansas State University Extension Systems and Agricultural Research Programs (Attachment 20)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Wichita State University (Attachment 21)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

CONTINUATION SHEET

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Emporia State University (Attachment 22)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Fort Hays State University (Attachment 23)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Pittsburg State University (Attachment 24)

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with an observation as listed in the subcommittee budget report.

Senator Schodorf moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the State Board of Regents (including the Regents Universities) for the FY 2002 and FY 2003 budget. Motion carried on a voice vote. Senator Feleciano requested to be recorded as voting "No" on the motion.

The meeting was adjourned at 12:00 p.m. The next meeting is scheduled for March 20, 2002.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE March 19, 2002

NAME	REPRESENTING
Julie Thomas	DOR
Audrey Deaton	Budget
Theresa Klinkenberg	Univ. of Kansas
Mike Beam	Ks. LvstK. Assn.
Tom Slattery	AGC/KS
JOE FRITTON	DOFA/DFW
Dan Salath	Dept / DFW
JACK BRUCE	KANSAS Dev FINANCE AUTHORITY.
Ann Ashner	KDFA
Gayle Shaw	KACCT
Sheila Krahn	KACCT/CC ASSOC.
David Wyson	citizen
PHILIP HURLEY	PAT HURLEY & Co.
John D. Pinegar	Washburn University
Bob Kelly	KICA
Judy Brown	AM INST of Architects
Marvin Burris	KBOR
Walter Snow	Lo Co
Rosalea Snow	Lo Co
Ruth Hartman	Lo Co
Ben Bruce	KTEC

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE March 19, 2002

NAME	REPRESENTING
Stan Clark	Senate
John Tomblin	WSU/NIAR
John Frenick	Boeing
J.P. Small	Bombardier Learjet
Bud Burke	Cessna Aircraft Co.
Janet Murguia	The University of Kansas
Janet McPherson	Kansas Farm Bureau
Bob Marcusse	KC Area Dev. Council
Jackie Clark	Hallmark Card
Algebra (Frickaux)	FHSU
Terry Leatherman	KECI
Don Gaches	KS SOCIETY OF PROFESSIONAL ENGRS.
Bob Van Grun	Dunn Construction
Shawn Henesice	Greater KC Chamber
Jewel Scott	C/McConnell of Greater KC

Construction Process Flowchart for HB 2690 - "Construction Manager at Risk"

Stephen P. Means

Appoint Corporate Board
(4 legislative appointees, 3 regents appointees,
Sec. of Admin. or designee as ex-officio.)

Obtain Arch./Eng. Services

Determine
Appropriate
Construction
Model

Design, Bid, Build
(Outlined on reverse.)

Construction Manager at Risk
(Utilize Section 10 provisions.)

Assuming 'Construction Manager at Risk,'
the construction process continues:

Notify State Building Advisory Commission
of intent to use CM @ Risk

Receive list of 3-5 qualified firms from SBAC

Interview firms, select most qualified firm
and negotiate terms

Sign construction manager at risk contract
prepared by Division of Facilities Mgmt.

Construction manager at risk works
with architects and engineers to develop
project specifics, construction timelines,
etc., then creates and publishes bid
notices for construction services
based on project needs

Section 10 provisions sunset
with project completion.

Project is completed.
Regents/DFM conduct joint final inspection.

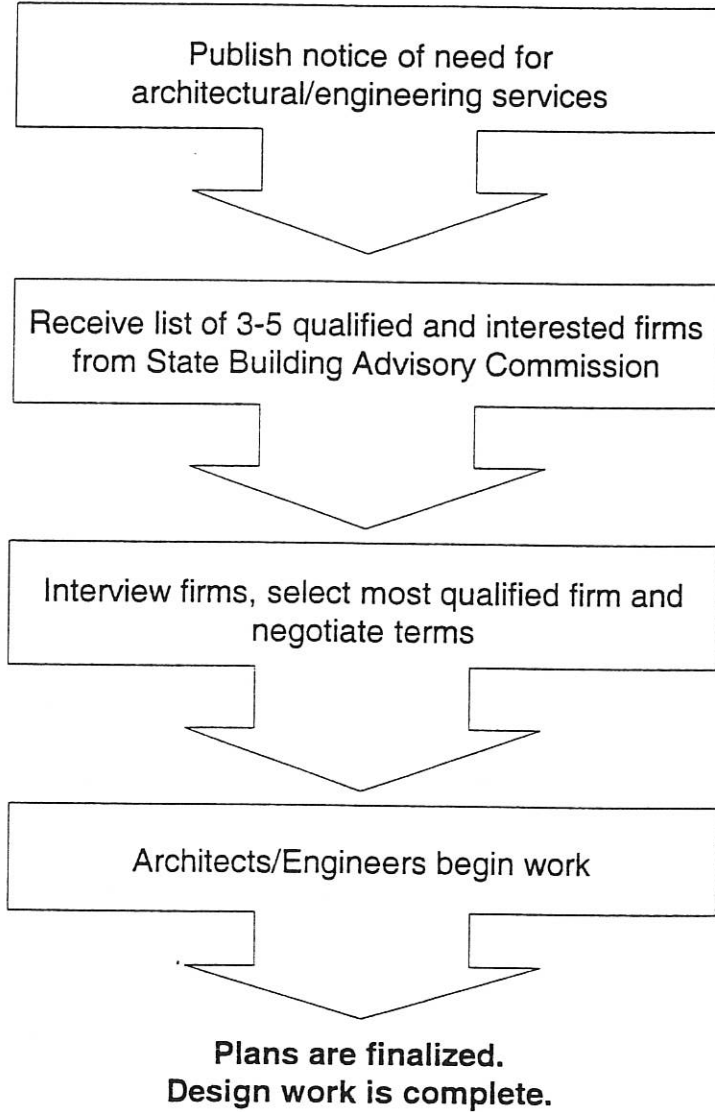
Project proceeds.
Regents/corporate board receive
regular updates and follow standard
change-order procedure

Construction manager at risk opens bids and
awards projects to lowest responsible bidder

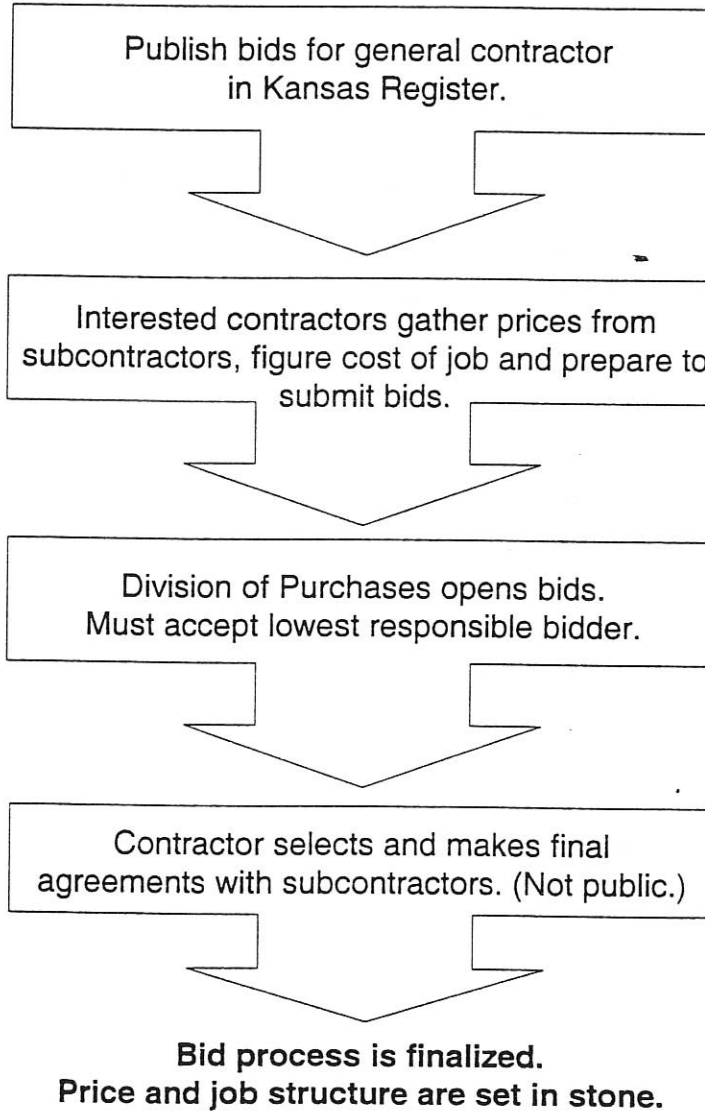
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Attachment 1

Construction Process Flowchart (p. 2) - "Design, Bid, Build"

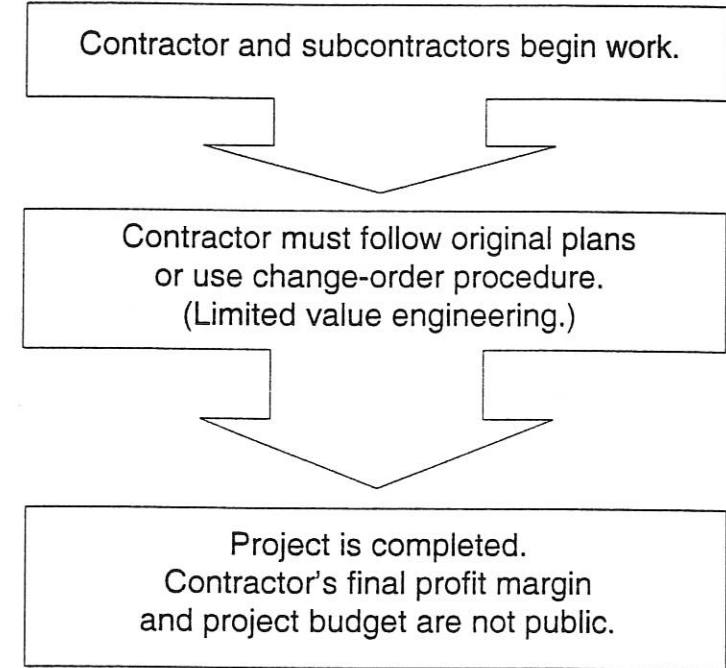
DESIGN



BID



BUILD





Kansas Farm Bureau

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800 S.W. Jackson, Suite 817, Topeka, Kansas 66612 • 785.234.4535 • Fax 785.234.0278

PUBLIC POLICY STATEMENT

SENATE WAYS & MEANS COMMITTEE

**RE: HB 2690 – Regarding Regent’s Institutions Science and Research
Facilities (KSU’s Food Safety and Security Center)**

**March 19, 2002
Topeka, Kansas**

**Presented by:
Janet McPherson, Assistant Director
Public Policy Division
Kansas Farm Bureau**

Chairman Morris and members of the Senate Ways & Means Committee, thank you for the opportunity to appear today in qualified support for HB 2690, as it pertains to the proposed Food Safety and Security Center at Kansas State University (KSU). I am Janet McPherson, and I serve Kansas Farm Bureau as the Assistant Director of Public Policy.

Kansas Farm Bureau has long supported enhancing the agricultural related research components at K-State. *As the major industry in Kansas, agriculture must have the highest priority at Kansas State University. We urge a strong commitment by the Kansas Legislature, Regents and University Administration to the land grant tradition of teaching, research and extension.*

This past November, at our 83rd Annual Meeting, the farmer and rancher members of Kansas Farm Bureau reaffirmed existing policy regarding Kansas State University and adopted new language regarding biosecurity and the Food Safety and Security Building at KSU. Our agricultural producers know the importance sound, quality research has in helping assure that Kansas farmers and ranchers, along with producers across the United States, are raising the safest, most abundant and most affordable food and fiber supply in the world. As

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3-19-02
Attachment 2*

such, we encourage federal, state and local units of government, research institutions and the agricultural industry to make every reasonable effort to protect livestock and crop production in Kansas from the threat of bioterrorism or from introduction through accidental infestation by animal and plant pests or diseases. One asset for helping carry forward this endeavor is the construction of the Food Safety and Security Center at KSU.

We support the construction of a Food Safety and Security Center at Kansas State University. Funding for such a center should be broad based. The benefits of such a facility would reach beyond agriculture, and would benefit consumers within our nation's borders and, potentially, worldwide. Therefore, our members believe that the funding of such a facility should be borne by a broader constituency than property owners in Kansas. The bonding proposal within HB 2690 would help accomplish this by infusing funds from diverse sources to support the facility at K-State. Funding for the center and its programs should be in addition to and not jeopardize other programs and research projects beneficial to production agriculture.

Our policies related to the construction of such a research facility are limited to Kansas State University. As such, we will not expand our comments to address facilities beyond the Food Safety and Security Center. Additionally, our policy does not address the mechanisms for carrying out the project, such as the establishment of a subsidiary corporation that transcends the construction of the three facilities (KU, WSU, KSU) that have been the focus of the dialogue, up to this point. Again, we appreciate the opportunity to appear today and ask the Committee to pass a reasonable, workable proposal for advancing biosecurity research in Kansas through the construction of the Food Safety and Security Center at Kansas State University. Thank you.

Kansas Farm Bureau represents grassroots agriculture. Established in 1919, this non-profit advocacy organization supports farm families who earn their living in a changing industry



Since 1894

To: The Senate Ways & Means Committee
Senator Stephen Morris, Chairman

From: Mike Beam, Governmental Affairs Staff

Subject: Testimony in support of HB 2690 - University Research & Development Enhancement Act

Date: March 19, 2002

Kansas Livestock Association (KLA) members have chosen to support the Kansas Board of Regents proposal and legislative efforts to enhance biosecurity research facilities at Kansas State University (KSU). While we are not intimately familiar with the important policy issues surrounding the issuance of bonds or other evidences of indebtedness by state agencies, our members believe a Biosafety Level-3 (BSL-3) research facility at KSU is imperative for our industry and the health and safety of consumers.

There are many risks associated with livestock production. Much can be done by individuals to insure against acts of nature and to hedge against rapid increases in input costs and/or an unexpected plunge in commodity prices. Several events of the past year, however, have opened our members' eyes to the risks Kansas agriculture producers would face were there an intentional or unintentional release and spread of dangerously infectious disease(s).

We watched with fear as animal health officials and livestock owners in Europe attempted last spring to contain Foot and Mouth Disease. When it was all done, Great Britain reported their officials depopulated four million head of livestock in an effort to eradicate this highly contagious disease. It's chilling to think about the economic impact the outbreak of a disease like Foot and Mouth would have on our state's producers, allied businesses, and overall economy. Research at a BLS-3 lab could help us avoid, or at least prepare for, a dangerous disease outbreak.

A BSL-3 facility also offers unlimited potential for research in finding more economical and successful methods for controlling or eliminating naturally occurring food pathogens. Food safety research has long been a priority of the beef industry. We are hopeful that an enhanced research facility at KSU will be an important aspect of pushing the limits of such research.

KLA supports the effort to build a BSL-3 facility in Kansas and encourages the Kansas legislature to give KSU and other Board of Regents institutions the tools necessary to enhance important research efforts in this state.

Thank you!



Testimony for the Senate Ways and Means Committee
March 19, 2002
Bud Burke, Cessna Aircraft Company

Mr. Chairman and distinguished committee members, my name is Bud Burke and I am pleased to appear before the committee today representing the aviation industry in Kansas to underscore the importance of research and development (R&D) in our state.

We are pleased to support the proposal of the Kansas Board of Regents as reflected in HB 2690. Additionally, we look forward to working with you regarding the aviation industry request for R & D funding for the WSU National Institute for Aviation Research. That request is for technical research and state-of-the-art laboratories and equipment at NAIR to help ensure that Kansas remains competitive and meets existing and future needs of the aviation industry. The aviation industry request is complimentary to the proposal of the Kansas Board of Regents and together should lead to additional federal funding for research at Kansas universities.

Mr. Chairman, our industry is pleased that the legislature has maintained its focus on economic growth in Kansas. Boeing, Bombardier, Cessna Aircraft and Raytheon Aircraft account for ten percent of the net income of our state, and we have a vested interest in initiatives that help us to maintain that important impact on the state economy. Every 1,000 Kansas aircraft manufacturing jobs create an additional 2,300 jobs, generating a total of \$23 million in federal taxes and \$9 million in state and local taxes annually.

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(2)

Our industry, along with so many others in our nation, is still dealing with the aftermath of September 11 and a slowing global economy. Difficult times require difficult decisions for business and state government alike. Yet, even with so much attention on surviving the downturn in our economy (and industry), we cannot afford to take our eyes off of the future and what it takes to reach our vision. Consistent, targeted investment in research and development is indisputably a requirement to be competitive in the world today.

The deliberations of this committee and the legislature to ensure Kansas maintains a stable and growing economy are noteworthy. On behalf of the aviation industry, we appreciate your serious consideration and favorable action on HB 2690.

Mr. Chairman, thank you for the invitation to appear before the committee. We have a number of representatives from the aviation industry and WSU and we would be pleased to take questions and comments.

**TESTIMONY OF JEWEL D. SCOTT
EXECUTIVE DIRECTOR
CIVIC COUNCIL OF GREATER KANSAS CITY**

**SUPPORTING HOUSE BILL 2690
REGARDING THE ISSUANCE OF BONDS
TO FINANCE CONSTRUCTION OF
SCIENTIFIC & RESEARCH FACILITIES**

**SUBMITTED TO THE SENATE WAYS AND MEANS COMMITTEE
STEVE MORRIS, CHAIR
TUESDAY, MARCH 19, 2002**

CHAIRMAN MORRIS AND MEMBERS OF THE COMMITTEE:

My name is Jewel Scott. I am the Executive Director of the Civic Council of Greater Kansas City, a membership organization of the chief executive officers of 80 or so of the larger companies in the Kansas City metropolitan area. I also serve as the treasurer of the Kansas City Area Life Sciences Institute Association Board of Directors.

I am here today on behalf of the Civic Council to share with you why we support House Bill 2690.

The CEOs who lead our member companies have made the growth of the quality and quantity of life sciences research and development in the region one of their priority initiatives.

We recognized early in the discussions about life sciences that we had advantages on which to build and disadvantages to overcome.

On the positive side, we were blessed with the multi-million dollar investment that Jim and Virginia Stowers were making in the Stowers Institute for Medical Research. Of major significance to our decision was KU's strong commitment to strengthen its life sciences research effort at the medical center in Kansas City, Kansas, and on the Lawrence campus. We also were the home of the highly regarded Midwest Research Institute and of the University of Missouri-Kansas City, as well as Children's Mercy Hospital, the Mid-America Heart Institute and the University of Health Sciences. Although none of these institutions individually generated enough life sciences research to place them among the leaders nationwide, they each had a solid base of research on which to build.

We acknowledged that an unprecedented effort would be required to expand the region's research base into one that would place it among the top 10 regions in life sciences research nationally. We recognized two factors would be key to our success:

- The investment of money---We estimated it would take \$300 million over a 10-year period for facilities, people and technology to increase the research expenditures in the region to \$500 million annually; and,
- The creation of a highly collaborative environment that brought together our best scientists from across institutions and disciplines to engage in high quality, cutting-edge research.

Since our discussions about this initiative began, the Stowers Institute for Medical Research has attracted internationally recognized scientists. The Stowers family is now discussing construction of a second research facility. Whether it is constructed in this region will depend on the investments made in enhancing and sustaining the life sciences research capacity in Kansas City's research institutions, including the KU Medical Center and the University of Kansas, Lawrence. Just as our state universities are able to use the international reputation of the Stowers Institute's scientists as a recruitment tool for faculty and students, the Stowers Institute must be able to sell its recruits on the quality and quantity of research at the universities and the potential for collaborative opportunities.

As you heard in earlier presentations at K-State, the life sciences research commitment and the leveraging of federal research funds at KU and K-State already have increased dramatically. The intra-state and inter-state agreements among the region's life sciences research institutions already are playing a role in bringing together researchers and in creating greater opportunities to leverage federal grants and contracts. In addition, the new federal budget contains \$3.5 million of earmarked funds to begin building the region's proteomics research capacity. Across the state line in Missouri, a \$21.6 million appropriation from the state's tobacco settlement dollars will soon be awarded to Missouri research institutions to expand their life sciences research capacity, and the Governor included another \$21.6 million in his 2003 budget proposal, despite a projected \$750 million revenue shortfall.

Our Kansas City Area Life Sciences Institute, which facilitates the collaboration among the region's research institutions, is fully funded for three years. The Institute has worked with its participating institutions to submit collaborative proposals for more than \$45 million in federal grants, in addition to seeking funding for the \$50 million proteomics consortium proposal.

The Kansas City community has begun to create a support structure that encourages and nurtures the further development and commercialization of research discoveries. Our economic development leaders have become knowledgeable about the opportunities to attract and retain biotechnology and related businesses and have demonstrated success in marketing the region as an exciting home for both mature and young companies.

Why does this matter to us, and why does it matter to you and your constituents, many of whom are employees and shareholders in Civic Council companies?

We believe this region's future will be tied to its ability to compete in an economy that is increasingly biotechnology oriented.

We need only look at the Rust Belt of the Northeast to understand what happens when a region fails to shift its economy and aggressively incorporate leading edge technologies into its economic development strategies. It is instructive to note that many of the Rust Belt states learned their lesson. Michigan, Ohio and Pennsylvania were early leaders in investing state funds in life sciences research and development.

That is why, despite the tough decisions that must be made as the state looks at its budget, it is important to continue the investment in building research capacity in Kansas. It is also important to understand the short- and the long-term benefits to be derived from that investment.

In the short-term, House Bill 2690 provides the funds to build badly needed research facilities. Without these facilities, the universities will be hard-put to hire the researchers who ultimately can leverage even greater amounts of federal and private grants and contract dollars. Without the research, the state will not benefit from the commercialization of discoveries that come out of research. And, it will be hard to attract and retain the kinds of companies that like to be located close to where the research is done.

We have all worried about the state's ability to attract and retain young, talented technology workers and their families. Building the research capacity and the talent pool at the state's

universities will provide outstanding opportunities for the best and brightest young people in Kansas to stay in Kansas for their education, and to find jobs in Kansas when they graduate.

Finally, we believe the quality of health care will improve, as clinicians who want to be near research institutions are attracted to the region. Each of us could name friends or family who have traveled long distances for the treatment of life-threatening diseases. As we build our research capacity in this region, we also increase the opportunities for Kansans to find cutting-edge treatments closer to home. That not only means less stress and cost for patients and their families, but also more health care expenditures retained in the state.

To summarize, your investment in research facilities at the state's universities is not just about erecting buildings. It is about building a 21st Century economy for Kansas, improving the chances that the treatments and cures for diseases will be developed and made available here in the region, and ensuring that young Kansans have access to higher education opportunities in science and technology that cause them to choose to stay in Kansas.

Before finalizing plans to proceed with the life sciences initiative in Kansas City, we completed an economic impact study. That study found that if we invested \$300 million as we said we intended, and it resulted in \$500 million research expenditures in the region, over 10 years we would see the creation of 14,562 permanent jobs and a positive annual impact on the gross regional product of \$654 million.

When we began our discussions in 1998, the annual life sciences research expenditures in the region totaled about \$100 million. Last year, the total was \$180 million, and reflected 16 percent growth from the prior year.

The ability to grow these numbers at a faster pace currently is hindered by the need for new state-of-the-art university research facilities. We know from the experience of nationally ranked research universities that a direct relationship exists between the space available for new researchers and the growth in federal research dollars generated. There is a limit to how many grant dollars a single researcher, even the best researchers, can generate without increases in lab capacity.

This is the time, as new federal dollars are being targeted for research, to make the investments that can propel Kansas ahead of others who are too timid or too caught up in their past to see their way to the future.

We believe House Bill 2690 is the right step at a critical time, and creates an opportunity for the Kansas Legislature to leave a legacy that will benefit Kansans for generations to come.



THE CHAMBER

Greater Kansas City Chamber of Commerce

The University Research and Development Enhancement Act (HB 2690)
Amended Testimony to the Kansas Senate Ways and Means Committee
on behalf of:
The Greater Kansas City Chamber of Commerce

Tuesday, March 19, 2002

Presented By: Shawn Hennessee on behalf of the Greater Kansas City Chamber of Commerce

Testimony

Thank you, members of the Committee, for allowing us to appear before you today on what our chamber believes to be a critical opportunity to ensure the continued dynamic development and diversification of the economic strength of Kansas.

The development and enhancement of scientific research facilities is imperative to promote the economic development of the state. This proposal will lay the groundwork for additional research facilities and strengthen the existing research facilities located in Kansas. Kansas already has excellent research facilities located throughout the state. However, the constantly evolving nature of technology demands that in order to maintain its position as a state with strong research facilities, we must begin to lay the groundwork that will allow Kansas to maintain its current strong status. Simply put-this legislation helps to ensure that Kansas will maintain its position as a state possessing high quality research facilities and will strengthen the state's competitiveness.

The Chamber recognizes that this initiative will be primarily utilized for the development of infrastructure and what may be referred to as the "bricks and mortar" that will lay the groundwork for new research facilities. In Kansas City there has been a renewed emphasis on the life sciences that has come about due to the efforts of many in the area. The proposed addition of a research facility at the University of Kansas will complement these efforts and add additional strength to an already ambitious program to enhance the life sciences in the Kansas City region. The additional research facilities that are proposed for both the Wichita and Manhattan areas will also compliment their existing strengths.



THE CHAMBER

Greater Kansas City Chamber of Commerce

The strong level of support that this proposal has received in the House of Representatives is indicative of the multiple benefits that will accrue if this bonding proposal is approved and of the strength of the proposal. We are all aware of the current budget difficulties that are being faced by the legislature. However, this proposal will provide a substantial return for a modest level of commitment by the state.

The Greater Kansas City Chamber of Commerce has taken no position in regards to the amendments that were added by the House of Representatives. The Greater Kansas City Chamber believes that the bill represents a positive program for the state and a welcome addition to the economic development of the state of Kansas.

For all of these reasons the Greater Kansas City Chamber of Commerce would urge approval of this legislation.

Senate Ways and Means Committee Testimony

On HB 2690

March 19, 2002

from

**Robert J. Marcusse, President/CEO
Kansas City Area Development Council**

Mr. Chairman and members of the committee,

My name is Bob Marcusse. I am a resident of Lenexa, KS. I am here today in my capacity as president of the Kansas City Area Development Council, a regional economic development organization that serves the 16 counties in both Kansas and Missouri that compose the Kansas City Area. Our core business is recruiting major companies to our market, retaining companies of regional significance, and leading our region in creating economic development opportunities for the future.. Thank you for the opportunity to testify today and support legislation that will change the future of Kansas and lead to enhanced economic development for the entire state.

I know that this is a difficult time for the State of Kansas. There are many plans to both cut spending and raise revenue, all with the intent of balancing our state budget. At a time like this, it is often initially difficult to consider plans that will lead to new revenue growth or the creation of a whole new sector of the economy if those plans require a small, short-term expenditure.

Today biotech or life science research is not only the future of Kansas, and metro Kansas City, it is economic development today.

Let me give you an example. We often work together as two states that sometimes win or lose together. Just two months ago, in the same room at the same time, Congressman Moore and Congresswoman McCarthy, Gov. Graves and Gov. Holden, and all four US senators, were united in an effort to retain and grow in Kansas City a company that has a presence in both states...Bayer CropScience.

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Attachment 7

While Bayer chose to put its commercial operations in Raleigh/Durham, NC, the Kansas City area was awarded the much more important designation of "Core Technology Center" for Bayer CropScience. In large measure, we beat the Research Triangle Park of North Carolina, because of Kansas City's focus on Life Sciences. If this contest had occurred even three years ago, you can be sure that the 200 scientists who work at the Bayer site in Stillwell, KS and the many more who will come, would all be moving to North Carolina. While we had success in that contest, we have lost too.

A few months ago, we lost a company to the Univ. of Nebraska....a company that we had worked on for three years and that would have created over 100 high paid jobs in Kansas. Yesterday, we received word that another dynamic young life sciences company that was considering moving to Kansas City has also chosen to locate in Nebraska.

The common element in these decisions is the commitment of the community to life science research. The message I want to leave with you today is that funding the ability of Kansas Universities to expand their research programs is not about scientists in white lab coats playing with test tubes. It is about the future of Kansas and about our ability to attract or loose millions of dollars and investment and thousands of jobs.

Since I am most familiar with the Kansas University Medical Center proposal, and since it directly affects the growth of Eastern Kansas, I will restrict my closing remarks to this program.

On January 17, over 100 members of the legislature traveled to Manhattan in order to hear presentations about growing the research base of our Kansas Universities through support of a bond program that would cost \$10M per year for 5 years. Specifically, the University of Kansas Medical Center is requesting support of \$5M per year for 5 years of this program. This support would leverage a recent gift from the Hall Family Foundation of \$27M and allow for the construction of the 200,000 sq. ft. Biomedical Research Center.

Again, you may be wondering why someone in economic development is here today advocating an expenditure in support of biomedical research. The answer is simple: in Kansas today, biomedical research IS economic development. Here are the benefits:

- Construction of a \$65M biomedical research building
- Leverage of private sector gifts and National Institutes of Health (NIH) grants
- Stimulate adjacent private sector research space development
- Stimulate adjacent private sector commercial development
- Continue the rise of KU to national prominence in research (1993- \$103M, 2001-\$224 M)
- Retain and attract the best scientists
- Serve as a magnet to other biotech firms looking for a US location
- Will assist in causing the second Stowers Institute of Medical Research campus to be built in the area.

Finally, because this is so important to Kansas, we hired Andersen, before they became as well known as they are today, to tell us what it means if, for example, KUMC can increase its research funding by \$10M/year for the next ten years. The Andersen study is attached. It is compelling and points out specifically the terrific return on investment that available to Kansas if that goal is achieved. Your passage of this legislation is the key to making it happen. Further, the Stowers Institute of Medical Research has publicly stated that it will build it's next campus, up to 1,000,000 sq ft of space, in the Kansas City region....IF our states work to continually improve the level of research conducted at our state universities. Andersen has pointed out that the economic impact of a second Stowers campus would be over \$1 billion over a 10 year period. This can happen in Kansas if we make the investment proposed.

In conclusion, the 21st century is the biotech century. We can be key players or we can watch the world pass us by. This investment in Kansas will be rewarded many times over and will make the difference in our ability to win in a competitive world.

March 19, 2002



TO: Senator Morris and Members of the Senate Ways and Means Committee

FROM: Trudy Aron, Executive Director

RE: **SUPPORT FOR HB 2690**

President

Nancy L. Steele, AIA
Wichita

President Elect

Robert D. Fincham, AIA
Topeka

Secretary

Matthew D. Werner, AIA

Topeka

Treasurer

Richard Bartholomew, AIA
Overland Park

Directors

Ron Brown, Allied Member
Wichita

Ken Conrad, P.E.

Leawood

John Gaunt, FAIA

Lawrence

Georgia Gavito, AIA

Lawrence

Dale Glenn, AIA

Meriden

James Jones, Assoc. AIA

Manhattan

Eric Linebarger, AIAS

Manhattan

Peter Maass, AIAS

Lawrence

Julia Mathias, Assoc. AIA

Lawrence

Torgier Norheim, AIA

Manhattan

Wendy Ornelas, AIA

Manhattan

Katie Perkins, AIAS

Lawrence

Daniel R. Rowe, AIA

Topeka

Michael M. Seiwert, AIA

Wichita

Scott A. Stauffer, AIA

Andover

Richard K. Tilghman, AIA

Topeka

Bruce Wrightsman, AIA

Manhattan

E. Eugene Young, AIA

Shawnee Mission

Good Morning, Mr. Chairman, and members of the Committee, I am Trudy Aron, executive director, of the American Institute of Architects in Kansas (AIA Kansas.) Thank you for the opportunity to address your committee today regarding our support for HB 2690.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 100 private practice architectural firms designing a variety of project types for both public and private clients including justice facilities, schools, hospitals and other health facilities, industrial buildings, offices, recreational facilities, housing, and much more. The rest of our members work in industry, government and education where many manage the facilities of their employers and hire private practice firms to design new buildings and to renovate or remodel existing buildings.

We wholeheartedly support the development of scientific research and development facilities at our universities. These projects will not only bring research dollars into our state, but will allow Kansas to keep her brightest scholars while attracting world-class researchers.

We want to express our appreciation to the Kansas State Board of Regents for working with our association as well as others in the design and construction industry to craft this version of the bill that we can all support.

AIA Kansas urges you to favorably pass HB 2690. I'll be happy to answer any questions you may have. Thank you.

Executive Director

Trudy Aron, Hon. AIA, CAE
aron@aiaks.org

700 SW Jackson, Suite 209
Topeka, KS 66603-3757
Telephone: 785-357-5308 or 800-444-9853
Facsimile: 785-357-6450
Email: info@aiaks.org

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Senate Ways and Means Committee
March 19, 2002

Clay C. Blair, III
Chair, Board of Regents

I am here on behalf of the Board of Regents to support H.B. 2690. This request is consistent with the changing culture at the Board. That culture focuses on:

- Accountability
- Strategic Investment
- Building a Brighter Future for Kansas

Specifically, we are asking the legislature to empower the Board to develop the research infrastructure at our state universities. As many of you heard in Manhattan earlier this month, that investment will begin with four projects:

- Food Safety Facility – KSU
- Bioscience Research – KUMC & KU-Lawrence
- Aviation Research – WSU

I can attempt to answer questions on three projects if needed. But today I would like to share with you the partnership that we are proposing. There are four primary means to increasing funding for higher education

- State Tax Dollars
- Student Tuition
- Private Giving
- Research Support

The Board has challenged the six university CEO's to focus on all four of these propose strategies for increasing revenue in a manner appropriate to the campus, the state, and the students. We know that the state is facing difficult financial times and that the prospects of significant increases in state support are limited. We are concerned that the inability of the state to support higher education might shift those costs to the students, but we are also committed to charging a fair and appropriate tuition at each of our campuses. Private giving is up across the system. Today, I come before you to ask your assistance with the last of these, research funding.

We are proposing a state, federal, university, private partnership. Where the state will create the mechanism to construct facilities, the university and its supporters in the private sector will pay the preponderance of the construction costs, and the federal government will supply new research dollars to expand the economic development and educational activities of the state. For your part, we ask the legislature to:

1. Grant the Board, through a semi-independent construction authority, the authority to offer state-backed construction bonds
2. To provide \$50M over 6 years (no more than \$10M/year) toward P&I payments

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3. Free the Board and its construction authority of several regulatory restrictions to maximize cost-savings

As your partners in this endeavor, the Board of Regents promises that for any construction project commenced under this bill:

1. Carefully review all proposals prior to approval
 2. Scrutinize and monitor all construction costs
 3. Ensure sufficient revenue streams to cover all P&I costs after the fifth year
- To ensure compliance, the Board guarantees that they will not request any additional state funding for the construction costs after the fifth year of any project.

This is a difficult time for our state. You are being asked to make a number of difficult budget decisions. Many of the requests that you will face are worthy. This request, however, is one of the few that does not cost; it pays.

Before I close, I must emphasize one other important point. As important as this initiative is for higher education and the state of Kansas, it only moves us ahead if we ensure adequate operational support for our institutions. Our priorities remain restoration of the base budgets, full funding of SB 345, and the development of research infrastructure.

I hope that you accept our request to create a partnership that serves Kansas for years to come.



Kansas Society of Professional Engineers

A state society of the National Society of Professional Engineers

Statement of Kansas Society of Professional Engineers In support of HB 2690 – Authorizing Funding for Construction of Research and Development Facilities at Regents Institutions Presented to Ways and Means Committee

Thank you Chairman Wilks for this opportunity to appear in support of House Bill 2690, a proposal to authorize the issuance of bonds for construction of new research and development facilities at Kansas State University, University of Kansas and Wichita State University.

I am Ron Gaches, Executive Vice President of the Kansas Society of Professional Engineers (KSPE). KSPE is the leading professional society of the Kansas engineering community. An affiliate of the National Society of Professional Engineers, KSPE has nearly 900 members throughout the state of Kansas, including Professional Engineers employed in virtually all of the major industries of our state.

This proposal was discussed in detail at the January 18th meeting of the Board of Directors of the Kansas Society of Professional Engineers and received unanimous support of all Board members in attendance. I mention our Board's consideration, because our Board is comprised of engineers from all geographic regions of the state and from all aspects of engineering, consultants, major industries, state and local units of government and higher education.

Our Board recognizes the importance of making targeted investments in the research and development facilities of our universities in order to ensure Kansas can capture our share of federal and private sector funding for R & D facilities.

Although the new facilities envisioned by this bill are diverse in their missions, they have at least two characteristics in common. First, they will contribute to broadening and strengthening the economic infrastructure of our state. And second, they will all employ leading engineers in addition to other scientists and technical professionals.

KSPE is well aware of the revenue constraints confronting the legislature this session. As difficult as they are, we believe they represent short-term challenges and urge you to look at the long-term benefits of investment in these important R & D opportunities.

Thank you for your time and consideration.

300 SW Eighth Avenue • Third Floor • Topeka, Kansas 66603-3912
(785) 233-2121 • FAX (785) 233-2206 • kspe@gbbaks.com • www.kansasengineer.org

*Senate Ways and Means
3-19-02
Attachment 10*

LEGISLATIVE TESTIMONY



The Unified Voice of Business

835 SW Topeka Blvd. • Topeka, KS 66612-1671 • 785-357-6321 • Fax: 785-357-4732 • E-mail: kcci@kansaschamber.org • www.kansaschamber.org

HB 2690

March 19, 2002

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

Senate Committee on Ways and Means

by

Terry Leatherman

Vice President – Legislative Affairs

Mr. Chairman and members of the Committee:

My name is Terry Leatherman. I am the Vice President for Legislative Affairs for the Kansas Chamber of Commerce and Industry. Thank you for the opportunity to comment on HB 2690.

The Kansas Chamber did not appear during House deliberations on HB 2690. Our appearance today is to comment on two amendments added to the bill while it was being considered on the floor of the Kansas House of Representatives.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 2,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 48% of KCCI's members having less than 25 employees, and 78% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

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Last fall, KCCI's Economic Development Committee and later its Board of Directors endorsed a Chamber policy to promote the "Centers of Excellence" efforts at our state's regents institutions. Centers of Excellence open the opportunity to develop the technological advances that will be used by core Kansas industries in the years to come.

A House amendment to the bill directs state funding for the debt service payments to bonds that will be issued to construct research facilities to be drawn from the Economic Development Initiatives Fund, rather than the state general fund. In many ways, this fits the original intent of how EDIF could be used by the Legislature as a pool of revenue that would finance innovative ideas to promote our state's economic future. However, that is not the EDIF that exists today.

As this Committee clearly understands, the EDIF is capped. Adding this new EDIF burden will mean something currently funded by the Fund must go. This problem is furthered since EDIF has become the main funding source for the Kansas Department of Commerce and Housing.

Another amendment during House floor action was to require prevailing wages be paid for construction work called for by HB 2690. For the following reasons, KCCI has consistently objected to prevailing wage proposals.

- Prevailing wages inflate the cost of construction projects.
- Wage rates are best determined by the private sector, rather than by government.
- We live in a different business environment than the one that prompted the original prevailing wage laws.

To conclude, KCCI would urge this Committee to remove the House 'prevailing wage' amendment, and would urge you to explore the impact funding this program will have on existing EDIF programs and projects. Thank you for your consideration of the comments of the Kansas Chamber of Commerce and Industry. I would be happy to answer any questions.



President
Ron Eldridge

Executive Secretary
Treasurer
Jim DeHoff

Executive Vice
President
Wayne Maichel

Executive Board
Melany Barnes
Jim Clapper
Richard Crusinberry
Dan Fairbanks
Barbara Fuller
David Han
Jim Hastings
Jerry Helmick
Larry Horseman
Fred Kaminska
Lloyd Lavin
Wil Leiker
Jerry Lewis
Adrain Loomis
Pam Pearson
Emil Ramirez
Bruce Reves
Steve Rooney
Debbie Snow
Betty Vines
Dan Woodard

Testimony
Presented to: Senate Ways & Means Committee
HB 2690

by
Jim DeHoff, Executive Secretary Treas., Kansas AFL CIO

Chairman Morris and Committee Members:

I am Jim DeHoff, Executive Secretary-Treasurer of the Kansas AFL CIO and I appear before you in support of House Bill 2690. HB 2690 is an important bill relating to scientific research and development facilities for state universities. We consider all legislation which deal with economic development to be important. It is only with the active pursuit of business and industry that our state will continue to grow.

We specifically support the requirement that all contracts include specifications for the payment of prevailing wages by contractors and sub contractors on the proposed projects.

Prevailing wages help assure that workers on state funded projects will receive a wage and fringe benefit package comparable to the average wage for workers in the county where state construction work is being performed.

In the 1989 legislative session, prevailing wages were applied to the 2.65 billion Highway Program. In 1999 the Kansas legislature passed a Transportation Bill that continues to provide good quality jobs to communities all over the state of Kansas. The El Dorado prison was constructed by contractors who paid a prevailing wage, specified in their contracts with the state. By keeping the prevailing wage provision in HB 2690, you would assure Kansas workers would have the opportunity to work on these state projects, as well as earn a livable wage. We feel as taxpayers of this state that there is an obligation to insure that Kansas workers have the opportunity to work on projects in their state and are provided wage and fringe benefits wages which are in line with other construction wages in their community.

Your consideration with keeping a prevailing wage provision in HB 2690 would be appreciated.

Thank you.



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**Senate Ways and Means Committee
Testimony on HB 2690**

**Bernie Koch
Wichita Area Chamber of Commerce
March 19, 2002**

Mr. Chairman and members of the committee, thank you for the opportunity to submit written testimony in support of House Bill 2690, which creates the University Research and Development Enhancement Act.

The Wichita Area Chamber of Commerce supports this legislation and urges your favorable consideration of it.

Expansion and improvement of the Aviation Engineering Complex at Wichita State University is particularly important to our aviation industry. We sometimes overlook how important aviation manufacturing has become to the economy of Kansas.

- Wichita is fourth in the U.S. in percentage of workforce engaged in manufacturing.
- About 70 percent of all general aviation aircraft are built in Wichita/Sedgwick County.
- At one time, half the aircraft flying in the free world were built in Wichita by one company, Cessna.

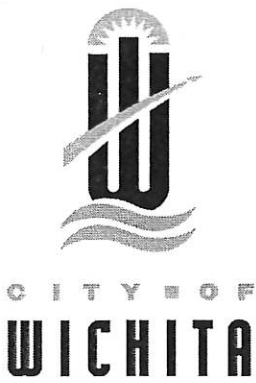
Despite the downturn in the economy and its impact on our area, aviation will come back. It's vitally important that research facilities that support this engine of our economy be maintained and expanded. The National Institute for Aviation Research at WSU is vital to that future. Without it, the nearest wind tunnel for research and development use is at College Station, Texas. The second closest is in Ohio.

We urge you not to overlook this vital sector of the state's economy and support House Bill 2690.

Thank you.

**Wichita Area Chamber of Commerce
350 W. Douglas
Wichita, Kansas 67202
316-268-1155**

*Senate Ways and Means
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Attachment 13*



TESTIMONY

City of Wichita
Mike Taylor, Government Relations Director
455 N Main, Wichita, KS. 67202
Phone: 316.268.4351 Fax: 316.268.4519
Taylor_m@ci.wichita.ks.us

House Bill 2690

University Research and Development Enhancement Act

Delivered March 19, 2002
Senate Ways and Means Committee

The City of Wichita strongly supports investment in Research and Development for the aviation industry and Wichita State University, which plays a crucial role in the success of the aviation industry.

Wichita is the "Aviation Capital of the World." Boeing, Bombardier/Learjet, Cessna and Raytheon all call Wichita home. Wichita's early day aviation pioneers accomplished things no one thought possible. Their work made modern aviation and air travel possible. It is a tradition modern day residents of Wichita proudly carry on. It is a tradition the Kansas Legislature should willingly and eagerly support for the benefit of all Kansans.

From commercial jetliners, to mid-size business jets, to general aviation and military aircraft, the finest airplanes in the world are conceived, designed and built by Wichita's aviation and aerospace companies. Wichita's economy is diverse, but aviation is the economic backbone of our community, employing in the neighborhood of 30,000 people directly and thousands of others in subcontracting and related work. Wichita and its aviation industry are in the heartland of America, but are major players in international business and the global economy.

Mayor Bob Knight and the four aviation-manufacturing companies last year celebrated the announcement that Wichita had won the prestigious "Quality Center Award" from *Aviation Week & Space Technology*. According to the magazine, this award recognizes "superior quality and management in civil, military and space organizations and facilities, as well as the geographic regions that support their operations." This is only the second time a city has been named with such an honor. In 1999, Toulouse, France was also awarded with the honor as the home base of Airbus and several space technology centers. In making the award, Kenneth Gazzola, Executive Vice President & Publisher of *Aviation Week* said:

"Few regions of the world have had a greater impact on aerospace than Wichita. It is one of the top breeding grounds for some of the most significant developments in aeronautics."

Now, hearing all of this, you might say, what's the problem, sounds like everything is fine. Until recently, we have enjoyed what is arguably the strongest economic growth in a generation, but as we've learned, circumstances can change with disconcerting swiftness. We went from a softening of the economy to what now seems to be a full blown recession.

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No. The time for renewed vigilance and commitment to further strengthen our economic base. It is the time to make sure our aviation industry and Wichita State University stay ahead of the competition instead of fall behind. Investing in aviation research and higher education institutions not only creates jobs now, but paves the way for economic success in the future.

The Council on Competitiveness in conjunction with Harvard University Business School recently examined the Wichita Aviation Cluster as part of a national study. The research effort was led by one of the foremost economic thinkers of our time. Professor Michael Porter currently holds the Bishop William Lawrence chair at the Harvard Business School, where he heads up the Institute for Strategy and Competitiveness. He is the author of 16 books and numerous articles focusing on competitive strategy and international competitiveness. The five regional economies studied were: Atlanta, Georgia; Pittsburgh, Pennsylvania; the Research Triangle area of North Carolina; San Diego California; and Wichita, Kansas.

Professor Porter found some interesting, but not surprising things about Wichita and the aviation industry in Kansas. The study says:

“Regions built on research and development have a competitive advantage, but Wichita universities’ federal research and development expenditures were roughly 25 percent of the national average in 1998. Wichita is also well below the national average in patents per 10,000 employees in 1999. To boost innovation, the Harvard study recommends strengthening academic and research institutes. In particular, the report highlights the importance of a major investment in WSU as well as its National Institute of Aviation Research.”


But the City of Wichita, its aviation industry and Wichita State University can not accomplish it alone. The Kansas Legislature needs to be, and should be, willing and aggressive partners in economic development and academic advancement efforts.

How you fund research and development facilities at Wichita State and other universities is your decision. How you fund advanced aviation research is your decision. The important thing, from the City of Wichita’s standpoint, is that you realize the importance of these proposals to the State of Kansas and find a way to address them.

Senate Subcommittee Report


State Board of Regents
University of Kansas
University of Kansas Medical Center
Kansas State University
Kansas State University Veterinary Medical Center
Kansas State University Extension Systems and Agricultural Research Programs
Wichita State University
Emporia State University
Fort Hays State University
Pittsburg State University

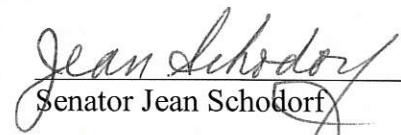
Appropriations for FY 2002 and FY 2003


Senator Stephen Morris, Chair


Senator David Adkins

Senator Paul Feleciano, Jr.


Senator Nick Jordon


Senator Jean Schodorf

Senate Ways and Means
3-19-02
Attachment 15

Budget Committee Report

Agency: Board of Regents

Bill No. N/A

Bill Sec. N/A

Analyst: West

Analysis Pg. No. Vol. II - 1354 **Budget Page No.** 359

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
All Funds:			
State Operations	\$ 10,827,221	\$ 10,827,221	\$ 0
Aid to Local Units	136,981,305	136,948,176	0
Other Assistance	15,624,041	15,624,041	0
Subtotal - Operating	<u>\$ 163,432,567</u>	<u>\$ 163,399,438</u>	<u>\$ 0</u>
Capital Improvements	8,850,000	8,850,000	0
TOTAL	<u><u>\$ 172,282,567</u></u>	<u><u>\$ 172,249,438</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 3,786,329	\$ 3,786,329	\$ 0
Aid to Local Units	117,402,408	117,402,408	0
Other Assistance	14,080,164	14,080,164	0
Subtotal - Operating	<u>\$ 135,268,901</u>	<u>\$ 135,268,901</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 135,268,901</u></u>	<u><u>\$ 135,268,901</u></u>	<u><u>\$ 0</u></u>
FTE Positions	43.0	43.0	0.0
Non FTE Uncl. Perm. Pos.	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>
TOTAL	<u><u>45.0</u></u>	<u><u>45.0</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The agency's revised estimate of operating expenditures for FY2002 includes:

- State General Fund expenditures of \$135.3 million, a \$1,500 reduction from the approved budget.
- A request for supplemental funding of \$33,129 from the EDIF to correct a technical error in the appropriation for vocational education funding.

The Governor does not recommend the requested EDIF supplemental funding do to a lack of resources.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House committee of the Whole has not yet considered this budget.

Senate Subcommittee Report

Agency: Board of Regents **Bill No.** N/A **Bill Sec.** N/A
Analyst: West **Analysis Pg. No.** Vol. II - 1354 **Budget Page No.** 359

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 10,827,221	\$ 10,827,221	\$ 0
Aid to Local Units	136,981,305	136,948,176	0
Other Assistance	15,624,041	15,624,041	0
Subtotal - Operating	\$ 163,432,567	\$ 163,399,438	\$ 0
Capital Improvements	8,850,000	8,850,000	0
TOTAL	\$ 172,282,567	\$ 172,249,438	\$ 0
State General Fund:			
State Operations	\$ 3,786,329	\$ 3,786,329	\$ 0
Aid to Local Units	117,402,408	117,402,408	0
Other Assistance	14,080,164	14,080,164	0
Subtotal - Operating	\$ 135,268,901	\$ 135,268,901	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 135,268,901	\$ 135,268,901	\$ 0
FTE Positions	43.0	43.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	2.0	0.0
TOTAL	45.0	45.0	0.0

Agency Est./Governor's Recommendation

The agency's revised estimate of operating expenditures for FY2002 includes:

- State General Fund expenditures of \$135.3 million, a \$1,500 reduction from the approved budget.
- A request for supplemental funding of \$33,129 from the EDIF to correct a technical error in the appropriation for vocational education funding.

The Governor does not recommend the requested EDIF supplemental funding do to a lack of resources.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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Budget Committee Report

Agency: Board of Regents

Bill No. 3008

Bill Sec. 48

Analyst: West

Analysis Pg. No. Vol. II - 1354 **Budget Page No.** 359

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
All Funds:			
State Operations	\$ 36,546,862	\$ 10,019,326	\$ 0
Aid to Local Units	185,278,266	132,070,831	0
Other Assistance	16,125,541	15,599,541	0
Subtotal - Operating	\$ 237,950,669	\$ 157,689,698	\$ 0
Capital Improvements	19,280,000	19,280,000	0
TOTAL	\$ 257,230,669	\$ 176,969,698	\$ 0
State General Fund:			
State Operations	\$ 29,458,752	\$ 3,352,583	\$ 0
Aid to Local Units	165,479,138	113,220,574	0
Other Assistance	14,607,664	14,233,714	0
Subtotal - Operating	\$ 209,545,554	\$ 130,806,871	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 209,545,554	\$ 130,806,871	\$ 0
FTE Positions	48.0	45.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	0.0	0.0
TOTAL	50.0	45.0	0.0

Agency Request/Governor's Recommendation

The agency requests an FY2003 operating budget of \$ 238.0 million, an increase of 45.6 percent from the current year estimate. The request includes:

- State General Fund financing of \$209.5 million, including \$45.1million in increased expenses associated with 1999 S.B. 345 and \$29.3 million for requested enhancements;
- \$28.4 million in special revenue fund financing, including \$10.1 million from the EDIF. The request reflects an increase of \$0.9 million in federal adult basic education aid and decreases from the current year of \$430,000 in capital improvement debt service interest payments and \$227,422 from other funding sources.
- **Staffing** of 48.0 FTE and 2.0 Non-FTE Unclassified Permanent positions, reflecting the addition of 5.0 new FTE positions.

The Governor recommends an FY2003 budget of \$157.7 million, an decrease of 3.5 percent from the current year recommendation. The recommendation includes:

- **State General Fund** financing of \$130.8 million, a decrease of \$4.5 million (3.3 percent) from the current year. No funding is recommended for the continued implementation of S.B. 345 or the requested program enhancements. Program funding is decreased by \$5.0 million from the agency's current resources request and \$648,450 in program funding is shifted from the EDIF to the State General Fund.
- **Special revenue** financing of \$26.9 million, including a decrease of \$430,000 in capital improvement debt service interest payments. EDIF financing of \$9.4 million reflecting a net decrease of \$50,000 in program funding and a shift of \$648,450 from the EDIF to the State General Fund. Other special revenue sources reflect a reduction of \$898,871 in federal Adult Basic Education funding due to a lack of state resources required to match the federal funds.
- **Staffing** of 45.0 FTE positions, reflecting the conversion of 2.0 Non-FTE Unclassified Permanent positions to FTE positions.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003, with the following observations:

1. The Budget Committee reluctantly concurs with the Governor's FY 2003 budget recommendations for postsecondary education. While the Budget Committee does not like any of the proposed reductions in state funding, the Committee has no choice but to accept the proposed budget until such time as the Legislature comes to a consensus on whether or not there will be revenue enhancements and, if so, how much additional revenue will be available. The Budget Committee plans to continue educated deliberations on the budget throughout the session. The Budget Committee notes that the expertise of the Committee members who are not also members of the Appropriations Committee is an invaluable aid in these deliberations. Traditionally, these members have not been available to assist with the development of the Omnibus appropriations bill at the end of the session. Especially with the challenges we face this year, the Budget Committee recommends that the non-appropriations members be brought in to assist with the budget prior to the start of the veto session.
2. The Budget Committee notes that the third year of SB 345 is not funded under the Governor's recommendations. The fiscal note for the third year is \$45.1 million, which includes \$13.9 million for performance grant funding for all of the sectors of postsecondary education, including the vocational/ technical sector which received no enhanced funding under the first 2 years of SB345. Other elements of SB 345 which are not funded for FY 2003 include \$13.4 million for faculty salaries at the state universities, \$1.6 million in funding for Washburn University, and \$16.1 million for community colleges. The community college funding would have provided \$10.4 million in local property tax relief, \$3.0 million for vocational education adjustments and institutional enhancements, and \$2.7 million to replace monies lost by the continued phase out of out district tuition payments. The Budget Committee notes that even if SB 345 is not funded for FY 2003 the out district tuition phase out continues, to the detriment of the local taxpayers of the host counties of community colleges and Washburn University. To avoid these institutions from taking a double hit, the Budget Committee recommends the introduction of legislation which would defer the phase out of out district tuition for one year.
3. During deliberations, the Budget Committee received testimony from the Board of Regents, the state universities, and the other postsecondary education sectors. The Budget Committee notes

that the budget priorities for all of the sectors were the same - 1) Restoration of the base budget reductions from the current year and the addition of funds received by other state agencies to annualize salary increases and pay increased fringe benefit costs; 2) Full funding of the third year SB 345 and the increase in the University Operating Grant requested by the Board; and 3) The Board's research and development initiative. A graphic representation of the budgetary needs of the state universities compared to the Governor's recommendation is attached to this report. Similar institution specific graphics are attached to the individual reports of the state universities.

4. The Budget Committee also calls attention to the attached table from the Kansas Board of Regents Data Book, which provides data on the overall cost to provide educational services at the state universities.
5. The Budget Committee notes that the Board of Regents has not set tuition rates for the state universities for the fall 2002 semester. The Committee understands that the current plan is to finalize the rates at the Board's May meeting. Some Committee members have heard of concerns raised by some students about a lack of student involvement in the rate setting process. It is incumbent of the universities to reach out to their constituencies and to ensure the process is as fair as possible. The state universities should report to the Committee prior to Omnibus on each institution's student involvement in the tuition rate setting process and what strategies are planned or in place to improve student input. The Committee notes that Kansas traditionally has been a low tuition/low state supported student financial aid state. The Committee recognizes the need to examine tuition revenue increases as one means of supporting the institutions, but notes that increases in Comprehensive Grant Program (such as the additional \$1.0 million included in the Governor's enhanced budget) may also be required in order to ensure that access to higher education is maintained.

House Committee Recommendation

The House Committee concurs with the recommendation 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: Board of Regents

Bill No. 640

Bill Sec. 48

Analyst: West

Analysis Pg. No. Vol II - 1354 **Budget Page No.** 359

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 36,546,862	\$ 10,019,326	\$ 0
Aid to Local Units	185,278,266	132,070,831	0
Other Assistance	16,125,541	15,599,541	0
Subtotal - Operating	\$ 237,950,669	\$ 157,689,698	\$ 0
Capital Improvements	19,280,000	19,280,000	0
TOTAL	\$ 257,230,669	\$ 176,969,698	\$ 0
State General Fund:			
State Operations	\$ 29,458,752	\$ 3,352,583	\$ 0
Aid to Local Units	165,479,138	113,220,574	0
Other Assistance	14,607,664	14,233,714	0
Subtotal - Operating	\$ 209,545,554	\$ 130,806,871	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 209,545,554	\$ 130,806,871	\$ 0
FTE Positions	48.0	45.0	0.0
Non FTE Uncl. Perm. Pos.	2.0	0.0	0.0
TOTAL	50.0	45.0	0.0

Agency Request/Governor's Recommendation

The agency requests an FY2003 operating budget of \$ 238.0 million, an increase of 45.6 percent from the current year estimate. The request includes:

- State General Fund financing of \$209.5 million, including \$45.1million in increased expenses associated with 1999 S.B. 345 and \$29.3 million for requested enhancements;
- \$28.4 million in special revenue fund financing, including \$10.1 million from the EDIF. The request reflects an increase of \$0.9 million in federal adult basic education aid and decreases from the current year of \$430,000 in capital improvement debt service interest payments and \$227,422 from other funding sources.
- **Staffing** of 48.0 FTE and 2.0 Non-FTE Unclassified Permanent positions, reflecting the addition of 5.0 new FTE positions.

The Governor recommends an FY2003 budget of \$157.7 million, an decrease of 3.5 percent from the current year recommendation. The recommendation includes:

- **State General Fund** financing of \$130.8 million, a decrease of \$4.5 million (3.3 percent) from the current year. No funding is recommended for the continued implementation of S.B. 345 or the requested program enhancements. Program funding is decreased by \$5.0 million from the agency's current resources request and \$648,450 in program funding is shifted from the EDIF to the State General Fund.
- **Special revenue** financing of \$26.9 million, including a decrease of \$430,000 in capital improvement debt service interest payments. EDIF financing of \$9.4 million reflecting a net decrease of \$50,000 in program funding and a shift of \$648,450 from the EDIF to the State General Fund. Other special revenue sources reflect a reduction of \$898,871 in federal Adult Basic Education funding due to a lack of state resources required to match the federal funds.
- **Staffing** of 45.0 FTE positions, reflecting the conversion of 2.0 Non-FTE Unclassified Permanent positions to FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation for FY 2003, with the following observations:

1. The Subcommittee reluctantly concurs with the Governor's FY 2003 budget recommendations for postsecondary education. While the Subcommittee does not like any of the proposed reductions in state funding, the Subcommittee has no choice but to accept the proposed budget until such time as the Legislature comes to a consensus on whether or not there will be revenue enhancements and, if so, how much additional revenue will be available. In addition to the reductions recommended by the Governor in the operating grants, the Governor's recommendation does not provide the funding to the state universities to finance annualization of salaries or increased health insurance costs which has been added to other state agencies. For the state universities this means the true impact of the reductions ranges from 6 to 7 percent compared to the current year.
2. The Subcommittee notes that the third year of SB 345 is not funded under the Governor's recommendations. The fiscal note for the third year is \$45.1 million, which includes \$13.9 million for performance grant funding for all of the sectors of postsecondary education, including the vocational/ technical sector which received no enhanced funding under the first 2 years of SB345. Other elements of SB 345 which are not funded for FY 2003 include \$13.4 million for faculty salaries at the state universities, \$1.6 million in funding for Washburn University, and \$16.1 million for community colleges. The community college funding would have provided \$10.4 million in local property tax relief, \$3.0 million for vocational education adjustments and institutional enhancements, and \$2.7 million to replace monies lost by the continued phase out of out district tuition payments. The Subcommittee notes that even if SB 345 is not funded for FY 2003 the out district tuition phase out continues, to the detriment of the local taxpayers of the host counties of community colleges and Washburn University. To avoid these institutions from taking a double hit, the Subcommittee recommends the introduction of legislation which would defer the phase out of out district tuition for one year.

The Subcommittee also notes that the fiscal note for SB 345 is substantially greater than was anticipated at the time of the bill's passage. Currently the 4 year cost of the bill is estimated to be \$102.5 million excluding performance grant funding, an increase of \$32.9 million from the fiscal note of \$69.6 million which was assumed during debate on the bill. The Legislative Budget Committee requested that the Board of Regents develop a plan which would reduce the funding to the amount assumed in the original fiscal note. The plan presented by the Board would provide for increases of \$13.8 million in FY 2003 and FY 2004. The Subcommittee appreciates the Board's efforts in developing the alternative plan.

3. During deliberations, the Subcommittee received testimony from the Board of Regents, the state universities, and the other postsecondary education sectors. The Subcommittee notes that the budget priorities for all of the sectors were the same: (1) Restoration of the base budget reductions from the current year and the addition of funds received by other state agencies to annualize salary increases and pay increased fringe benefit costs; (2) Full funding of the third year SB 345 and the increase in the University Operating Grant requested by the Board; and (3) The Board's research and development initiative. The Subcommittee recommends that these issues be reviewed again at Omnibus.
4. The Subcommittee notes that the Board of Regents has not set tuition rates for the state universities for the fall 2002 semester. The Subcommittee understands that the current plan is to finalize the rates at the Board's May meeting. The Subcommittee is concerned that the state's budget difficulties may result in significant tuition increases which can only serve to reduce student access to higher education and increase the debt load that students carry. The Subcommittee notes that the universities have been including the student body in the development of future tuition plans and that such involvement is crucial. The Subcommittee understands that one element of the tuition plans being developed by the individual universities is that a portion of the tuition increase is dedicated to enhanced student financial aid. The Subcommittee recommends that the Board evaluate the amount of increased student financial aid prior to approving any tuition increases. The Subcommittee notes that Kansas traditionally has been a low tuition/low state supported student financial aid state. The Subcommittee recognizes the need to examine tuition revenue increases as one means of supporting the institutions, but notes that increases in Comprehensive Grant Program may also be required in order to ensure that access to higher education is maintained.
5. The Subcommittee notes that the vocational education sector also receives reduced funding under the Governor's budget recommendations. The funding formula for postsecondary education aid calls for the state to provide 85 percent of the cost of education, with the balance provided by the students. Unfortunately, the state has not been able to fully fund the formula for several years, putting increasing pressure of the vocational education schools. If Kansas is to continue to compete in the international markets such as in the aviation sector it is incumbent that we have a well trained workforce. The state can not afford to continue down the path of underfunding vocational education.

6. The Subcommittee notes that the Governor is recommending that the Board be granted the authority to shift state monies between the state universities. The Board had requested that any **increases** in the state university operating grants be appropriated to the Board for distribution to the individual institutions, a concept which was endorsed by the Legislative Budget Committee. The Subcommittee is uncomfortable at this time with granting the Board unlimited power over the state funding for the state universities and recommends that this provision be deleted at this time. The Subcommittee recommends that this issue be reviewed in further detail at Omnibus.
7. The Subcommittee calls attention to the attached table from the Kansas Board of Regents Data Book, which provides data on the overall cost to provide educational services at the state universities.
8. The Subcommittee calls attention to the following points of pride submitted by the Board of Regents:
 - The Board has provided leadership in the development of a plan for KAN-ED, to provide broadband internet access to Kansas schools, libraries and hospitals.
 - The Board has developed the Regents On-Line Catalog (ROC) from which students can access information on distance education courses at each postsecondary institution.
 - The Board is developing an on-line uniform application for the six state universities and other postsecondary institutions that wish to use it.
9. The Subcommittee calls attention to the following points of pride submitted by the Community Colleges:
 - The 19 Kansas Community Colleges provide an affordable, accessible and quality education in all counties and many communities of Kansas. Enrollment, June 2001-Dec 2001 88,157, up from 84,878 (credit hours 622,707.5 up from 594,669.5). Enrollments at community colleges always increase in times of economic hardship. Citizens enroll to gain and update skills to assure they will have jobs.
 - Funding for Community College is a joint effort with 18 local counties, which host the community college, providing 44 percent of the funding, nearly 28 percent from the State of Kansas, students tuition represent over 19 percent and the remainder is from the other 87 Kansas counties (2.6 percent), federal funds, and other funding sources. For FY 01:
 - a. Revenue from Students: \$ 61,632,000
 - b. Revenue from State: 89,383,000
 - c. Revenue from 105 Counties: 8,346,000—Property Taxes
 - d. Revenue from 18 Counties: 140,919,000—Property Taxes

- To meet the Community College mission, in addition to providing the general education and on-campus college life experience necessary for students who will transfer to the state universities and private four-year institutions to complete their education, the 19 colleges—each in its own unique way on campus and in outreach centers—assumes responsibility for many other areas. Examples include:

Partnerships in Workforce Development through specialized skill training as requested by specific businesses and as needed to train and re-train local citizens; for example, Wolf Creek Workforce Development Consortia (Allen County CC with Emporia State and Flint Hills Technical College) and Southside Center (Cowley CC, Wichita State and Wichita Technical College). Kansas has 22 "One-Stops"—Workforce Development Centers. Five are located in community colleges. These programs assure we maintain the current business and help attract new business to Kansas.

Community Services with programs for all ages: youth, children, senior citizens, families, and working citizens through arts and humanities and personal growth opportunities. For example, Radio Kansas at Hutchinson CC provides public radio to over 1 million listeners in an area that includes Manhattan, Hays, Wichita, Great Bend, Salina and Pratt; "Rapid Response Teams" immediately meet the needs resulting from layoffs and disasters; and the cultural experiences abound such as Inge Theatre Festival is celebrating 20 years of bringing the best actors, directors and playwrights to Kansas.

Allied Health programs provide training for individuals entering and advancing in the health care profession to assure quality health care staff and service for area citizens. Included are nurses, nurse aids, emergency medical personnel, lab and respiratory technologists, physical therapy assistants, dental hygiene and numerous other specialized areas of patient service.

On-line degrees programs initiated at individual colleges and collaborations such as EduKan for 6 Western Kansas community colleges (with accreditation from The Higher Learning Commission for granting associates of arts, science and applied science degrees) and SEK on-line with enrollment and degree granting capability among all eight colleges and universities to begin fall, 2002, provide alternative learning opportunities for place bound citizens and students seeking to combine work and study.

Community College Core Indicators of Excellence are collected, measured, and evaluated in six uniform areas on all community college campuses, providing state leadership for learning outcomes accountability.

10. The Subcommittee calls attention to the following points of pride submitted by Washburn University:
 - At Washburn, the 201 student increase in our head count from the previous year is the highest it has been in a decade. A 7.5 percent increase in full-time undergraduate enrollment was accompanied by a 4.6 Percent increase in student credit hours. With the completion of the Living/Learning Center in the fall of 2001, we significantly increased the number of undergraduates living

on campus and our total number of full-time students. Forty-eight percent of our students are full-time undergraduate and 60 percent of our students are enrolled full time (the highest proportion in over 20 years). Over 90 percent of our students are Kansas residents and 60 percent come from outside the immediate area. This is one indication of the success to which your investments have helped to contribute.

- In looking at partnerships, Washburn also has been successful in its relationships with its friends and supporters. The University's endowment is in excess of \$100 million and is larger than that at Pittsburg, Fort Hays, and Emporia combined. On a per-full-time equivalent student basis, Washburn's endowment ranks first in the nation among similar types of public universities and in the top 25 among all public universities. This endowment is responsible for millions of dollars in institutional financial aid provided to our student. The gifts of our supporters and friends have resulted in a modern, well-equipped campus with has never benefitted from a single state dollar appropriated for bricks and mortar.
- Finally, our success can be measured by how others see us. For the second consecutive year, Washburn University was ranked by *U.S. News & World Report* as one of the top ten regional public universities in the Midwest. No other institution in this state achieved this distinction or was ranked this highly. While we appreciate the flaws in this ranking system, we also acknowledge it recognizes in some small way the positive perceptions which others have of Washburn and what it offers to the state and region.

GROSS GENERAL USE EDUCATIONAL EXPENDITURES PER STUDENT CREDIT HOUR

Table 1.40

	University of Kansas	Kansas State University	Wichita State University	Emporia State University	Pittsburg State University	Fort Hays State University	Six University Average
FY 1991	\$170	\$152	\$153	\$146	\$156	\$166	\$159
FY 1992	\$174	\$158	\$162	\$147	\$150	\$167	\$163
FY 1993	\$182	\$166	\$175	\$153	\$149	\$169	\$170
FY 1994	\$194	\$177	\$186	\$162	\$153	\$181	\$181
FY 1995	\$210	\$188	\$198	\$166	\$163	\$194	\$193
FY 1996	\$215	\$195	\$209	\$180	\$170	\$203	\$201
FY 1997	\$230	\$205	\$219	\$191	\$181	\$209	\$213
FY 1998	\$244	\$217	\$223	\$204	\$194	\$216	\$224
FY 1999	\$261	\$223	\$232	\$217	\$202	\$228	\$235
FY 2000	\$269	\$231	\$238	\$229	\$211	\$232	\$243

GROSS ANNUAL GENERAL USE EDUCATIONAL EXPENDITURES PER FALL FTE STUDENT

	University of Kansas	Kansas State University	Wichita State University	Emporia State University	Pittsburg State University	Fort Hays State University	Six University Average
FALL 1991	\$4,850	\$4,553	\$4,793	\$4,452	\$4,583	\$4,958	\$4,718
FALL 1992	\$5,045	\$4,800	\$5,154	\$4,564	\$4,482	\$5,035	\$4,914
FALL 1993	\$5,349	\$5,100	\$5,495	\$4,784	\$4,611	\$5,431	\$5,205
FALL 1994	\$5,733	\$5,429	\$5,814	\$4,924	\$4,871	\$5,916	\$5,539
FALL 1995	\$5,935	\$5,585	\$6,030	\$5,294	\$5,067	\$6,183	\$5,750
FALL 1996	\$6,336	\$5,897	\$6,597	\$5,661	\$5,379	\$6,230	\$6,116
FALL 1997	\$6,799	\$6,238	\$6,678	\$6,146	\$5,805	\$6,384	\$6,469
FALL 1998	\$7,324	\$6,370	\$6,844	\$6,440	\$6,024	\$6,887	\$6,785
FALL 1999	\$7,569	\$6,555	\$7,147	\$6,841	\$6,294	\$7,054	\$7,030

NOTES:

The Educational Program consists of expenditures for Instruction, Academic Support, Student Services and Institutional Support. This comparison allows analysis of change in those expenditures on a per student basis. It is noteworthy that change in expenditures per student may result from either budgetary adjustments or enrollment change. This comparison makes no distinction on variance by educational level or academic discipline.

KSU data include Salina College of Technology expenditures and credit hours, effective with FY 1997.

SOURCE: Kansas Board of Regents

Compiled from expenditures in Legislative budgets and enrollment data

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Budget Committee Report

Agency: University of Kansas

Bill No. N/A

Bill Sec. N/A

Analyst: West

Analysis Pg. No. Vol. II - 1375 **Budget Page No.** 457

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 138,687,727	\$ 138,687,727	\$ 0
General Fees Fund	89,300,772	89,300,772	0
Other Funds	<u>4,221,332</u>	<u>4,221,332</u>	<u>0</u>
Subtotal-General Use	\$ 232,209,831	\$ 232,209,831	\$ 0
Restricted Use Funds	<u>195,162,706</u>	<u>195,162,706</u>	<u>0</u>
TOTAL—Oper. Exp.	<u>\$ 427,372,537</u>	<u>\$ 427,372,537</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Bld. Fund	5,709,047	5,709,047	0
Other Funds	<u>15,597,283</u>	<u>15,597,283</u>	<u>0</u>
TOTAL—Cap. Imp.	<u>\$ 21,306,330</u>	<u>\$ 21,306,330</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 448,678,867	 \$ 448,678,867	 \$ 0
 FTE Positions	 4,489.7	 4,489.7	 0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>4,489.7</u>	<u>4,489.7</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund transfer of \$2.4 million for KU's portion of the SB 345 faculty salary enhancement pool and,
 - Tuition Accountability Fund financing of \$2.3 million.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$195.2 million, an increase of \$4.2 million.

*Senate Ways and Means
3-19-02
Attachment 16*

- While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

- **FTE positions.** The University's current year budget reflects 4,489.7 FTE positions, an increase of 4.6 restricted use financed positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.

- **The Governor concurs** with current year budget

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: University of Kansas **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1375 **Budget Page No.** 457

<u>Expenditure Summary</u>	<u>Agency Est. FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 138,687,727	\$ 138,687,727	\$ 0
General Fees Fund	89,300,772	89,300,772	0
Other Funds	<u>4,221,332</u>	<u>4,221,332</u>	<u>0</u>
Subtotal-General Use	\$ 232,209,831	\$ 232,209,831	\$ 0
Restricted Use Funds	<u>195,162,706</u>	<u>195,162,706</u>	<u>0</u>
TOTAL—Oper. Exp.	<u>\$ 427,372,537</u>	<u>\$ 427,372,537</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Bld. Fund	5,709,047	5,709,047	0
Other Funds	<u>15,597,283</u>	<u>15,597,283</u>	<u>0</u>
TOTAL—Cap. Imp.	<u>\$ 21,306,330</u>	<u>\$ 21,306,330</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 448,678,867	 \$ 448,678,867	 \$ 0
 FTE Positions	 4,489.7	 4,489.7	 0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>4,489.7</u>	<u>4,489.7</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund transfer of \$2.4 million for KU's portion of the SB 345 faculty salary enhancement pool and,
 - Tuition Accountability Fund financing of \$2.3 million.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$195.2 million, an increase of \$4.2 million.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

- **FTE positions.** The University's current year budget reflects 4,489.7 FTE positions, an increase of 4.6 restricted use financed positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.

- **The Governor concurs** with current year budget

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Budget Committee Report

Agency: University of Kansas

Bill No. 3008

Bill Sec. 45

Analyst: West

Analysis Pg. No. Vol. II - 1375

Budget Page No. 457

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 140,390,981	\$ 133,223,431	\$ 0
General Fees Fund	88,909,969	88,909,969	0
Other Funds	1,884,687	1,884,687	0
Subtotal-General Use	\$ 231,185,637	\$ 224,018,087	\$ 0
Restricted Use Funds	195,275,927	195,275,927	0
TOTAL—Oper. Exp.	\$ 426,461,564	\$ 419,294,014	\$ 0
Capital Improvements:			
State General Fund	\$ 4,140,000	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	7,787,000	2,787,000	0
TOTAL—Cap. Imp.	\$ 11,927,000	\$ 2,787,000	\$ 0
GRAND TOTAL	\$ 438,388,564	\$ 422,081,014	\$ 0
FTE Positions	710.0	710.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	710.0	710.0	0.0

Agency Request/Governor's Recommendation

- **General Use** operating budget authority of \$231.2 million is requested for FY 2003, a decrease of \$1.0 million or 0.4 percent from general use expenditure authority in FY 2002.
- **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For the University of Kansas this totals \$1,703,254.
- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in tuition from the current year. For KU General Fees Fund expenditures are estimated to

be \$88.9 million, a decrease of \$0.4 million (0.4 percent) from the current year. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.

- Reduction in other funds is associated with current year tuition accountability expenditures.
- **Absent the requested enhancements**, the general use request is a reduction of \$2.7 million, or 1.2 percent from FY 2002.
- **Restricted Use** funding totals \$195.3 million, an increase of \$113,221 (0.1 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$224.0 million, a decrease of \$8.2 million (3.5 percent) from the current year.
 - **State General Fund** financing of \$133.2 million for the University Operating Grant is a decrease of \$5.5 million (3.9 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$88.9 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$195.3 million as requested by the University

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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. 640

Bill Sec. 45

Analyst: West

Analysis Pg. No. Vol. II - 1375

Budget Page No. 457

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 140,390,981	\$ 133,223,431	\$ 0
General Fees Fund	88,909,969	88,909,969	0
Other Funds	1,884,687	1,884,687	0
Subtotal-General Use	\$ 231,185,637	\$ 224,018,087	\$ 0
Restricted Use Funds	195,275,927	195,275,927	0
TOTAL—Oper. Exp.	\$ 426,461,564	\$ 419,294,014	\$ 0
Capital Improvements:			
State General Fund	\$ 4,140,000	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	7,787,000	2,787,000	0
TOTAL—Cap. Imp.	\$ 11,927,000	\$ 2,787,000	\$ 0
GRAND TOTAL	\$ 438,388,564	\$ 422,081,014	\$ 0
FTE Positions	710.0	710.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	710.0	710.0	0.0

Agency Request/Governor's Recommendation

- **General Use** operating budget authority of \$231.2 million is requested for FY 2003, a decrease of \$1.0 million or 0.4 percent from general use expenditure authority in FY 2002.
- **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For the University of Kansas this totals \$1,703,254.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in tuition from the current year. For KU General Fees Fund expenditures are estimated to be \$88.9 million, a decrease of \$0.4 million (0.4 percent) from the current year. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- Reduction in other funds is associated with current year tuition accountability expenditures.
- **Absent the requested enhancements** , the general use request is a reduction of \$2.7 million, or 1.2 percent from FY 2002.
- **Restricted Use** funding totals \$195.3 million, an increase of \$113,221 (0.1 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$224.0 million, a decrease of \$8.2 million (3.5 percent) from the current year.
 - **State General Fund** financing of \$133.2 million for the University Operating Grant is a decrease of \$5.5 million (3.9 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$88.9 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$195.3 million as requested by the University.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the following points of pride submitted by the University of Kansas:
 - For the third year in a row, KU is ranked in the top 10 nationally among public universities for the number of National Merit Scholars enrolled last fall. In 2001, 105 of the nation's best high school graduates were attracted to or retained in the state of Kansas because of KU's efforts.
 - KU is ranked 51st nationally among public universities for the amount of federally funded science/engineering research. In FY 2001, KU received a record amount of research and development funding from all sources: \$224 million—up 16 percent over the prior year and more than double the amount received in FY 1993.

Budget Committee Report

Agency: University of Kansas
Medical Center
Analyst: West

Bill No. N/A

Bill Sec. N/A

Analysis Pg. No. Vol. II - 1386 **Budget Page No.** 459

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 104,326,162	\$ 104,326,162	\$ 0
General Fees Fund	10,910,577	10,910,577	0
Med. Scholar Repayment Fund	1,052,776	1,052,776	0
Services to Hosp. Auth. Fund	3,850,000	3,850,000	0
Med. Education Reimb. Fund	2,570,081	2,570,081	0
Children's Initiatives Fund	2,250,000	2,250,000	0
Subtotal—General Use	\$ 124,959,596	\$ 124,959,596	\$ 0
Restricted Use Funds	74,488,580	73,938,631	0
TOTAL—Oper. Exp.	\$ 199,448,176	\$ 198,898,247	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	2,760,944	2,760,944	0
Other Funds	1,611,345	1,611,345	0
TOTAL—Cap. Impr.	\$ 4,372,289	\$ 4,372,289	\$ 0
GRAND TOTAL	\$ 203,820,465	\$ 203,270,536	\$ 0
FTE Positions	2,352.3	2,352.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,352.3	2,352.3	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2001 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$187 from FY 2001;
 - State General Fund transfer of \$1,139,005 for KUMC's portion of the SB 345 faculty salary enhancement pool; and
 - Reappropriation of \$1,000,000 in Children Initiatives Fund financing.

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- **Restricted Use** expenditures for FY 2002 are estimated to total \$74.5 million, an increase of \$12.9 million.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
 - The estimate includes \$549,929 for the Board of Regents research initiative.

- **FTE positions.** The University's current year budget reflects 2,352.3 FTE positions, a decrease of 96.4 positions from the approved budget.
 - The decrease is primarily associated with a reduction in general use positions at the Kansas City campus.
 - Traditionally, the state universities have not been subject to FTE limitations.

- **The Governor concurs** with current year budget, with one adjustment.
 - The Governor's recommendation excludes the \$549,929 in restricted use funding associated with the Board of Regents research initiative.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: University of Kansas
Medical Center

Bill No. N/A

Bill Sec. N/A

Analyst: West

Analysis Pg. No. Vol. II - 1386 **Budget Page No.** 459

<u>Expenditure Summary</u>	<u>Agency Est. FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 104,326,162	\$ 104,326,162	\$ 0
General Fees Fund	10,910,577	10,910,577	0
Med. Scholar Repayment Fund	1,052,776	1,052,776	0
Services to Hosp. Auth. Fund	3,850,000	3,850,000	0
Med. Education Reimb. Fund	2,570,081	2,570,081	0
Children's Initiatives Fund	2,250,000	2,250,000	0
Subtotal—General Use	\$ 124,959,596	\$ 124,959,596	\$ 0
Restricted Use Funds	74,488,580	73,938,631	0
TOTAL—Oper. Exp.	\$ 199,448,176	\$ 198,898,247	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	2,760,944	2,760,944	0
Other Funds	1,611,345	1,611,345	0
TOTAL—Cap. Impr.	\$ 4,372,289	\$ 4,372,289	\$ 0
GRAND TOTAL	\$ 203,820,465	\$ 203,270,536	\$ 0
FTE Positions	2,352.3	2,352.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,352.3	2,352.3	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2001 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$187 from FY 2001;
 - State General Fund transfer of \$1,139,005 for KUMC's portion of the SB 345 faculty salary enhancement pool; and

- Reappropriation of \$1,000,000 in Children Initiatives Fund financing.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$74.5 million, an increase of \$12.9 million.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
 - The estimate includes \$549,929 for the Board of Regents research initiative.
- **FTE positions.** The University's current year budget reflects 2,352.3 FTE positions, a decrease of 96.4 positions from the approved budget.
 - The decrease is primarily associated with a reduction in general use positions at the Kansas City campus.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget, with one adjustment.
 - The Governor's recommendation excludes the \$549,929 in restricted use funding associated with the Board of Regents research initiative.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: University of Kansas Medical Center

Bill No. 3008

Bill Sec. 46

Analyst: West

Analysis Pg. No. Vol. II - 1386

Budget Page No. 459

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 105,224,346	\$ 100,573,732	\$ 0
General Fees Fund	10,910,577	10,910,577	0
Med. Scholar Repayment Fund	719,956	719,956	0
Services to Hosp. Auth. Fund	3,850,000	3,850,000	0
Med. Education Reimb. Fund	2,570,081	2,570,081	0
Children's Initiatives Fund	1,250,000	1,250,000	0
Subtotal—General Use	\$ 124,524,960	\$ 119,874,346	\$ 0
Restricted Use Funds	76,742,389	76,342,389	0
TOTAL—Oper. Exp.	\$ 201,267,349	\$ 196,216,735	\$ 0
Capital Improvements:			
State General Fund	\$ 13,972,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,754,644	1,754,644	0
TOTAL—Cap. Impr.	\$ 15,726,644	\$ 1,754,644	\$ 0
 GRAND TOTAL	 \$ 216,993,973	 \$ 197,971,379	 \$ 0
 FTE Positions	 2,352.3	 2,352.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,352.3	2,352.3	0.0

Agency Request/Governor's Recommendation

- **General Use** operating budget authority of \$124,525,147 is requested for FY 2003, a net decrease of \$265,366 or 0.3 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants**. State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For KUMC this totals \$898,371.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For KUMC this totals \$10.9 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- **Children's Initiatives Fund.** KUMC requests \$1,250,000 from the Children's Initiatives Fund to continue support for pediatric biomedical research (\$1,000,000) and expansion of the telemedicine network.
- Reduction in other funds is associated with current year Children's Initiatives Fund expenditures (\$1,000,000) and a reduction in available finding from the Medical Education Reimbursement Fund (\$332,820).
- **Absent the requested enhancements,** the general use request is a reduction of \$1.3 million or 1.1 percent from FY 2002.
- **Restricted Use** funding totals \$76.7 million, an increase \$2.3 million (3.0 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$119.9 million, a decrease of \$5.1 million (4.1 percent) from the current year.
 - **State General Fund** financing of \$100.6 million for the University Operating Grant is a net decrease of \$3.8 million (3.6 percent) from the current year. The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$10.9 million in FY 2003 expenditures from the General Fees Fund.
 - **Children's Initiatives Fund.** The Governor recommends \$1,250,000 from the Children's Initiatives Fund to continue support for pediatric biomedical research (\$1,000,000) and expansion of the telemedicine network as requested by the University.
- **Restricted Use** funding totals \$76.3 million, reflecting a reduction of \$400,000 which the University had included for the Board of Regents research initiative.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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 Medical Center

Bill No. 640

Bill Sec. 46

Analyst: West

Analysis Pg. No. Vol. II - 1386

Budget Page No. 459

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 105,224,346	\$ 100,573,732	\$ 0
General Fees Fund	10,910,577	10,910,577	0
Med. Scholar Repayment Fund	719,956	719,956	0
Services to Hosp. Auth. Fund	3,850,000	3,850,000	0
Med. Education Reimb. Fund	2,570,081	2,570,081	0
Children's Initiatives Fund	1,250,000	1,250,000	0
Subtotal—General Use	\$ 124,524,960	\$ 119,874,346	\$ 0
Restricted Use Funds	76,742,389	76,342,389	0
TOTAL—Oper. Exp.	\$ 201,267,349	\$ 196,216,735	\$ 0
Capital Improvements:			
State General Fund	\$ 13,972,000	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,754,644	1,754,644	0
TOTAL—Cap. Impr.	\$ 15,726,644	\$ 1,754,644	\$ 0
 GRAND TOTAL	 \$ 216,993,973	 \$ 197,971,379	 \$ 0
 FTE Positions	 2,352.3	 2,352.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,352.3	2,352.3	0.0

Agency Request/Governor's Recommendation

- **General Use** operating budget authority of \$124,525,147 is requested for FY 2003, a net decrease of \$265,366 or 0.3 percent from general use expenditure authority in FY 2002.
- **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For KUMC this totals \$898,371.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For KUMC this totals \$10.9 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- **Children's Initiatives Fund.** KUMC requests \$1,250,000 from the Children's Initiatives Fund to continue support for pediatric biomedical research (\$1,000,000) and expansion of the telemedicine network.
- Reduction in other funds is associated with current year Children's Initiatives Fund expenditures (\$1,000,000) and a reduction in available finding from the Medical Education Reimbursement Fund (\$332,820).
- **Absent the requested enhancements,** the general use request is a reduction of \$1.3 million or 1.1 percent from FY 2002.
- **Restricted Use** funding totals \$76.7 million, an increase \$2.3 million (3.0 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$119.9 million, a decrease of \$5.1 million (4.1 percent) from the current year.
 - **State General Fund** financing of \$100.6 million for the University Operating Grant is a net decrease of \$3.8 million (3.6 percent) from the current year. The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$10.9 million in FY 2003 expenditures from the General Fees Fund.
 - **Children's Initiatives Fund.** The Governor recommends \$1,250,000 from the Children's Initiatives Fund to continue support for pediatric biomedical research (\$1,000,000) and expansion of the telemedicine network as requested by the University.
- **Restricted Use** funding totals \$76.3 million, reflecting a reduction of \$400,000 which the University had included for the Board of Regents research initiative.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Kansas State University **Bill No.** 2743 **Bill Sec.** 38

Analyst: West **Analysis Pg. No.** Vol. II - 1399 **Budget Page No.** 315

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 107,112,513	\$ 107,112,513	\$ 0
General Fees Fund	48,910,090	48,910,090	0
Other Funds	285,467	285,467	0
Subtotal-General Use	\$ 156,308,070	\$ 156,308,070	\$ 0
Restricted Use Funds	161,446,921	161,446,921	0
TOTAL—Oper. Exp.	\$ 317,754,991	\$ 317,754,991	\$ 0
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bld. Fund	2,998,000	2,998,000	0
Other Funds	3,083,395	3,083,395	0
TOTAL—Cap. Imp.	\$ 6,270,841	\$ 6,270,841	\$ 0
 GRAND TOTAL	 \$ 324,025,832	 \$ 324,025,832	 \$ 0
 FTE Positions	 3,201.2	 3,201.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,201.2	3,201.2	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund transfer of \$1.7 million for KU's portion of the SB 345 faculty salary enhancement pool and,
 - Reappropriation of \$223,557 in State General Fund savings from FY 2001.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$161.4 million, an increase of \$1.5 million.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 3,201.2 FTE positions, an increase of 9.2 general use and 14.0 restricted use financed positions from the approved budget.

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- Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Kansas State University **Bill No.** 2743 **Bill Sec.** 38

Analyst: West **Analysis Pg. No.** Vol. II - 1399 **Budget Page No.** 457

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 107,112,513	\$ 107,112,513	\$ 0
General Fees Fund	48,910,090	48,910,090	0
Other Funds	285,467	285,467	0
Subtotal-General Use	\$ 156,308,070	\$ 156,308,070	\$ 0
Restricted Use Funds	161,446,921	161,446,921	0
TOTAL—Oper. Exp.	\$ 317,754,991	\$ 317,754,991	\$ 0
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bld. Fund	2,998,000	2,998,000	0
Other Funds	3,083,395	3,083,395	0
TOTAL—Cap. Imp.	\$ 6,270,841	\$ 6,270,841	\$ 0
 GRAND TOTAL	 \$ 324,025,832	 \$ 324,025,832	 \$ 0
 FTE Positions	 3,201.2	 3,201.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,201.2	3,201.2	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund transfer of \$1.7 million for KU's portion of the SB 345 faculty salary enhancement pool and,
 - Reappropriation of \$223,557 in State General Fund savings from FY 2001.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$161.4 million, an increase of \$1.5 million.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 3,201.2 FTE positions, an increase of 9.2 general use and 14.0 restricted use financed positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.

- **The Governor concurs** with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Kansas State University

Bill No. 3008

Bill Sec. 40

Analyst: West

Analysis Pg. No. Vol. II - 1399 Budget Page No. 315

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 108,190,408	\$ 102,670,067	\$ 0
General Fees Fund	48,910,090	48,910,090	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-General Use	\$ 157,100,498	\$ 151,580,157	\$ 0
Restricted Use Funds	<u>162,044,467</u>	<u>162,044,467</u>	<u>0</u>
TOTAL—Oper. Exp.	\$ 319,144,965	\$ 313,624,624	\$ 0
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	<u>6,118,024</u>	<u>6,118,024</u>	<u>0</u>
TOTAL—Cap. Imp.	\$ 6,307,470	\$ 6,307,470	\$ 0
 GRAND TOTAL	 \$ 325,452,435	 \$ 319,932,094	 \$ 0
 FTE Positions	 3,201.2	 3,201.2	 0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>3,201.2</u>	<u>3,201.2</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

- **General Use** operating budget authority of \$157,100,498 is requested for FY 2003, an increase of \$792,428 or 0.5 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Kansas State University this totals \$1,301,452.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For KSU this totals \$48.9 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- **Absent the requested enhancements,** the general use request is a reduction of \$509,024 or 0.3 percent from the current year budget.
- **Restricted Use** funding totals \$162.0 million, an increase of \$597,546 (0.3 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$151.6 million, a decrease of \$4.7 million (3.0 percent) from the current year.
 - **State General Fund** financing of \$102.7 million for the University Operating Grant is a decrease of \$4.2 million (3.94 percent) from the current year after adjustments for the State General Fund reappropriation in the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$48.9 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$162.0 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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. 640

Bill Sec. 40

Analyst: West

Analysis Pg. No. Vol. II - 1399 **Budget Page No.** 315

<u>Expenditure Summary</u>	<u>Agency Req. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 108,190,408	\$ 102,670,067	\$ 0
General Fees Fund	48,910,090	48,910,090	0
Other Funds	0	0	0
Subtotal-General Use	\$ 157,100,498	\$ 151,580,157	\$ 0
Restricted Use Funds	162,044,467	162,044,467	0
TOTAL—Oper. Exp.	\$ 319,144,965	\$ 313,624,624	\$ 0
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	6,118,024	6,118,024	0
TOTAL—Cap. Imp.	\$ 6,307,470	\$ 6,307,470	\$ 0
 GRAND TOTAL	 \$ 325,452,435	 \$ 319,932,094	 \$ 0
 FTE Positions	 3,201.2	 3,201.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,201.2	3,201.2	0.0

Agency Req./Governor's Recommendation

1. **General Use** operating budget authority of \$157,100,498 is requested for FY 2003, an increase of \$792,428 or 0.5 percent from general use expenditure authority in FY 2002.
 - a. **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Kansas State University this totals \$1,301,452.
 - b. **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For KSU this totals \$48.9 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.

- c. **Absent the requested enhancements**, the general use request is a reduction of \$509,024 or 0.3 percent from the current year budget.
2. **Restricted Use** funding totals \$162.0 million, an increase of \$597,546 (0.3 percent) from the revised current year estimate.
 - **The Governor's FY 2003 recommendation** for General Use totals \$151.6 million, a decrease of \$4.7 million (3.0 percent) from the current year.
 - **State General Fund** financing of \$102.7 million for the University Operating Grant is a decrease of \$4.2 million (3.94 percent) from the current year after adjustments for the State General Fund reappropriation in the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - a. **General Fees Fund.** The Governor concurs with the University's estimate of \$48.9 million in FY 2003 expenditures from the General Fees Fund.
 - **Restricted Use** funding totals \$162.0 million as requested by the University.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the following points of pride submitted by Kansas State University:
 - a. As can be seen in the attached chart, Kansas State University continues to lead all the public universities in the nation in the number of major scholarship awards. Since 1986, Kansas State University students have received 87 Rhodes, Marshall, Truman, Goldwater and Udall scholarships.
 - b. Nutrition researchers at K-State have published the first evidence that the absorption of cholesterol is reduced by another compound in the egg, a lecithin. The research by Sung I. Koo, Yonghzi Jiang and Sang K. Noh has resulted in the issue of U.S. Patent No.6,248,728, "Compositions and methods for lowering intestinal absorption and plasma levels of cholesterol." The patent was issued June 19 to the KSU Foundation. A peer-reviewed research paper by the three researchers, "Egg phosphatidylcholine decreases the lymphatic absorption of cholesterol in rats," appeared in the September issue of Journal of Nutrition, October 2001.

TOP SCHOLAR RANKINGS 1986-2001

Public colleges and universities

	RHODES	MARSHALL	TRUMAN	GOLDWATER	UDALL	TOTALS
1. K-STATE	6	9	17	43	12	87
2. U. of North Carolina	8	6	16	22	5	57
3. Arizona State U.	3	7	11	22	10	53
4. U. of Michigan	2	4	15	31	0	52
5. Penn State	2	3	2	34	9	50
6. U. of Virginia	4	1	12	30	1	48
7. U. of Illinois	3	8	3	33	1	48
8. U. of Kansas	2	3	12	25	6	48
9. Montana State	2*	0	6	35	4	47
10. U.S. Military Academy	15	14	16	0	0	45

* shared with another school

Source: Kansas State University Media Relations and Marketing
Includes scholarships won through April 2001

- **Kansas State University** is the only public university over the past 15 years to rank among the top 10 of all U.S. schools for all five of these major scholarship programs: Rhodes, Marshall, Truman, Goldwater and Udall.
- **K-State** ranks first nationally among all 500 state universities in both Truman, Goldwater and Udall scholarship competition since each foundation began awarding scholarships.
- **K-State** ranks second nationally in Goldwater and Udall scholarship competition and sixth in Truman competition among all of the 2,000 four-year colleges and universities in America - 500 public; 1,500 private.
- The Truman Foundation recognized **K-State** in 1996 as a Truman Scholarship Honor Institution, the first time the Foundation singled out universities for their achievements in Truman competition. Only 17 schools were chosen from the 454 colleges and universities which have produced Truman scholars.

Budget Committee Report

Agency: Kansas State University
Veterinary Medical Center

Bill No. N/A

Bill Sec. N/A

Analyst: West

Analysis Pg. No. Vol. II - 1410 **Budget Page No.** 319

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,052,324	\$ 10,052,324	\$ 0
General Fees Fund	5,596,657	5,596,657	0
Hosp. & Diag. Lab. Fund	6,205,939	6,205,939	0
Other Funds	538,855	538,855	0
Subtotal - General Use	\$ 22,393,775	\$ 22,393,775	\$ 0
Restricted Use Funds	2,450,854	2,450,854	0
TOTAL -- Oper. Exp.	\$ 24,844,629	\$ 24,844,629	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL -- Cap. Impr.	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 24,844,629	\$ 24,844,629	\$ 0
FTE Positions	259.2	259.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	259.2	259.2	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects an increase of \$3.3 million in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund transfer of \$183,846 for Vet Med's portion of the SB 345 faculty salary enhancement pool.
 - The increase in other general use funding is primarily associated with the Hospital and Diagnostic Laboratory Fund. A recent internal audit performed by the University indicated that \$1.8 million which previously had been credited to restricted use funds should instead be credited to the HDLF. In addition, \$1.0 million in HDLF revenues which previously would have been credited to Laboratory Improvement Fund and expended in the next fiscal year is now reflected as a current year expense.
 - The Hospital and Diagnostic Laboratory Fund does not have a limit on expenditures so no Legislative action is required to implement the change.

*Senate Ways and Means
3-19-02
Attachment 19*

- **Restricted Use** expenditures for FY 2002 are estimated to total \$2.5 million, a net decrease of \$126,527.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 259.2 FTE positions, an increase of 9.0 general use and a reduction of 4.3 restricted use financed positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Kansas State University
Veterinary Medical Center

Bill No. N/A

Bill Sec. N/A

Analyst: West

Analysis Pg. No. Vol. II - 1410 **Budget Page No.** 319

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,052,324	\$ 10,052,324	\$ 0
General Fees Fund	5,596,657	5,596,657	0
Hosp. & Diag. Lab. Fund	6,205,939	6,205,939	0
Other Funds	538,855	538,855	0
Subtotal - General Use	\$ 22,393,775	\$ 22,393,775	\$ 0
Restricted Use Funds	2,450,854	2,450,854	0
TOTAL -- Oper. Exp.	\$ 24,844,629	\$ 24,844,629	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL -- Cap. Impr.	\$ 0	\$ 0	\$ 0
GRAND TOTAL	\$ 24,844,629	\$ 24,844,629	\$ 0
FTE Positions	259.2	259.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	259.2	259.2	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects an increase of \$3.3 million in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund transfer of \$183,846 for Vet Med's portion of the SB 345 faculty salary enhancement pool.
 - The increase in other general use funding is primarily associated with the Hospital and Diagnostic Laboratory Fund. A recent internal audit performed by the University indicated that \$1.8 million which previously had been credited to restricted use funds should instead be credited to the HDLF. In addition, \$1.0 million in HDLF revenues which previously would have been credited to Laboratory Improvement Fund and expended in the next fiscal year is now reflected as a current year expense.

- The Hospital and Diagnostic Laboratory Fund does not have a limit on expenditures so no Legislative action is required to implement the change.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$2.5 million, a net decrease of \$126,527.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 259.2 FTE positions, an increase of 9.0 general use and a reduction of 4.3 restricted use financed positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Kansas State University
Veterinary Medical Center

Bill No. 3008

Bill Sec. 42

Analyst: West

Analysis Pg. No. Vol. II - 1410 **Budget Page No.** 319

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,195,845	\$ 9,656,262	\$ 0
General Fees Fund	5,596,657	5,596,657	0
Hosp. & Diag. Lab. Fund	6,205,939	6,205,939	0
Other Funds	0	0	0
Subtotal - General Use	\$ 21,998,441	\$ 21,458,858	\$ 0
Restricted Use Funds	2,463,112	2,463,112	0
TOTAL -- Oper. Exp.	\$ 24,461,553	\$ 23,921,970	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL -- Cap. Impr.	\$ 0	\$ 0	\$ 0
 GRAND TOTAL	 \$ 24,461,553	 \$ 23,921,970	 \$ 0
 FTE Positions	 259.2	 259.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	259.2	259.2	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget authority of \$21,998,441 requested for FY 2003, a net decrease of \$395,334 or 1.8 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Kansas State University - Veterinary Medical Center this totals \$143,521.
 - **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For Vet Med this totals \$5.6 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.

- **Hospital and Diagnostic Laboratory Fund** financing of \$6.2 million is estimated for FY 2003, the same as the current year.
- **Absent the requested enhancements**, the general use request is a reduction of \$538,855 or 2.4 percent from the current year budget.
- **Restricted Use** funding totals \$2.5 million, an increase of \$12,258 (0.5 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$21.5 million, a decrease of \$0.9 million (4.2 percent) from the current year.
 - **State General Fund** financing of \$9.7 million for the University Operating Grant is a decrease of \$0.4 million (3.94 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **Other Funds.**The Governor concurs with the University's estimate of \$5.6 million in FY 2003 expenditures from the General Fees Fund and \$6.2 million from the Hospital and Diagnostic Laboratory Fund.
- **Restricted Use** funding totals \$2.5 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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
Veterinary Medical Center

Bill No. 3008

Bill Sec. 42

Analyst: West

Analysis Pg. No. Vol. II - 1410 Budget Page No. 319

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,195,845	\$ 9,656,262	\$ 0
General Fees Fund	5,596,657	5,596,657	0
Hosp. & Diag. Lab. Fund	6,205,939	6,205,939	0
Other Funds	0	0	0
Subtotal - General Use	\$ 21,998,441	\$ 21,458,858	\$ 0
Restricted Use Funds	2,463,112	2,463,112	0
TOTAL -- Oper. Exp.	\$ 24,461,553	\$ 23,921,970	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL -- Cap. Impr.	\$ 0	\$ 0	\$ 0
 GRAND TOTAL	 \$ 24,461,553	 \$ 23,921,970	 \$ 0
FTE Positions	259.2	259.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	259.2	259.2	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget authority of \$21,998,441 requested for FY 2003, a net decrease of \$395,334 or 1.8 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Kansas State University - Veterinary Medical Center this totals \$143,521.
 - **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For Vet Med this totals \$5.6 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.

- **Hospital and Diagnostic Laboratory Fund** financing of \$6.2 million is estimated for FY 2003, the same as the current year.
- **Absent the requested enhancements**, the general use request is a reduction of \$538,855 or 2.4 percent from the current year budget.
- **Restricted Use** funding totals \$2.5 million, an increase of \$12,258 (0.5 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$21.5 million, a decrease of \$0.9 million (4.2 percent) from the current year.
 - **State General Fund** financing of \$9.7 million for the University Operating Grant is a decrease of \$0.4 million (3.94 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **Other Funds.** The Governor concurs with the University's estimate of \$5.6 million in FY 2003 expenditures from the General Fees Fund and \$6.2 million from the Hospital and Diagnostic Laboratory Fund.
- **Restricted Use** funding totals \$2.5 million as requested by the University.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Kansas State Univ.—ESARP Bill No. N/A Bill Sec. N/A

Analyst: West Analysis Pg. No. Vol. II - 1421 Budget Page No. 317

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 49,296,711	\$ 49,296,711	\$ 0
Federal Land Grant Funds	7,970,461	7,970,461	0
Subtotal General Use	\$ 57,267,172	\$ 57,267,172	\$ 0
Restricted Use Funds	43,221,480	43,221,480	0
TOTAL—Oper. Exp.	\$ 100,488,652	\$ 100,488,652	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 3,000,000	\$ 3,000,000	\$ 0
Restricted Use Funds	5,000,000	5,000,000	0
TOTAL—Cap. Impr.	\$ 8,000,000	\$ 8,000,000	\$ 0
 GRAND TOTAL	 \$ 108,488,652	 \$ 108,488,652	 \$ 0
 FTE Positions	 1,430.2	 1,430.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,430.2	1,430.2	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects a reduction of \$344,530 in overall general use expenditures from the budget approved by the 2001 Legislature. Adjustments include:
 - State General Fund transfer of \$661,176 for ESARP's portion of the SB 345 faculty salary enhancement pool;
 - Reappropriation of \$93,702 in State General Fund savings from FY 2001; and
 - A reduction of \$344,530 in the estimated availability of federal land grant funds.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$43.2 million, an increase of \$1.9 million.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.

*Senate Ways and means
3-19-02
Attachment 20*

- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The ESARP's current year budget reflects 1,430.2 FTE positions, an increase of 165.3 positions from the approved budget.
 - The increase is characterized as a technical adjustment to reflect county agents in the count of FTE positions.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Kansas State Univ.—ESARP **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1421 **Budget Page No.** 317

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 49,296,711	\$ 49,296,711	\$ 0
Federal Land Grant Funds	7,970,461	7,970,461	0
Subtotal General Use	\$ 57,267,172	\$ 57,267,172	\$ 0
Restricted Use Funds	43,221,480	43,221,480	0
TOTAL—Oper. Exp.	\$ 100,488,652	\$ 100,488,652	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 3,000,000	\$ 3,000,000	\$ 0
Restricted Use Funds	5,000,000	5,000,000	0
TOTAL—Cap. Impr.	\$ 8,000,000	\$ 8,000,000	\$ 0
 GRAND TOTAL	 \$ 108,488,652	 \$ 108,488,652	 \$ 0
 FTE Positions	 1,430.2	 1,430.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,430.2	1,430.2	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects a reduction of \$344,530 in overall general use expenditures from the budget approved by the 2001 Legislature. Adjustments include:
 - State General Fund transfer of \$661,176 for ESARP's portion of the SB 345 faculty salary enhancement pool;
 - Reappropriation of \$93,702 in State General Fund savings from FY 2001; and
 - A reduction of \$344,530 in the estimated availability of federal land grant funds.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$43.2 million, an increase of \$1.9 million.

- While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The ESARP's current year budget reflects 1,430.2 FTE positions, an increase of 165.3 positions from the approved budget.
 - The increase is characterized as a technical adjustment to reflect county agents in the count of FTE positions.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Kansas State Univ. - ESARP Bill No. 3008

Bill Sec. 41

Analyst: West

Analysis Pg. No. Vol. II -

Budget Page No. 317

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 49,698,838	\$ 47,264,410	\$ 0
Federal Land Grant Funds	7,970,461	7,970,461	0
Subtotal General Use	\$ 57,669,299	\$ 55,234,871	\$ 0
Restricted Use Funds	43,423,620	43,423,620	0
TOTAL—Oper. Exp.	\$ 101,092,919	\$ 98,658,491	\$ 0
Capital Improvements:			
Educational Building Fund	\$ 0	\$ 0	\$ 0
Restricted Use Funds	4,000,000	4,000,000	0
TOTAL—Cap. Impr.	\$ 4,000,000	\$ 4,000,000	\$ 0
GRAND TOTAL	\$ 105,092,919	\$ 102,658,491	\$ 0
FTE Positions	1,430.2	1,430.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,430.2	1,430.2	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget authority of \$57,669,299 is requested for FY 2003, an increase of \$402,127 or 0.7 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For ESARP this totals \$495,829.
 - **Federal Funds.** The FY 2003 budget request assumes federal funding of \$8.0 million, the same amount as in the current year.
 - **Absent the requested enhancements,** the general use request is a reduction of \$93,702 or 0.2 percent from the current year budget.

- **Restricted Use** funding totals \$43.4 million, an increase of \$202,140 (0.5 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$55.2 million, a decrease of \$2.0 million (3.5 percent) from the current year.
 - **State General Fund** financing of \$47.3 million for the University Operating Grant is a decrease of \$2.0 million (3.94 percent) from the current year after adjustments for the State General Fund reappropriation in the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **Federal Funds.** The Governor concurs with the University's estimate of \$8.0 million in FY 2003 expenditures from federal funds.
- **Restricted Use** funding totals \$43.4 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

- **The Governor's FY 2003 recommendation** for General Use totals \$55.2 million, a decrease of \$2.0 million (3.5 percent) from the current year.
 - **State General Fund** financing of \$47.3 million for the University Operating Grant is a decrease of \$2.0 million (3.94 percent) from the current year after adjustments for the State General Fund reappropriation in the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **Federal Funds.** The Governor concurs with the University's estimate of \$8.0 million in FY 2003 expenditures from federal funds.

- **Restricted Use** funding totals \$43.4 million as requested by the University.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Wichita State University Bill No. N/A Bill Sec. N/A

Analyst: West Analysis Pg. No. Vol. II - 1431 Budget Page No. 471

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 65,903,685	\$ 65,903,685	\$ 0
General Fees Fund	30,074,222	30,074,222	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-General Use	\$ 95,977,907	\$ 95,977,907	\$ 0
Restricted Use Funds	<u>47,663,178</u>	<u>47,663,178</u>	<u>0</u>
TOTAL—Oper. Exp.	<u>\$ 143,641,085</u>	<u>\$ 143,641,085</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Bld. Fund	2,910,117	2,910,117	0
Other Funds	<u>1,490,000</u>	<u>1,490,000</u>	<u>0</u>
TOTAL—Cap. Imp.	<u>\$ 4,400,117</u>	<u>\$ 4,400,117</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 148,041,202	 \$ 148,041,202	 \$ 0
 FTE Positions	 1,727.3	 1,727.3	 0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>1,727.3</u>	<u>1,727.3</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2001 Legislature. Previously authorized adjustments include a State General Fund transfer of \$963,124 for WSU's portion of the SB 345 faculty salary enhancement pool.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$47.7 million, an increase of \$1.2 million from last year's estimate.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

*Senate Ways and Means
3-19-02
Attachment 21*

- **FTE positions.** The University's current year budget reflects 1,727.3 FTE positions, an amount unchanged from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.

- **The Governor recommends** concurs with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Wichita State University **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1431 **Budget Page No.** 471

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 65,903,685	\$ 65,903,685	\$ 0
General Fees Fund	30,074,222	30,074,222	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-General Use	\$ 95,977,907	\$ 95,977,907	\$ 0
Restricted Use Funds	<u>47,663,178</u>	<u>47,663,178</u>	<u>0</u>
TOTAL—Oper. Exp.	<u>\$ 143,641,085</u>	<u>\$ 143,641,085</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Bld. Fund	2,910,117	2,910,117	0
Other Funds	<u>1,490,000</u>	<u>1,490,000</u>	<u>0</u>
TOTAL—Cap. Imp.	<u>\$ 4,400,117</u>	<u>\$ 4,400,117</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 148,041,202	 \$ 148,041,202	 \$ 0
FTE Positions	1,727.3	1,727.3	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>1,727.3</u>	<u>1,727.3</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2001 Legislature. Previously authorized adjustments include a State General Fund transfer of \$963,124 for WSU's portion of the SB 345 faculty salary enhancement pool.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$47.7 million, an increase of \$1.2 million from last year's estimate.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.

- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 1,727.3 FTE positions, an amount unchanged from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor recommends** concurs with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Wichita State University

Bill No. 3008

Bill Sec. 47

Analyst: West

Analysis Pg. No. Vol. II - 1431 Budget Page No. 471

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 66,589,107	\$ 63,307,080	\$ 0
General Fees Fund	30,074,222	30,074,222	0
Other Funds	0	0	0
Subtotal-General Use	\$ 96,663,329	\$ 93,381,302	\$ 0
Restricted Use Funds	47,755,327	47,755,327	0
TOTAL—Oper. Exp.	\$ 144,418,656	\$ 141,136,629	\$ 0
Capital Improvements:			
State General Fund	\$ 485,925	\$ 0	\$ 0
Educational Bld. Fund	557,386	0	0
Other Funds	800,000	800,000	0
TOTAL—Cap. Imp.	\$ 1,843,311	\$ 800,000	\$ 0
GRAND TOTAL	\$ 146,261,967	\$ 141,936,629	\$ 0
FTE Positions	1,727.3	1,727.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,727.3	1,727.3	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget of \$96,663,329 is requested for FY 2003, an increase of \$685,422 or 0.7 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Wichita State University this totals \$685,422.
 - **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For WSU this totals \$30.1 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.

- **Absent the requested enhancements**, the general use request is the same as the current year budget.
- **Restricted Use** funding totals \$47.8 million, an increase of \$92,149 (0.2 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$93.4 million, a decrease of \$2.6 million (2.7 percent) from the current year.
 - **State General Fund** financing of \$63.3 million for the University Operating Grant is a decrease of \$2.6 million (3.94 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
- **General Fees Fund.** The Governor concurs with the University's estimate of \$30.1 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$47.8 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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. 640

Bill Sec. 47

Analyst: West

Analysis Pg. No. Vol. II - 1431 **Budget Page No.** 471

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 66,589,107	\$ 63,307,080	\$ 0
General Fees Fund	30,074,222	30,074,222	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-General Use	\$ 96,663,329	\$ 93,381,302	\$ 0
Restricted Use Funds	<u>47,755,327</u>	<u>47,755,327</u>	<u>0</u>
TOTAL—Oper. Exp.	\$ 144,418,656	\$ 141,136,629	\$ 0
Capital Improvements:			
State General Fund	\$ 485,925	\$ 0	\$ 0
Educational Bld. Fund	557,386	0	0
Other Funds	<u>800,000</u>	<u>800,000</u>	<u>0</u>
TOTAL—Cap. Imp.	\$ 1,843,311	\$ 800,000	\$ 0
GRAND TOTAL	\$ 146,261,967	\$ 141,936,629	\$ 0
FTE Positions	1,727.3	1,727.3	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>1,727.3</u>	<u>1,727.3</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

1. **General Use** operating budget of \$96,663,329 is requested for FY 2003, an increase of \$685,422 or 0.7 percent from general use expenditure authority in FY 2002.
 - o **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Wichita State University this totals \$685,422.

- **General Fees Fund** . For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For WSU this totals \$30.1 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
 - **Absent the requested enhancements**, the general use request is the same as the current year budget.
2. **Restricted Use** funding totals \$47.8 million, an increase of \$92,149 (0.2 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$93.4 million, a decrease of \$2.6 million (2.7 percent) from the current year.
 - **State General Fund** financing of \$63.3 million for the University Operating Grant is a decrease of \$2.6 million (3.94 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$30.1 million in FY 2003 expenditures from the General Fees Fund.
 - **Restricted Use** funding totals \$47.8 million as requested by the University.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the following points of pride submitted by Kansas State University:
 - a. Enrollment—Spring 2002 enrollment at Wichita State University is 15,049 students compared to 14,369 a year ago, an increase of 4.7 percent. It's the highest student enrollment at WSU since 15,120 students enrolled in fall 1992. The spring 2002 enrollment is the highest spring enrollment since 1991 when 15,476 students enrolled. There were 14,854 students enrolled in fall 2001. This enrollment is an indication the university is successfully addressing the needs of students interested in attending Wichita State University. Wichita State University increased efforts in the area of scholarships and career counseling for individuals who were laid off from their jobs. In addition, more than 75 returning adult students with college degrees have enrolled at Wichita State this spring to pursue a career in teaching through Wichita State University's alternative teacher certification program. Thirteen of those students are directly benefiting from a recently announced scholarship initiative that helps laid-off aerospace workers and others with an interest in teaching. The Wichita Aerospace Transition to Teaching Program was

established in December as a partnership between Raytheon Aircraft, WSU, the city of Wichita and Wichita area schools to address the area-wide problem of teacher shortages.

- b. Research—Wichita State University had another banner year in receiving research grants and contracts. University grant and contract awards exceeded \$25.6 million for FY 2001, which was a 20 percent increase over FY 2000. This total sets a university record for the eighth consecutive year. The National Institute for Aviation Research, a KTEC Center of Excellence, and the College of Engineering accounted for more than \$12 million of the FY 2001 total. The Federal Aviation Administration (FAA) recognized the National Institute for Aviation Research as its 2002 Excellence in Aviation Institutional Award winner. The FAA specifically recognized the National Institute for Aviation Research's ability to partner with industry, academia, and government as a model for cooperative aviation research in the fields of crashworthiness, composites and advanced materials, structures, aerodynamics, and human factors. This award is a highly competitive, non-monetary award presented annually to individuals or institutions following an evaluation of documents clearly showing how their past research benefits the aviation community today.

Budget Committee Report

Agency: Emporia State University **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1454 **Budget Page No.** 165

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 30,589,220	\$ 30,589,220	\$ 0
General Fees Fund	9,193,167	9,193,167	0
Other Funds	252,205	252,205	0
Subtotal-General Use	\$ 40,034,592	\$ 40,034,592	\$ 0
Restricted Use Funds	14,990,695	14,990,695	0
TOTAL—Oper. Exp.	\$ 55,025,287	\$ 55,025,287	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Bld. Fund	941,889	941,889	0
Other Funds	3,333,078	3,333,078	0
TOTAL—Cap. Imp.	\$ 4,274,967	\$ 4,274,967	\$ 0
GRAND TOTAL	\$ 59,300,254	\$ 59,300,254	\$ 0
FTE Positions	692.0	692.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	692.0	692.0	0.0

Agency Estimate/Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$17,167 from FY 2001;
 - State General Fund transfer of \$412,807 for ESU's portion of the SB 345 faculty salary enhancement pool;
 - Equipment Reserve Fund financing of \$237,205 in, which is derived from FY 2001 General Fees Fund savings.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$14.7 million, an increase of \$292,575.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.

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3-19-02
Attachment 22*

- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 692.0 FTE positions, a decrease of 66.1 positions from the approved budget.
 - The decrease appears to be attributable to an inadvertent omission of FTE from the Service Clearing and Auxiliary Services programs.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Emporia State University **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1454 **Budget Page No.** 165

<u>Expenditure Summary</u>	<u>Agency Estimate FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 30,589,220	\$ 30,589,220	\$ 0
General Fees Fund	9,193,167	9,193,167	0
Other Funds	252,205	252,205	0
Subtotal-General Use	\$ 40,034,592	\$ 40,034,592	\$ 0
Restricted Use Funds	14,990,695	14,990,695	0
TOTAL—Oper. Exp.	\$ 55,025,287	\$ 55,025,287	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Bld. Fund	941,889	941,889	0
Other Funds	3,333,078	3,333,078	0
TOTAL—Cap. Imp.	\$ 4,274,967	\$ 4,274,967	\$ 0
 GRAND TOTAL	 \$ 59,300,254	 \$ 59,300,254	 \$ 0
 FTE Positions	 692.0	 692.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	692.0	692.0	0.0

Agency Estimate/Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$17,167 from FY 2001;
 - State General Fund transfer of \$412,807 for ESU's portion of the SB 345 faculty salary enhancement pool;
 - Equipment Reserve Fund financing of \$237,205 in, which is derived from FY 2001 General Fees Fund savings.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$14.7 million, an increase of \$292,575.

- While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 692.0 FTE positions, a decrease of 66.1 positions from the approved budget.
 - The decrease appears to be attributable to an inadvertent omission of FTE from the Service Clearing and Auxiliary Services programs.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Emporia State University

Bill No. 3008

Bill Sec. 43

Analyst: West

Analysis Pg. No. Vol. II - 1454 **Budget Page No.** 165

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 30,864,762	\$ 29,367,514	\$ 0
General Fees Fund	9,193,167	9,193,167	0
Other Funds	30,000	30,000	0
Subtotal-General Use	\$ 40,087,929	\$ 38,590,681	\$ 0
Restricted Use Funds	14,748,685	14,748,685	0
TOTAL—Oper. Exp.	\$ 54,836,614	\$ 53,339,366	\$ 0
Capital Improvements:			
State General Fund	\$ 334,921	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	945,170	945,170	0
TOTAL—Cap. Imp.	\$ 1,280,091	\$ 945,170	\$ 0
 GRAND TOTAL	 \$ 56,116,705	 \$ 54,284,536	 \$ 0
 FTE Positions	 692.0	 692.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	692.0	692.0	0.0

Agency Request/Governor's Recommendation

- **General Use** operating budget authority of \$40,087,929 is requested for FY 2003, a net increase of \$53,337 or 0.1 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants** . State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Emporia State University this totals \$292,709.
 - **General Fees Fund**. For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For ESU this totals \$9.2 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.

- Reduction in other funds is associated with current year equipment reserve expenditures, offset slightly by a \$15,000 increase in State Normal School Fund interest earnings.
- **Absent the requested enhancements**, the general use request is a reduction of \$239,372, or 0.6 percent from FY 2002.
- **Restricted Use** funding totals \$14.7 million, a decrease of \$242,010 (1.6 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$38,590,681, a decrease of \$1.7 million (3.1 percent) from the current year.
 - **State General Fund** financing of \$29.4 million for the University Operating Grant is a decrease of \$1.2 million (4.0 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$9.2 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$14.7 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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: Emporia State University **Bill No.** 3008 **Bill Sec.** 43
Analyst: West **Analysis Pg. No.** Vol. II - 1454 **Budget Page No.** 165

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 30,864,762	\$ 29,367,514	\$ 0
General Fees Fund	9,193,167	9,193,167	0
Other Funds	30,000	30,000	0
Subtotal-General Use	\$ 40,087,929	\$ 38,590,681	\$ 0
Restricted Use Funds	14,748,685	14,748,685	0
TOTAL—Oper. Exp.	\$ 54,836,614	\$ 53,339,366	\$ 0
Capital Improvements:			
State General Fund	\$ 334,921	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	945,170	945,170	0
TOTAL—Cap. Imp.	\$ 1,280,091	\$ 945,170	\$ 0
 GRAND TOTAL	 \$ 56,116,705	 \$ 54,284,536	 \$ 0
 FTE Positions	 692.0	 692.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	692.0	692.0	0.0

Agency Request/Governor's Recommendation

1. **General Use** operating budget authority of \$40,087,929 is requested for FY 2003, a net increase of \$53,337 or 0.1 percent from general use expenditure authority in FY 2002.
 - a. **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base

- pay increases and restoration of the state death and disability insurance assessment. For Emporia State University this totals \$292,709.
- b. **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For ESU this totals \$9.2 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
 - c. Reduction in other funds is associated with current year equipment reserve expenditures, offset slightly by a \$15,000 increase in State Normal School Fund interest earnings.
 - d. **Absent the requested enhancements,** the general use request is a reduction of \$239,372, or 0.6 percent from FY 2002.
2. **Restricted Use** funding totals \$14.7 million, a decrease of \$242,010 (1.6 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$38,590,681, a decrease of \$1.7 million (3.1 percent) from the current year.
 - **State General Fund** financing of \$29.4 million for the University Operating Grant is a decrease of \$1.2 million (4.0 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - a. **General Fees Fund.** The Governor concurs with the University's estimate of \$9.2 million in FY 2003 expenditures from the General Fees Fund.
 - **Restricted Use** funding totals \$14.7 million as requested by the University.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the following points of pride submitted by Emporia State University:
 - Enrollment continues to increase at Emporia State University. Since Fall, 1997, enrollment has expanded by 9.5%. In addition to numbers, this increase reflects sustained student quality.
 - The number of students with ACT scores over 24 increased by 4 percent.
 - The percentage of new freshmen who have completed the preparatory curricula has increased from 46% to 66%.
 - Minority students increased by 22 percent.
 - Ninety two percent of teachers graduating from ESU continue in their teaching positions after 5 years, a major accomplishment during a period of teacher shortages.
 - ESU offers: 6 masters degrees; 2 bachelors degree completion programs; and 2 certificate programs completely on-line to serve place bound students throughout Kansas.

- The new Student Recreation Facility opened on Friday, February 1, 2002. The students of Emporia State University voted to build and fund the new recreation center through student fees.
- Roosevelt Hall gymnasium was renovated into two classroom theaters, with major project support provided by private funding supplemented with crumbling classrooms funds.
- The School of Business has been recommended for accreditation by the AACSB International accrediting organization.
- Dr. Leo Pauls—the only Kansan invited to White House conference on education issues.
- An Emporia State University freshman won first place when her play was chosen as the 8-state regional winner at the Region V Kennedy Center American College Theater Festival. The student spent a week in master classes at the Kennedy Center in Washington, D.C. where her play was performed.
- Multiple awards for ESU staff and faculty including: recognition for collegiate theater at Kennedy Center; Jazziz award for top college jazz group; Biology faculty win Corps of Engineers grant for Tall Grass Prairie Research; Math faculty continue promotion of mathematics for women; and Teachers College faculty win DOE grant to develop assessment instrument concerning teaching attitudes.
- Multiple student accomplishments during most recent year: ESU Student Ambassadors selected top program in International competition; nationally ranked debate team qualified two pairs for the national debate tournament; the University Spurs program won five international awards; Pi Omega Pi Business Organization completed 34 years among the top 10 percent of University organizations; and 90 percent first year retention rate for participants in the University Trio program.

Budget Committee Report

Agency: Fort Hays State University **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1442 **Budget Page No.** 171

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 31,951,242	\$ 31,951,242	\$ 0
General Fees Fund	8,843,159	8,843,159	0
Other Funds	38,700	38,700	0
Subtotal-General Use	\$ 40,833,101	\$ 40,833,101	\$ 0
Restricted Use Funds	15,834,218	15,834,218	0
TOTAL—Oper. Exp.	\$ 56,667,319	\$ 56,667,319	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Bld. Fund	888,772	888,772	0
Other Funds	1,963,680	1,963,680	0
TOTAL—Cap. Imp.	\$ 2,852,452	\$ 2,852,452	\$ 0
GRAND TOTAL	\$ 59,519,771	\$ 59,519,771	\$ 0
FTE Positions	710.0	710.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	710.0	710.0	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$4,421 from FY 2001,
 - State General Fund transfer of \$433,486 for FHSU's portion of the SB 345 faculty salary enhancement pool,
 - Equipment Reserve Fund financing of \$38,700 in, which is derived from FY 2001 General Fees Fund savings.
- **Restricted Use** expenditures for FY 2002 are estimated to total \$15.8 million, a decrease of \$251,230.

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- While subject to appropriation, most restricted use funds are treated as "no lim. appropriations.
- Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 692.0 FTE positions, a decrease of 12.6 positions from the approved budget.
 - The decrease appears to be attributable to an inadvertent omission of FTE from the Service Clearing program.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor concurs** with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Fort Hays State University **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1442 **Budget Page No.** 171

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 31,951,242	\$ 31,951,242	\$ 0
General Fees Fund	8,843,159	8,843,159	0
Other Funds	38,700	38,700	0
Subtotal-General Use	\$ 40,833,101	\$ 40,833,101	\$ 0
Restricted Use Funds	15,834,218	15,834,218	0
TOTAL—Oper. Exp.	\$ 56,667,319	\$ 56,667,319	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Bld. Fund	888,772	888,772	0
Other Funds	1,963,680	1,963,680	0
TOTAL—Cap. Imp.	\$ 2,852,452	\$ 2,852,452	\$ 0
GRAND TOTAL	\$ 59,519,771	\$ 59,519,771	\$ 0
FTE Positions	710.0	710.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	710.0	710.0	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$4,421 from FY 2001,
 - State General Fund transfer of \$433,486 for FHSU's portion of the SB 345 faculty salary enhancement pool,
 - Equipment Reserve Fund financing of \$38,700 in, which is derived from FY 2001 General Fees Fund savings.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$15.8 million, a decrease of \$251,230.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

- **FTE positions.** The University's current year budget reflects 692.0 FTE positions, a decrease of 12.6 positions from the approved budget.
 - The decrease appears to be attributable to an inadvertent omission of FTE from the Service Clearing program.
 - Traditionally, the state universities have not been subject to FTE limitations.

- **The Governor concurs** with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Fort Hays State University

Bill No. 3008

Bill Sec. 39

Analyst: West

Analysis Pg. No. Vol. II -

Budget Page No. 171

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 32,255,308	\$ 30,692,363	\$ 0
General Fees Fund	8,843,159	8,843,159	0
Other Funds	0	0	0
Subtotal-General Use	\$ 41,098,467	\$ 39,535,522	\$ 0
Restricted Use Funds	15,849,799	15,849,799	0
TOTAL—Oper. Exp.	\$ 56,948,266	\$ 55,385,321	\$ 0
Capital Improvements:			
State General Fund	\$ 295,000	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	965,000	965,000	0
TOTAL—Cap. Imp.	\$ 1,260,000	\$ 965,000	\$ 0
 GRAND TOTAL	 \$ 58,208,266	 \$ 56,350,321	 \$ 0
FTE Positions	710.0	710.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	710.0	710.0	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget authority of \$41,098,467 is requested for FY 2003, a net increase of \$265,366 or 0.6 percent from general use expenditure authority in FY 2002.
- **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Fort Hays State University this totals \$304,066.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For FHSU this totals \$8.8 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- Reduction in other funds is associated with current year equipment reserve expenditures.
- **Absent the requested enhancements,** the general use request is a reduction of \$38,700, or 0.1 percent from FY 2002.

- **Restricted Use** funding totals \$15.8 million, an amount unchanged from the revised current year estimate.

- **The Governor's FY 2003 recommendation** for General Use totals \$35,535,522, a decrease of \$1.3 million (3.2 percent) from the current year.
 - **State General Fund** financing of \$29.4 million for the University Operating Grant is a decrease of \$1.3 million (3.9 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$8.8 million in FY 2003 expenditures from the General Fees Fund.

- **Restricted Use** funding totals \$15.8 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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: Fort Hays State University

Bill No. 640

Bill Sec. --

Analyst: West

Analysis Pg. No. Vol. II -

Budget Page No. 171

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 32,255,308	\$ 30,692,363	\$ 0
General Fees Fund	8,843,159	8,843,159	0
Other Funds	0	0	0
Subtotal-General Use	\$ 41,098,467	\$ 39,535,522	\$ 0
Restricted Use Funds	15,849,799	15,849,799	0
TOTAL—Oper. Exp.	\$ 56,948,266	\$ 55,385,321	\$ 0
Capital Improvements:			
State General Fund	\$ 295,000	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	965,000	965,000	0
TOTAL—Cap. Imp.	\$ 1,260,000	\$ 965,000	\$ 0
 GRAND TOTAL	 \$ 58,208,266	 \$ 56,350,321	 \$ 0
 FTE Positions	 710.0	 710.0	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	710.0	710.0	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget authority of \$41,098,467 is requested for FY 2003, a net increase of \$265,366 or 0.6 percent from general use expenditure authority in FY 2002.
- **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year

base pay increases and restoration of the state death and disability insurance assessment. For Fort Hays State University this totals \$304,066.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For FHSU this totals \$8.8 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- Reduction in other funds is associated with current year equipment reserve expenditures.
- **Absent the requested enhancements,** the general use request is a reduction of \$38,700, or 0.1 percent from FY 2002.

- **Restricted Use** funding totals \$15.8 million, an amount unchanged from the revised current year estimate.

- **The Governor's FY 2003 recommendation** for General Use totals \$35,535,522, a decrease of \$1.3 million (3.2 percent) from the current year.
 - **State General Fund** financing of \$29.4 million for the University Operating Grant is a decrease of \$1.3 million (3.9 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$8.8 million in FY 2003 expenditures from the General Fees Fund.

- **Restricted Use** funding totals \$15.8 million as requested by the University.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the following points of pride submitted by Fort Hays State University:
 - a. FHSU enhances the life of the Hays community as a hub for education, athletics, arts, culture and entertainment, and it puts \$124 million a year into the regional economy. Its educational reach this year served 5,698 students on campus, 93 percent of which are Kansans, in addition to 3,733 students being served through the Virtual College with 87 percent residing in Kansas.

- b. According to the *Yahoo Hot 200 Survey* of the most wired campuses, Fort Hays State University has taken the right steps in advancing technology on campus. They were ranked 137 on the list earning 77.53 out of 100 possible points for infrastructure, student resources, web portal, e-learning, technical support and wireless services.
- c. The FHSU Sternberg of Natural Museum of History continues to excel with national traveling exhibits such as the "A.T. rex Named Sue" exhibit which generated 105,713 visitors within a two month period from 103 of the 105 counties in Kansas, from 42 of the 50 states and several foreign countries.
- d. As one of only 14 universities and college colleges accepted as charter participants in an innovative program for accreditation (i.e. Academic Quality Improvement Project), FHSU recently was awarded the prestigious Commitment to Excellence Award for its continuous quality improvements, efforts and accomplishments in regard to the education of its students.
- e. FHSU prides itself on the success of its students. For the second year in a row, a team of financial planning students from FHSU has placed among the top six schools in the American Express Planning Invitational, Minneapolis, Minn., selected to compete in the national finals which FHSU won in 2001.
- f. FHSU has led the way in incorporating computer technology into its curriculum, which is a major factor in the 99-percent placement rate for its graduates - either employed or enrolled in an advanced education program - following graduation.

Budget Committee Report

Agency: Pittsburg State University Bill No. N/A Bill Sec. N/A

Analyst: West Analysis Pg. No. Vol. II - 1465 Budget Page No. 353

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,546,613	\$ 33,546,613	\$ 0
General Fees Fund	11,342,443	11,342,443	0
Other Funds	477,806	477,806	0
Subtotal-General Use	\$ 45,366,862	\$ 45,366,862	\$ 0
Restricted Use Funds	17,340,493	17,340,493	0
TOTAL—Oper. Exp.	\$ 62,707,355	\$ 62,707,355	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Bld. Fund	1,724,675	1,724,675	0
Other Funds	2,806,000	2,806,000	0
TOTAL—Cap. Imp.	\$ 4,530,675	\$ 4,530,675	\$ 0
GRAND TOTAL	\$ 67,238,030	\$ 67,238,030	\$ 0
FTE Positions	796.3	796.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	796.3	796.3	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$101 from FY 2001,
 - State General Fund transfer of \$530,145 for PSU's portion of the SB 345 faculty salary enhancement pool,
 - Equipment Reserve Fund financing of \$477,806 in, which is derived from FY 2001 General Fees Fund savings.

*Senate Ways and Means
3-19-02
Attachment 24*

- **Restricted Use** expenditures for FY 2002 are estimated to total \$17.3 million, an increase of \$292,575.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 796.3 FTE positions, an increase of 2.3 positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor recommends** concurs with current year budget.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Pittsburg State University **Bill No.** N/A **Bill Sec.** N/A

Analyst: West **Analysis Pg. No.** Vol. II - 1465 **Budget Page No.** 353

<u>Expenditure Summary</u>	<u>Agency Est. FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 33,546,613	\$ 33,546,613	\$ 0
General Fees Fund	11,342,443	11,342,443	0
Other Funds	477,806	477,806	0
Subtotal-General Use	\$ 45,366,862	\$ 45,366,862	\$ 0
Restricted Use Funds	17,340,493	17,340,493	0
TOTAL—Oper. Exp.	\$ 62,707,355	\$ 62,707,355	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Bld. Fund	1,724,675	1,724,675	0
Other Funds	2,806,000	2,806,000	0
TOTAL—Cap. Imp.	\$ 4,530,675	\$ 4,530,675	\$ 0
 GRAND TOTAL	 \$ 67,238,030	 \$ 67,238,030	 \$ 0
 FTE Positions	 796.3	 796.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	796.3	796.3	0.0

Agency Est./Governor's Recommendation

- **General Use** expenditures. The institution's revised FY 2002 estimate for general use expenditures reflects no change in overall general use expenditures from the budget approved by the 2000 Legislature. Previously authorized adjustments include:
 - State General Fund reappropriation of \$101 from FY 2001,
 - State General Fund transfer of \$530,145 for PSU's portion of the SB 345 faculty salary enhancement pool,
 - Equipment Reserve Fund financing of \$477,806 in, which is derived from FY 2001 General Fees Fund savings.

- **Restricted Use** expenditures for FY 2002 are estimated to total \$17.3 million, an increase of \$292,575.
 - While subject to appropriation, most restricted use funds are treated as "no limit" appropriations.
 - Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.
- **FTE positions.** The University's current year budget reflects 796.3 FTE positions, an increase of 2.3 positions from the approved budget.
 - Traditionally, the state universities have not been subject to FTE limitations.
- **The Governor recommends** concurs with current year budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Budget Committee Report

Agency: Pittsburg State University

Bill No. 3008

Bill Sec. 44

Analyst: West

Analysis Pg. No. Vol. II - 1465

Budget Page No. 353

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,953,087	\$ 32,224,876	\$ 0
General Fees Fund	11,342,443	11,342,443	0
Other Funds	0	0	0
Subtotal-General Use	\$ 45,295,530	\$ 43,567,319	\$ 0
Restricted Use Funds	17,382,670	17,382,670	0
TOTAL—Oper. Exp.	\$ 62,678,200	\$ 60,949,989	\$ 0
Capital Improvements:			
State General Fund	\$ 1,825,400	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	4,668,000	4,668,000	0
TOTAL—Cap. Imp.	\$ 6,493,400	\$ 4,668,000	\$ 0
 GRAND TOTAL	 \$ 69,171,600	 \$ 65,617,989	 \$ 0
FTE Positions	796.3	796.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	796.3	796.3	0.0

Agency Req./Governor's Recommendation

- **General Use** operating budget of \$45,295,530, a net decrease of \$68,332 or 0.1 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Pittsburg State University this totals \$406,474.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For PSU this totals \$11.3 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- Reduction in other funds is associated with current year equipment reserve expenditures.
- FTE increases are related to enhancement requests discussed below
- **Absent the requested enhancements,** the general use request is a reduction of \$477,806, or 0.9 percent from FY 2002.
- **Restricted Use** funding totals \$17.4 million, an increase of \$42,177 (0.2 percent) from the revised current year estimate.
- **The Governor's FY 2003 recommendation** for General Use totals \$43,567,319, a decrease of \$1.8 million (4.0 percent) from the current year.
 - **State General Fund** financing of \$32.2 million for the University Operating Grant is a decrease of \$1.3 million (3.94 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$11.3 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$17.3 million as requested by the University.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2003.

House Committee Recommendation

The House Committee concurs with the recommendation 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: Pittsburg State University

Bill No. SB 640

Bill Sec.

Analyst: West

Analysis Pg. No. 1465

Budget Page No. 353

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,953,087	\$ 32,224,876	\$ 0
General Fees Fund	11,342,443	11,342,443	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-General Use	\$ 45,295,530	\$ 43,567,319	\$ 0
Restricted Use Funds	<u>17,382,670</u>	<u>17,382,670</u>	<u>0</u>
TOTAL—Oper. Exp.	<u>\$ 62,678,200</u>	<u>\$ 60,949,989</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 1,825,400	\$ 0	\$ 0
Educational Bld. Fund	0	0	0
Other Funds	<u>4,668,000</u>	<u>4,668,000</u>	<u>0</u>
TOTAL—Cap. Imp.	<u>\$ 6,493,400</u>	<u>\$ 4,668,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 69,171,600	 \$ 65,617,989	 \$ 0
FTE Positions	796.3	796.3	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>796.3</u>	<u>796.3</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

- **General Use** operating budget of \$45,295,530, a net decrease of \$68,332 or 0.1 percent from general use expenditure authority in FY 2002.
 - **University Operating Grants.** State university budget requests for FY 2003 reflect the decision by the Board of Regents to request funding for a 4.5 percent increase in the University Operating Grant through the Board's budget. The Board would then be responsible for allocating any increases to the individual institutions. Individual universities have included only those additional State General Fund dollars necessary to annualize current year base pay increases and restoration of the state death and disability insurance assessment. For Pittsburg State University this totals \$406,474.

- **General Fees Fund.** For FY 2003 state universities were instructed to assume no change in General Fee Fund expenditures from the current year. For PSU this totals \$11.3 million. The Board of Regents have deferred setting fall 2002 tuition rates until the spring of 2002.
- Reduction in other funds is associated with current year equipment reserve expenditures.
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- **The Governor's FY 2003 recommendation** for General Use totals \$43,567,319, a decrease of \$1.8 million (4.0 percent) from the current year.
 - **State General Fund** financing of \$32.2 million for the University Operating Grant is a decrease of \$1.3 million (3.94 percent) from the current year.
 - The Governor recommends no increase in the University Operating grant for salary annualization or the cost of increased fringe benefit assessments.
 - **General Fees Fund.** The Governor concurs with the University's estimate of \$11.3 million in FY 2003 expenditures from the General Fees Fund.
- **Restricted Use** funding totals \$17.3 million as requested by the University.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the following points of pride submitted by Pittsburg State University:
 - a. Enrollment for Fall 2001 and Spring 2002 place the university at an all time high in both headcount (FTE) and credit hour production.
 - b. The university has earned appropriate institutional accreditations and enjoys full accreditation status in key programs in all 4 colleges - Arts & Sciences, Education, Business, and Technology.
 - c. The move in to the newly renovated and historic administration building, Russ Hall, is completed thanks to the funding from the Crumbling Classrooms Initiative.

- d. The university continues to enjoy numerous accomplishments by students, faculty, staff and alumni and tremendous support from the citizens of SEK and the State of Kansas.