

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on February 17, 2003, in Room 514-S of the Capitol.

All members were present except: Representative Bethell, Excused  
Representative Huebert, Excused  
Representative Pottorff, Excused

Committee staff present: Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Paul West, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Analyst

Conferees appearing before the committee:

Others attending: See Attached

**HB 2273** and **HB 2383** were referred to the Social Services Budget Committee; **HB 2387** was referred to the Agriculture and Natural Resources Budget Committee; **HB 2333** was referred to the Education Budget Committee; and **HB 2355** was referred to General Government and Commerce.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Postsecondary Education Systemwide for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with recommendations (Attachment 1). Motion was seconded by Representative Nichols. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Postsecondary Education Systemwide for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 with recommendations (Attachment 1). Motion was seconded by Representative McLeland.

Representative Landwehr moved to amend by adding the following addition to Item 9, "The budget committee notes the possible impact of changes in Social Rehabilitation Services policies of reimbursing costs associated with graduate medical education on residency training in community hospitals. There is also concern of the program credibility. The impact will especially affect funding of KU residents in Wichita because these residencies occur in large part in community hospitals. These residents serve many of our underserved areas. The majority of them continue to serve Kansas and bring their families to live here". Motion was seconded by Representative Ballard. Motion carried.

Representative Nichols moved to amend Item 6 by striking the phrase "consider the Kansas Catholic Conference's white paper." The motion was seconded by Representative Feuerborn. Motion carried.

Representative Shultz renewed his motion to adopt the Budget Committee recommendations for FY 2004 with recommendations as amended (Attachment 1). The motion was seconded by Representative McLeland. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Board of Regents for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with recommendations (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Board of Regents for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 1). Motion was

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on February 17, 2003,  
in Room 514-S of the Capitol.

seconded by Representative Shultz. Motion carried.

Representative Newton, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the University of Kansas for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Newton, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the University of Kansas for FY 2004 and moved for the adoption of the Budget Committee recommendations with observations for FY 2004 (Attachment 1). Motion was seconded by Representative McLeland. Motion carried.

Representative Newton, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the University of Kansas Medical Center for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative Nichols. Motion carried.

Representative Newton, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the University of Kansas Medical Center for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 1). Motion was seconded by Representative Nichols. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State University for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State University for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State University Veterinary Medical Center for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative McLeland. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State University Veterinary Medical Center for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 1). Motion was seconded by Representative McLeland. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State University-Extension Services and Agriculture Research Programs for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative McLeland. Motion carried.

Representative Nichols, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas State University-Extension Services and Agriculture Research Programs for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 1). Motion was seconded by Representative McLeland. Motion carried.

Representative McLeland, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Wichita State University for FY 2003 and moved for

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on February 17, 2003,  
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the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative McLeland, Member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Wichita State University for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 1). Motion was seconded by Representative Nichols. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Emporia State University for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative Newton. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Emporia State University for FY 2004 and moved for the adoption of the Budget Committee recommendations with observations for FY 2004 (Attachment 1). Motion was seconded by Representative Newton. Motion carried.

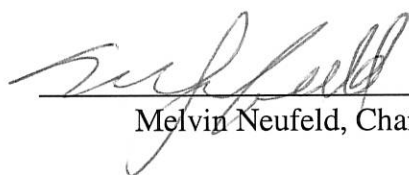
Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Fort Hays State University for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative McLeland. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Fort Hays State University for FY 2004 and moved for the adoption of the Budget Committee recommendations with observations for FY 2004 (Attachment 1). Motion was seconded by Representative Newton. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Pittsburg State University for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 1). Motion was seconded by Representative Nichols. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Pittsburg State University for FY 2004 and moved for the adoption of the Budget Committee recommendations with observations for FY 2004 (Attachment 1). Motion was seconded by Representative Nichols. Motion carried.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for February 18, 2003.

  
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Melvin Neufeld, Chair



FY 2003 and FY 2004

HOUSE EDUCATION BUDGET COMMITTEE

Postsecondary Education Systemwide  
Board of Regents  
University of Kansas  
Kansas University Medical Center  
Kansas State University  
KSU Vet Med  
KSU ESARP  
Wichita State University  
Emporia State University  
Fort Hays State University  
Pittsburg State University



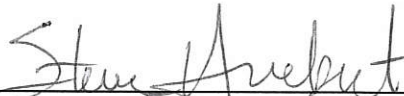
Representative Clark Shultz, Chair



Representative Kathe Decker



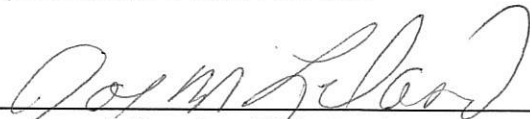
Representative Bob Grant



Representative Steve Huebert



Representative Carl Krehbiel



Representative Joe McLeland



Representative Dean Newton



Representative Rocky Nichols



Representative Bill Reardon

HOUSE APPROPRIATIONS

DATE 2-17-03

ATTACHMENT 1

## Budget Committee Report

**Agency:** Postsecondary Ed. Systemwide **Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 952

**Budget Page No.** NA

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Budget Committee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,239,688,145	\$ 1,217,121,642	\$ 0
Aid to Local Units	139,366,590	134,412,162	0
Other Assistance	245,112,181	244,550,057	0
Subtotal – Operating	<u>\$ 1,624,166,916</u>	<u>\$ 1,596,083,861</u>	<u>\$ 0</u>
Capital Improvements	67,917,698	67,917,698	0
TOTAL REPORT. EXP.	<u>\$ 1,692,084,614</u>	<u>\$ 1,664,001,559</u>	<u>\$ 0</u>
Non-expense Items	13,413,056	13,416,056	0
TOTAL EXPENDITURES	<u><u>\$ 1,705,497,670</u></u>	<u><u>\$ 1,677,414,615</u></u>	<u><u>\$ 0</u></u>
<b>State General Funds:</b>			
State Operations	\$ 561,061,422	\$ 538,494,919	\$ 0
Aid to Local Units	116,981,535	112,027,107	0
Other Assistance	21,132,244	20,570,120	0
Subtotal – Operating	<u>\$ 699,175,201</u>	<u>\$ 671,092,146</u>	<u>\$ 0</u>
Capital Improvements	189,446	189,446	0
TOTAL REPORT. EXP.	<u>\$ 699,364,647</u>	<u>\$ 671,281,592</u>	<u>\$ 0</u>
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u><u>\$ 699,364,647</u></u>	<u><u>\$ 671,281,592</u></u>	<u><u>\$ 0</u></u>
FTE Positions	15,253.8	15,253.8	0.0
Non FTE Uncl. Perm. Pos.	532.7	532.7	0.0
TOTAL	<u><u>15,786.5</u></u>	<u><u>15,786.5</u></u>	<u><u>0.0</u></u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The Board of Regents and the State Universities estimate FY 2003 State General Fund expenditures will total \$699.2 million, which reflects the approved budget prior to the second State General Fund allotment plus a requested supplemental appropriation in the Board Office of \$382,395. **The Governor's** recommendation of \$671.1 million reflects the approved budget less the lapse of \$345,000 approved by the 2002 Legislature for startup costs of Kan-Ed. The Governor does not recommend funding of the requested supplemental appropriation.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund at the State Universities of \$251.7 million is an increase of \$37.9 million from the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board

of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the Universities' estimate.

**Other Funds.** The Board of Regents and the State Universities estimate FY 2003 expenditures from other funding sources will total \$673.3 million which is an increase of \$72.2 million from the budget initially approved by the 2002 Legislature. The increase is attributable to increased federal grants and State University restricted use funding. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs.

**FTE Positions.** The Board of Regents and the State Universities include 15,253.8 FTE positions in the current year budget, a decrease of 551.9 FTE positions from the budget initially approved by the 2002 Legislature. The majority of the decrease appears to be associated with a refinement in the definition of Non FTE Permanent Unclassified Positions.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations, with the following recommendations:

1. The Budget Committee notes that the 2002 Legislature added a proviso which prohibits state agencies from shifting any salary savings to other portions of the agency budget. Since that time, there have been two allotments imposed on the majority of state agencies. These allotments have created significant pressures on state agencies in maintaining service delivery to their consumers. While at the time of its adoption this proviso seemed like a good idea, the Budget Committee questions the wisdom of retaining this proviso in light of the additional budgetary reductions since its adoption and need for agency managers to plan for at least 16 more months of challenges. The Budget Committee recommends that the rationale for the proviso be re-evaluated at Omnibus.
2. Another proviso adopted by the 2002 Legislature restricted State General Fund purchases of computer equipment to items from the Division of Purchases state contracts list. Some of the Budget Committee members have been informed that the practical result of this proviso is that the State Universities been prevented from taking advantage of prices on equivalent equipment offered by local businesses which are lower than the state contract price.
3. The Budget Committee notes that tuition increases for the current year were adopted by the Board of Regents subsequent to the adjournment of the 2002 Legislature. As a result of these increases, as well as increasing enrollment and changes in the mix of the student body, General Fees Fund expenditures at the State Universities are estimated to be \$37.9 million above the estimates utilized last year. The attached table compares current year State General Fund adjustments to increased General Fees Fund expenditures.

4-1

## SELECTED POSTSECONDARY EDUCATION BUDGET ADJUSTMENTS FY 2003

Institution	Out of State Travel Reduction	Faculty of Distinction Transfers	August Allotment (0.75%)	November Allotment (3.9%)	Total State General Fund Adjustments	General Fees Fund Increase*	Net Adjustments
University of Kansas	\$ (144,538)	\$ 179,762	\$ (1,033,056)	\$ (5,340,655)	\$ (6,338,487)	\$ 15,970,775	\$ 9,632,289
Univ. of Kansas Med. Ctr.	(42,452)	57,748	(782,674)	(4,051,933)	(4,819,311)	1,773,516	(3,045,795)
Kansas State Univ.	(176,274)	78,984	(796,458)	(4,116,759)	(5,010,507)	12,536,171	7,525,664
KSU Veterinary Medical	(9,140)	13,595	(75,032)	(388,460)	(459,037)	1,089,094	630,057
KSU - ESARP	(61,071)	0	(365,824)	(1,893,331)	(2,320,226)	0	(2,320,226)
Wichita State Univ.	(200)	38,164	(493,404)	(2,555,345)	(3,010,785)	2,604,103	(406,682)
Emporia State Univ.	(45,271)	13,160	(230,234)	(1,190,797)	(1,453,142)	1,081,607	(371,535)
Fort Hays State Univ.	(65,335)	2,380	(237,844)	(1,229,871)	(1,530,670)	800,261	(730,409)
Pittsburg State Univ.	(24,301)	0	(250,409)	(1,297,099)	(1,571,809)	2,023,614	451,805
<b>Subtotal - State Univ.</b>	<b>\$ (568,582)</b>	<b>\$ 383,793</b>	<b>\$ (4,264,935)</b>	<b>\$ (22,064,250)</b>	<b>\$ (26,513,974)</b>	<b>\$ 37,879,141</b>	<b>\$ 11,365,168</b>
Community Colleges**	NA	4,800	(640,658)	(3,310,341)	(3,946,199)	Not Available	(3,946,199)
Washburn University	NA	28,658	(79,837)	(411,741)	(462,920)	Not Available	(462,920)
Technical Education Aid	NA	0	(62,260)	(796,710)	(858,970)	Not Available	(858,970)
<b>TOTAL</b>	<b>\$ (568,582)</b>	<b>\$ 415,251</b>	<b>\$ (5,047,690)</b>	<b>\$ (26,583,042)</b>	<b>\$ (31,782,063)</b>	<b>\$ 37,879,141</b>	<b>\$ 6,097,079</b>

\* In addition to tuition rate increases the amounts listed reflect adjustments due to enrollment increases, changes in the student mix, and changes in student classloads.

\*\* The Community Colleges also incur a loss of an estimated \$2.1 million due to the reduction in transfers from the Local Ad Valorem Tax Reduction Fund.

4-1



## Budget Committee Report

**Agency:** Postsecondary Ed. Systemwide **Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 952

**Budget Page No.** NA

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 1,297,507,090	\$ 1,215,374,302	\$ 0
Aid to Local Units	183,357,626	133,212,795	0
Other Assistance	246,387,188	244,536,344	0
Subtotal – Operating	\$ 1,727,251,904	\$ 1,593,123,441	\$ 0
Capital Improvements	82,544,366	53,613,490	0
<b>TOTAL REPORT. EXP.</b>	<b>\$ 1,809,796,270</b>	<b>\$ 1,646,736,931</b>	<b>\$ 0</b>
Non-expense Items	12,733,854	12,733,854	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,822,530,124</b>	<b>\$ 1,659,470,785</b>	<b>\$ 0</b>
<b>State General Funds:</b>			
State Operations	\$ 618,825,347	\$ 537,718,237	\$ 0
Aid to Local Units	162,155,399	107,833,095	0
Other Assistance	23,018,240	20,410,738	0
Subtotal – Operating	\$ 803,998,986	\$ 665,962,070	\$ 0
Capital Improvements	20,860,312	189,446	0
<b>TOTAL REPORT. EXP.</b>	<b>\$ 824,859,598</b>	<b>\$ 666,151,516</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 824,859,598</b>	<b>\$ 666,151,516</b>	<b>\$ 0</b>
FTE Positions	15,261.8	15,253.8	0.0
Non FTE Uncl. Perm. Pos.	532.7	532.7	0.0
<b>TOTAL</b>	<b>15,794.5</b>	<b>15,786.5</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** Requested FY 2004 State General Fund operating expenditures for postsecondary education total \$804.0 million, an increase of \$104.8 million (15.0 percent) compared to the current year. State University Operating Grants of \$561.1 million reflect the current year estimate adjusted for reappropriations and Faculty of distinction monies. The requested increase is in the budget for the Board of regents. Major increases requested include: third year funding for SB 345 (\$62.6 million); a 6.0 percent university operating grant increase, servicing new buildings and an alternative teacher certification program (\$36.4 million); increases for technical schools and colleges (\$4.3 million); increased funding for the Comprehensive Grant program (\$1.0 million), funding to offset declining repayment funds in the Medical Student Loan program (\$0.9 million); general support for the Board's operations (\$0.5 million and 8.0 FTE); full funding for the state match

for Adult Basic Education (\$0.4 million); an expansion in the number and value of Distinguished Professor stipends (\$0.2 million), and funding to support salary and operating increases for Board personnel (\$0.2 million). **The Governor** recommends \$665.9 million from the State General Fund in FY 2004, a reduction of \$5.1 million (0.8 percent) from the current year. The majority of the reduction is due to a shift to the EDIF from the State General Fund (\$4.2 million) in technical education support. Absent this shift, the Governor's recommendation would be a reduction in State General Fund financing from the current year of \$0.9 million (0.1 percent).

**Tuition.** The Universities estimate that expenditures from the General Fees Funds will total \$250.7 million in FY 2004, a decrease of \$1.0 million from the current year. The estimate assumes no increase in tuition rates. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

**Other Funds.** Expenditures from other funds in FY 2004 at the State Universities and the Board of Regents are estimated to total \$672.6 million, a net decrease of \$0.7 million (0.1 percent) from the current year. **The Governor** recommends FY 2004 expenditures from other funds of \$676.5 million, an increase of \$3.1 million (0.5 percent) from the current year. Major changes from the requested amounts include the addition of \$4.2 million from the **EDIF** to offset State General Fund expenditures for Postsecondary Vocational Education Aid and the elimination of \$1.0 million previously allocated to KUMC from the **Children's Initiatives Fund** for Pediatric Biomedical Research.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendations, with the following recommendations:

1. The Budget Committee notes that one of the few discretionary budget areas to receive an increase in FY 2004 under the Governor's recommendations is the Comprehensive Grant Program. This program provides financial aid to needy residents attending the public and private universities in the state. The addition of \$750,000 from the EDIF provides this program with a net increase of \$633,244 from the current year. The Budget Committee understands that by agreement new program funding in prior years has been allocated 57 percent to State Universities, 38 percent to private institutions and 5 percent to Washburn University. The Budget Committee has been informed that this allocation method not has been reviewed in recent years and that representatives of the various sectors are meeting with the Board of Regents to review this allocation method. The Budget Committee recommends that the Board report to the Budget Committee on the allocations of new program monies by Omnibus.
2. The Budget Committee commends WSU, PSU and KU for their efforts in establishing alternative teacher certification programs which help address the need for teachers by providing teacher training to people who have degrees in areas besides teaching. These schools established their programs without additional state financial support, relying on grants and reallocation of internal resources. The Board of Regents has requested \$900,000 in FY 2004 to establish alternative teacher certification programs at FHSU and ESU and to expand the PSU program. In light of the growing need for teachers, the Budget Committee recommends that the Regents request be considered at Omnibus.

3. Last session the aviation industry proposed a \$20.0 million five year effort to enhance aviation research at WSU. The 2002 Legislature provided the first installment of this initiative by approving bonding authority of \$13.0 million for improved research facilities and equipment at WSU. For FY 2004 the industry requests the state continue its commitment to the initiative through the investment of \$1.0 million for aviation research. Testimony to the Budget Committee indicates that based on historical averages the state investment would be leveraged by an additional \$5.0 million from industry and federal resources. The Budget Committee recommends that funding for this initiative be considered at Omnibus.
4. The WSU aviation research initiative is a portion of a major expansion of the research capabilities of that school, KSU, KU and KU Medical Center that was approved by the 2002 Legislature. The legislation that authorized the initiative created a corporation under the direction of the Legislature and the Board to implement the program elements. The Budget Committee understands that \$85.0 million of the \$120.0 million in bonds authorized by the initiative have recently been issued and that design review for the projects have indicated the possibility of some efficiencies and cost savings in program elements. The Budget Committee recommends that the Corporation remain engaged with the Legislature as future decisions are made regarding any redirection of savings and the issuance of additional bonds.

The Budget Committee also wishes to send the message that the legislative intent of 2002 HB 2690 was to have a strong partnership between the Legislature and the Corporation that is in charge of the research and development projects. The Kansas legislature created a separate Corporation to oversee the planning, building and financing these research facilities for a reason. That reason was to make it clear that the legislative intent was to have the Corporation be the lead entity in making the decisions on planning, building and financing these three new research facilities. That Legislative intent has already proved fruitful, as Mr Clay Blair, Chairman of the Corporation, reported to the House Appropriations Committee that the Corporation asked for, and received, an additional tenth of a percentage point difference of the bond interest rates, saved over a million dollars in architect's fees on the Kansas State Project and saved \$270,000 in engineer's fees just by questioning the basis for the estimates.

5. The Budget Committee notes that even though the resources are unavailable for third year funding for the Higher Education Coordination Act (1999 SB 345), current law provides that out-district tuition payments to community colleges and Washburn University would continue to be phased out in FY 2004. Legislation passed last session deferred the reduction for one year in the hope that funding would be available this session to continue implementation of the Higher Education Coordination Act . As there does not appear to be the resources available in FY 2004 to fund the third year of the Act, the Budget Committee recommends the introduction of legislation which would defer the phased elimination of out-district for an additional year (HB 2343).
6. The Budget Committee received testimony which questioned the level of resources committed by KSU-ESARP to sustainable agriculture initiatives. The

Budget Committee also was informed that the Kansas Catholic Conference has recently issued a white paper calling for an increased commitment to sustainable agriculture. The Budget Committee understands that KSU-ESARP is currently in the process of developing their five year research plan. The Budget Committee recommends that KSU-ESARP meet with those parties interested in sustainable agriculture, consider the Kansas Catholic Conference's white paper, and report back to the Budget Committee on the opportunities for inclusion of sustainable agriculture in future research activities, and their five year plan.

7. The Budget Committee heard testimony from the technical college association outlining the difficulties the institutions are having meeting business and training needs. The funding for technical colleges has not kept pace with inflation. The capital outlay budget is the primary source of funding for new equipment. Sixteen institutions compete to divide only 2.6 million.

The Budget Committee is concerned the post secondary aid, capital outlay formula, and clock hour system are insufficient to fulfill the institutions' mission to meet the training and employment needs of a 21<sup>st</sup> century workforce.

The Budget Committee directions KBOR to review and analyze the current technical education funding system and report back to the Committee on the progress made by the board by March 19. The analysis should include:

- Needs and unmet needs of students and business, including program waiting lists;
  - Barriers to developing training programs;
  - Barriers to expanding programs in high need areas;
  - Calculation of the actual cost of programs;
  - What portion of actual cost is covered by post secondary aid;
  - Identification of barriers within the funding formula to efficient delivery of educational services; and
  - Impact of using clock hours for reimbursement on institutional operations.
8. The Budget Committee notes the lack of a recommendation by the Governor to continue the \$1.0 million from the Children's Initiatives Fund for pediatric biomedical research at KUMC. The Budget Committee recommends that funding for this item be considered at Omnibus.
  9. The Budget Committee notes that the amounts recommended for the Kansas Medical Loan program will be insufficient to allow any new scholarships in the upcoming year. Traditionally, the program has funded about 120 medical students at any given time: 30 students in each of four classes. This program helps secure physicians for medically underserved areas of Kansas. The Budget Committee has been informed that \$850,000 from the State General Fund would provide the 30 scholarships for the next year. The Budget Committee recommends that funding for this item be considered at Omnibus.
  10. The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant still leaves the State Universities with many

challenges to face in the coming year. The Board estimates that it will require an additional \$35.0 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of State University funding shortfalls.

11. The Budget Committee learned that a report was presented to the Board of Regents by the Council of Business Officers has identified several areas of reform which would permit the State Universities to markedly increase their efficiencies by eliminating onerous regulations. The report identified five areas of reforms, as follows:

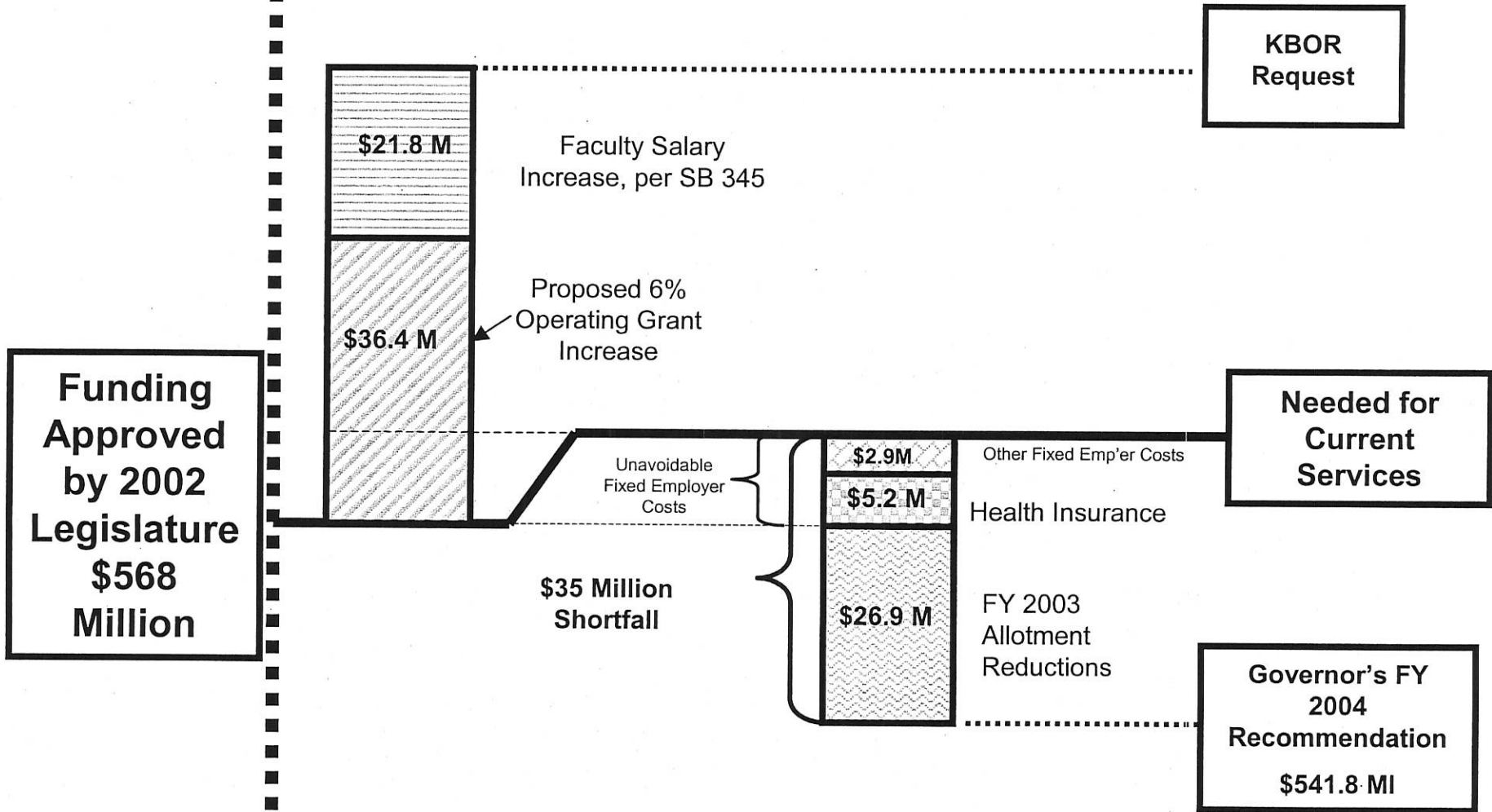
- **Purchasing.** Manage all purchasing and contracting activities at the campus level;
- **Financial Management.** Deposit, invest and administer all funds locally, and administer all accounts payable locally;
- **Facilities Management and Architectural Services.** Redefine policies to exclude unnecessary fee assessments;
- **Printing.** Permit optional use of the State Printer; and
- **Surplus Property.** Permit exemption from labor-intensive regulations for the disposition of surplus property.

The Budget Committee understands the Board is considering the introduction of legislation to implement some or all of these reforms. While the Budget Committee can not endorse all of these changes at this time, the Budget Committee is looking forward to exploring these issues and all of their ramifications in greater depth in the future.

FY2003

FY2004

# State Universities' Budget Needs



## Budget Committee Report

**Agency:** Kansas Board of Regents

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 966

**Budget Page No.** 339

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 16,093,687	\$ 15,591,434	\$ 0
Aid to Local Units	137,831,053	132,876,625	0
Other Assistance	16,196,731	15,634,607	0
Subtotal – Operating	\$ 170,121,471	\$ 164,102,666	\$ 0
Capital Improvements	9,360,000	9,360,000	0
TOTAL REPORT. EXP.	\$ 179,481,471	\$ 173,462,666	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 179,481,471</u>	<u>\$ 173,462,666</u>	<u>\$ 0</u>
<b>State General Funds:</b>			
State Operations	\$ 4,193,114	\$ 3,690,861	\$ 0
Aid to Local Units	116,981,535	112,027,107	0
Other Assistance	14,354,858	13,792,734	0
Subtotal – Operating	\$ 135,529,507	\$ 129,510,702	\$ 0
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	\$ 135,529,507	\$ 129,510,702	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 135,529,507</u>	<u>\$ 129,510,702</u>	<u>\$ 0</u>
FTE Positions	54.0	54.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>55.0</u>	<u>55.0</u>	<u>0.0</u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The Board estimates FY 2003 State General Fund expenditures will total \$135.5 million, which reflects the approved budget prior to the second State General Fund allotment plus a requested State General Fund supplemental appropriation of \$382,895. **The Governor's** recommendation of \$129.5 million reflects the approved budget less the lapse of the \$345,000 approved by the 2002 Legislature for Kan-Ed start up costs.

**Supplemental Request.** The Board requests a additional \$382,895 from the State General Fund. The request includes \$7,500 for increased dues for the state's participation in the Midwest Higher Education Commission and \$375,395 to match increased federal funding for Adult Basic Education. **The Governor** does not recommend the requested State General Fund appropriation.

**Other Funds.** The Board estimates that expenditures from other funding sources in FY 2003 will total \$34.6 million, an increase of \$1.5 million from the budget initially approved by the 2002 Legislature. The increase is primarily associated with increased federal fund availability. **The Governor** concurs with the Board's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.



## Budget Committee Report

**Agency:** Board of Regents

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 966

**Budget Page No.** 339

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 78,608,031	\$ 19,146,824	\$ 0
Aid to Local Units	181,929,054	131,784,223	0
Other Assistance	20,249,491	16,231,883	0
Subtotal – Operating	\$ 280,786,576	\$ 167,162,930	\$ 0
Capital Improvements	27,805,000	19,805,000	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 308,591,576</b>	<b>\$ 186,967,930</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 308,591,576</b>	<b>\$ 186,967,930</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 62,354,708	\$ 2,914,179	\$ 0
Aid to Local Units	162,155,399	107,833,095	0
Other Assistance	18,407,618	13,633,352	0
Subtotal – Operating	\$ 242,917,725	\$ 124,380,626	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 242,917,725</b>	<b>\$ 124,380,626</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 242,917,725</b>	<b>\$ 124,380,626</b>	<b>\$ 0</b>
FTE Positions	62.0	54.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
<b>TOTAL</b>	<b>63.0</b>	<b>55.0</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

**State General Fund.** The Board requests \$242.9 million from the State General Fund in FY 2004, an increase of \$107.4 million (79.2 percent) from the current year. Major increases include requests for SB 345 funding (\$62.6 million); a 6% university operating grant increase, servicing new buildings and an alternative teacher certification program (\$36.4 million); increases for technical schools and colleges (\$4.3 million); increased funding for the Comprehensive Grant program (\$1.0 million), funding to offset declining repayment funds in the Medical Student Loan program (\$0.9 million); general support for the Board's operations (\$0.5 million and 8.0 FTE); full funding for the state match for Adult Basic Education (\$0.4 million); an expansion in the number and value of Distinguished Professor stipends (\$0.2 million), and funding to support salary and operating increases for Board personnel (\$0.2 million). **The Governor** recommends \$124.4 million from the State General Fund in FY 2004, a reduction of \$5.1 million (4.0 percent) from the current year. The majority of the reduction is due to a shift to the EDIF from the State General Fund (\$4.2 million) in

technical education support. Absent this shift, the Governor's recommendation would be a reduction in State General Fund financing from the current year of \$0.9 million (0.7 percent).

**EDIF.** The Board requests \$9.1 million from the EDIF in FY 2004, a reduction of \$5,658 from the current year. The reduction is due to inclusion in the current year of reappropriations from FY 2002. The Governor recommends FY 2004 financing from the EDIF of \$14.1 million, a net increase of \$4.9 million from the current year. **The Governor** recommends a shift to the EDIF from the State General Fund of \$4.2 million in technical education support and adds \$750,000 from the EDIF for the Comprehensive Grant program. Net other changes decrease overall expenditures by \$8,500.

**Kan-Ed Fund.** As authorized by 2002 Sub for SB 614, the Board requests \$10.0 million from the Kan-Ed Fund for continued implementation of the Kan-Ed Network in FY 2004. **The Governor** concurs.

**Other Funds.** The Board requests \$18.7 million from other funding sources in FY 2004, a reduction of \$1.7 million from the current year. The reduction is primarily associated with decreased federal funding and a reduction in debt service interest payments financed by the Educational Building Fund. **The Governor** recommends \$18.7 million from other funding sources in FY 2004, a slight reduction from the Board's request.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** University of Kansas

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 986

**Budget Page No.** 433

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 339,750,707	\$ 334,410,052	\$ 0
Aid to Local Units	0	0	0
Other Assistance	94,000,000	94,000,000	0
Subtotal – Operating	\$ 433,750,707	\$ 428,410,052	\$ 0
Capital Improvements	16,123,763	16,123,763	0
TOTAL REPORT. EXP.	\$ 449,874,470	\$ 444,533,815	\$ 0
Non-expense Items	1,529,666	1,529,666	0
TOTAL EXPENDITURES	<u>\$ 451,404,136</u>	<u>\$ 446,063,481</u>	<u>\$ 0</u>
<b>State General Funds:</b>			
State Operations	\$ 136,563,239	\$ 131,222,584	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 136,563,239	\$ 131,222,584	\$ 0
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	\$ 136,563,239	\$ 131,222,584	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 136,563,239</u>	<u>\$ 131,222,584</u>	<u>\$ 0</u>
FTE Positions	4,180.3	4,180.3	0.0
Non FTE Uncl. Perm. Pos.	392.3	392.3	0.0
TOTAL	<u>4,572.6</u>	<u>4,572.6</u>	<u>0.0</u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$136.6 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$131.2 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$104.9 million reflects an increase of \$16.0 million the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$192.3 million reflects an decrease of \$5.1 million the budget initially approved by the 2002 Legislature. The reduction is primarily associated with revised estimates of restricted use fund expenditures. While

subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a reduction of 306.2 FTE positions from the number approved by the 2002 Legislature. The decrease is offset by an increase in Non-FTE Unclassified Permanent positions of 392.2, for a net increase of 86.0 positions. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## House Budget Report

**Agency:** University of Kansas

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 986

**Budget Page No.** 433

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 338,605,207	\$ 333,437,966	\$ 0
Aid to Local Units	0	0	0
Other Assistance	94,000,000	94,000,000	0
Subtotal—Operating	\$ 432,605,207	\$ 427,437,966	\$ 0
Capital Improvements	12,463,414	8,335,414	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 445,068,621</b>	<b>\$ 435,773,380</b>	<b>\$ 0</b>
Non-expense Items	1,529,666	1,529,666	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 446,598,287</b>	<b>\$ 437,303,046</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 136,384,825	\$ 131,222,584	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 136,384,825	\$ 131,222,584	\$ 0
Capital Improvements	4,128,000	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 140,512,825</b>	<b>\$ 131,222,584</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 140,512,825</b>	<b>\$ 131,222,584</b>	<b>\$ 0</b>
FTE Positions	4,180.3	4,180.3	0.0
Non FTE Uncl. Perm. Pos.	392.3	392.3	0.0
<b>TOTAL</b>	<b>4,572.6</b>	<b>4,572.6</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** The University requests \$136.4 million from the State General Fund in FY 2004, a decrease of \$178,414 (0.1 percent) from the current year estimate. The decrease is attributable to a FY 2003 Faculty of Distinction program monies which are not reflected in the FY 2004 budget. **The Governor** recommends \$131.2 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$104.2 million in FY 2004, a decrease of \$0.6 million from the current year. The estimate assumes stable enrollment and no increase in tuition rates. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. The decrease in expenditures from FY 2003 is attributable to

a reduction in available cash balances in the fund. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$192.0 million, a decrease of \$0.3 million (0.2 percent) from the current year. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations, with the following observations:

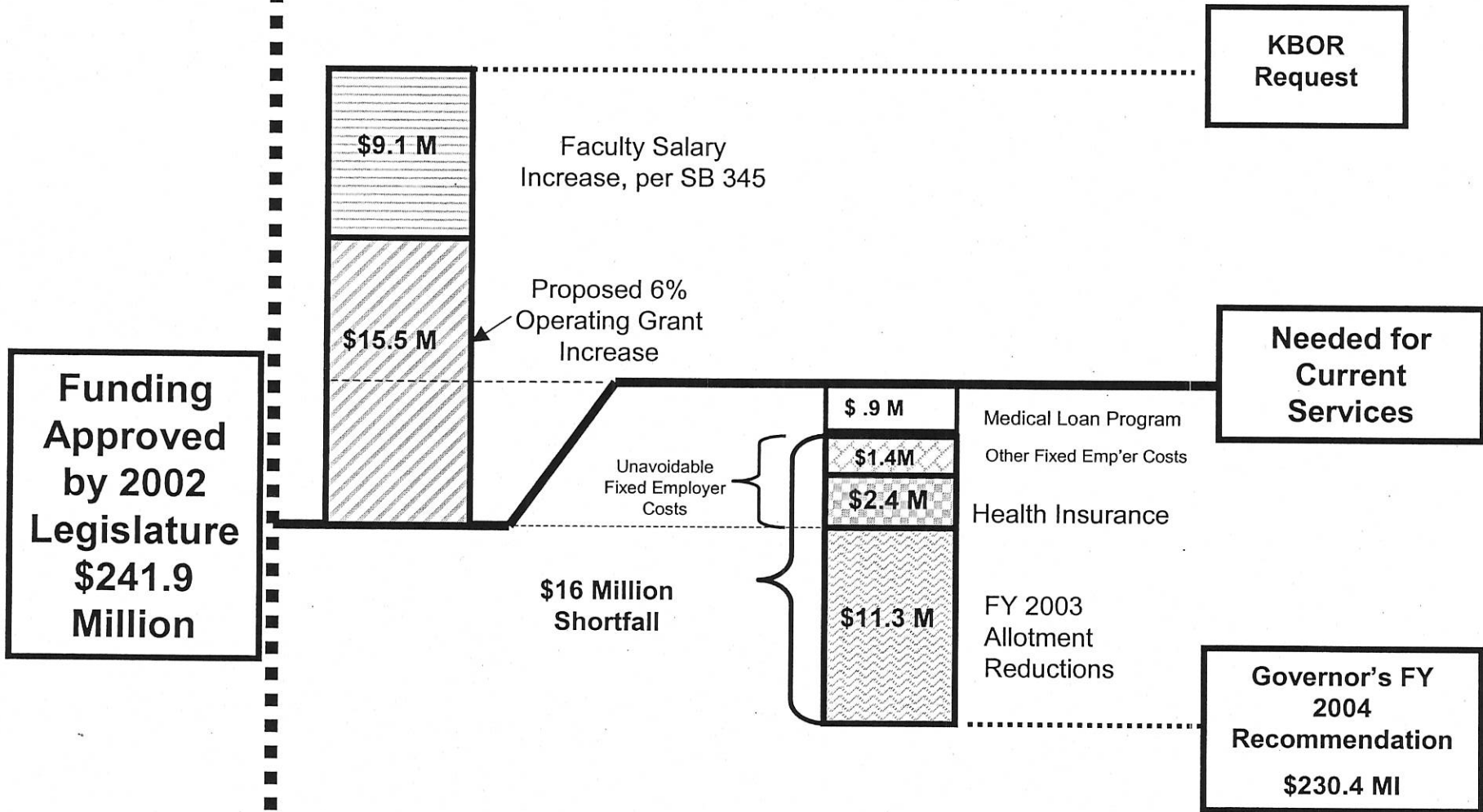
- The Budget Committee notes that the University continues to strive for excellence even in these difficult times. The Budget Committee wishes to congratulate the University on the following signs of success:
  - KU received \$243.0 million in grants to support research. This figure has nearly doubled since 1995, and KU's rate of increase is among the highest in the nation;
  - In the past year, KU graduates have received a Rhodes scholarship, a Marshall scholarship and the Noble prize for economics.
- The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant the recommendation still leaves the University of Kansas with many challenges to face in the coming year. The Board estimates that it will require an additional \$16.0 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of the University's funding shortfalls.

FY2003

FY2004

# University of Kansas Budget Needs

KU Lawrence and KUMC



## Budget Committee Report

**Agency:** Univ. of Kansas Medical Center **Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 998

**Budget Page No.** 435

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 201,350,176	\$ 197,298,243	\$ 0
Aid to Local Units	0	0	0
Other Assistance	7,743,928	7,743,928	0
Subtotal – Operating	\$ 209,094,104	\$ 205,042,171	\$ 0
Capital Improvements	7,787,335	7,787,335	0
TOTAL REPORT. EXP.	\$ 216,880,739	\$ 212,829,506	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 216,881,439</u>	<u>\$ 212,829,506</u>	<u>\$ 0</u>
<b>State General Funds:</b>			
State Operations	\$ 97,214,467	\$ 93,162,534	\$ 0
Aid to Local Units	0	0	0
Other Assistance	6,316,878	6,316,878	0
Subtotal – Operating	\$ 103,531,345	\$ 99,479,412	\$ 0
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	\$ 103,531,345	\$ 99,479,412	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 103,531,345</u>	<u>\$ 99,479,412</u>	<u>\$ 0</u>
FTE Positions	2,238.8	2,238.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2,283.8</u>	<u>2,283.8</u>	<u>0.0</u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$103.5 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$99.5 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$12.7 million reflects an increase of \$1.8 million the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$92.9 million reflects an increase of \$7.2 million the budget initially approved by the 2002 Legislature. The increase is primarily associated with revised estimates of restricted use fund expenditures. While



subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a reduction of 68.5 FTE positions from the number approved by the 2002 Legislature. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Univ. of Kansas Medical Ctr.

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 998

**Budget Page No.** 435

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 201,350,638	\$ 196,358,479	\$ 0
Aid to Local Units	0	0	0
Other Assistance	4,973,041	7,139,805	0
Subtotal – Operating	\$ 206,323,679	\$ 203,498,284	\$ 0
Capital Improvements	18,446,112	3,912,000	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 224,769,791</b>	<b>\$ 207,410,284</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 224,769,791</b>	<b>\$ 207,410,284</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 97,154,693	\$ 93,162,534	\$ 0
Aid to Local Units	0	0	0
Other Assistance	4,150,114	6,316,878	0
Subtotal – Operating	\$ 101,304,807	\$ 99,479,412	\$ 0
Capital Improvements	14,534,112	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 115,838,919</b>	<b>\$ 99,479,412</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 115,838,919</b>	<b>\$ 99,479,412</b>	<b>\$ 0</b>
FTE Positions	2,238.8	2,238.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>2,283.8</b>	<b>2,283.8</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

**State General Fund.** The University requests \$101.3 million from the State General Fund in FY 2004, a decrease of \$2.2 million (2.2 percent) from the current year estimate. The majority of the decrease is attributable to a decision by the Board of Regents to shift the funding request for the Medical Student Loan program from the budget of KUMC to the Board's budget. In addition, the request reflects FY 2003 Faculty of Distinction program monies which are not reflected in the FY 2004 budget. **The Governor** recommends \$99.5 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation. The Governor's recommendation returns State General Fund financing of \$2.2 million for the Medical Student Loan program to KUMC's budget.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$12.7 million in FY 2004, an amount unchanged from the current year. The estimate assumes stable

enrollment and no increase in tuition rates. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$92.3 million, a decrease of \$0.6 million (0.2 percent) from the current year. The decrease is primarily associated with decreased special revenue funds for the Medical Student Loan program **The Governor** recommends \$91.3 million from other funding sources in FY 2004. The Governor does not recommend \$1.0 million from the Children's Initiatives Fund requested by the University to continue support for pediatric biomedical research. The Governor concurs with the balance of the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Kansas State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1010

**Budget Page No.** 295

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 249,799,477	\$ 245,682,718	\$ 0
Aid to Local Units	1,157,714	1,157,714	0
Other Assistance	97,982,538	97,982,538	0
Subtotal – Operating	\$ 348,939,729	\$ 344,822,970	\$ 0
Capital Improvements	7,875,913	7,875,913	0
TOTAL REPORT. EXP.	\$ 356,815,642	\$ 352,698,883	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 356,815,642</u>	<u>\$ 352,698,883</u>	<u>\$ 0</u>
<b>State General Funds:</b>			
State Operations	\$ 105,018,595	\$ 100,901,836	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 105,018,595	\$ 100,901,836	\$ 0
Capital Improvements	189,446	189,446	0
TOTAL REPORT. EXP.	\$ 105,208,041	\$ 101,091,282	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 105,208,041</u>	<u>\$ 101,091,282</u>	<u>\$ 0</u>
FTE Positions	3,162.9	3,162.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3,162.9</u>	<u>3,162.9</u>	<u>0.0</u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$105.0 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$100.9 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$61.4 million is an increase of \$12.5 million from the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$182.5 million reflects an increase of \$24.6 million the budget initially approved by the 2002 Legislature. The increase is attributable to increased restricted use funding. While subject to appropriation, most

restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a decrease of 38.3 FTE positions from the number approved by the 2002 Legislature. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Kansas State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1010

**Budget Page No.** 295

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 250,142,507	\$ 246,104,140	\$ 0
Aid to Local Units	1,063,771	1,063,771	0
Other Assistance	97,982,538	97,982,538	0
Subtotal – Operating	349,188,816	345,150,449	\$ 0
Capital Improvements	11,397,930	11,137,930	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 360,586,746</b>	<b>\$ 356,288,369</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 360,586,746</b>	<b>\$ 356,288,369</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 104,940,203	\$ 100,901,836	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 104,940,203	\$ 100,901,836	\$ 0
Capital Improvements	189,446	189,446	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 105,129,649</b>	<b>\$ 101,091,282</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 105,129,649</b>	<b>\$ 101,091,282</b>	<b>\$ 0</b>
FTE Positions	3,162.9	3,162.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>3,162.9</b>	<b>3,162.9</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** The University requests \$104.9 million from the State General Fund in FY 2004, a decrease of \$78,392 (0.1 percent) from the current year estimate. The decrease is attributable to FY 2003 Faculty of Distinction monies which are not reflected in the FY 2004 budget. **The Governor** recommends \$100.9 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$61.3 million in FY 2004, a decrease of 184,262 from the current year. The estimate assumes a 0.2 percent decrease in tuition revenue income. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$183.0 million, an increase of \$511,741 (0.3 percent) from current year restricted use fund expenditures. **The Governor** concurs with the University's estimate.

### House Budget Committee Recommendation

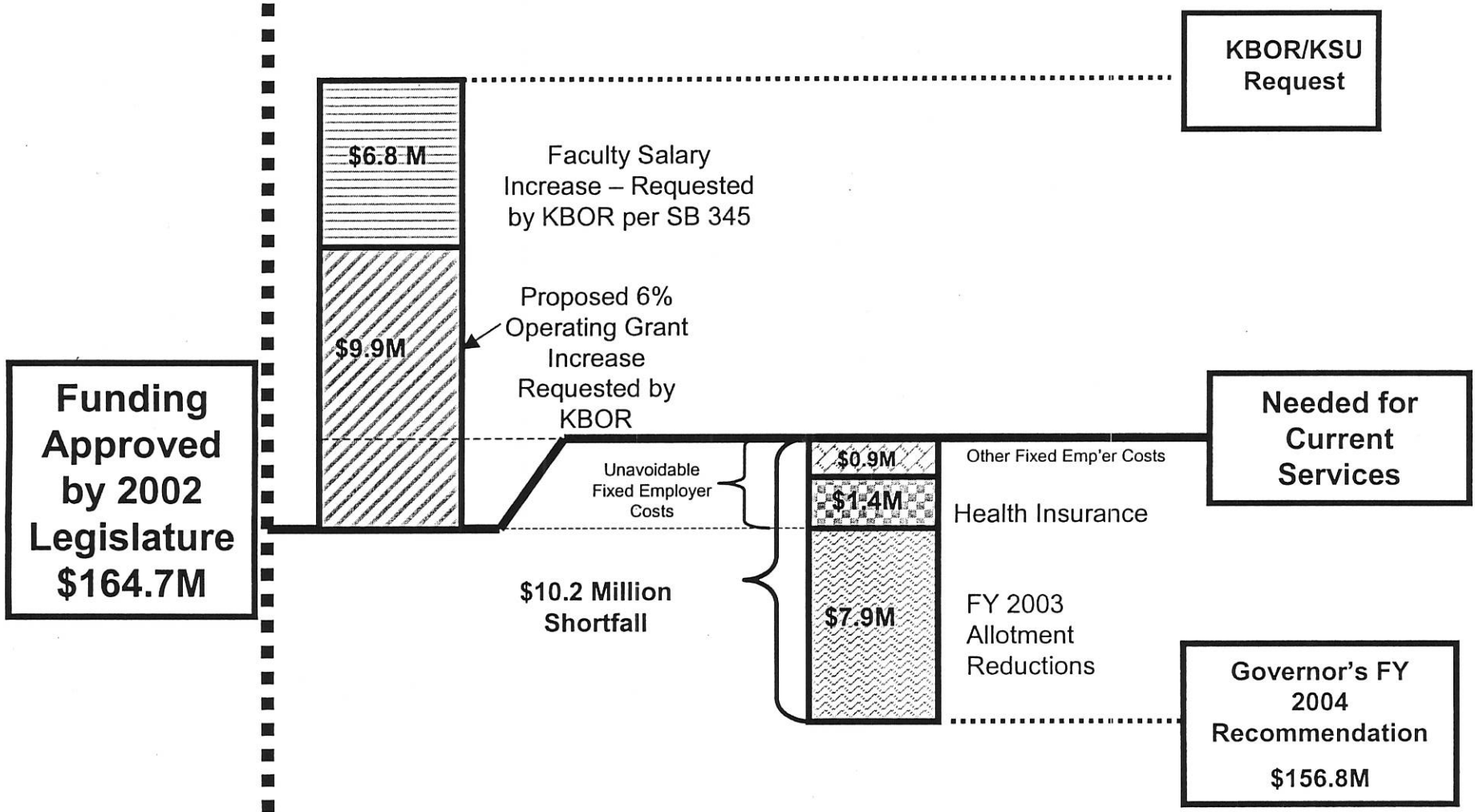
The Budget Committee concurs with the Governor's recommendations, with the following observations:

1. The Budget Committee notes that the University continues to strive for excellence even in these difficult times. The Budget Committee wishes to congratulate the University on the following signs of success:
  - KSU has increased extramural research funding since 1986 from \$19.0 million to over \$90.0 million.
  - In December, a KSU senior was named a Rhodes scholar, the seventh KSU graduate to receive the award since 1986. In that time period, KSU students have received 91 Rhodes, Marshall, Truman, Goldwater and Udall scholarships, more than 50 percent more than the next highest ranked public institution. Among all public and private institutions, KSU ranks seventh, just behind Stanford and Duke and ahead of institutions such as MIT, Chicago and Cornell.
2. The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant the recommendation still leaves Kansas State University with many challenges to face in the coming year. The Board estimates that it will require an additional \$10.2 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of the University's funding shortfalls.

FY2003

FY2004

# Kansas State University Budget Needs



KBOR/KSU Request

Funding Approved by 2002 Legislature \$164.7M

Needed for Current Services

Governor's FY 2004 Recommendation \$156.8M

Faculty Salary Increase – Requested by KBOR per SB 345

Proposed 6% Operating Grant Increase Requested by KBOR

Unavoidable Fixed Employer Costs

\$10.2 Million Shortfall

Other Fixed Employer Costs

Health Insurance

FY 2003 Allotment Reductions



## Budget Committee Report

**Agency:** KSU Veterinary Medical Ctr

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1022

**Budget Page No.** 299

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 28,229,628	\$ 27,841,168	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 28,229,628	\$ 27,841,168	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORT. EXP.</b>	<b>\$ 28,229,628</b>	<b>\$ 27,841,168</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 28,229,628</b>	<b>\$ 27,841,168</b>	<b>\$ 0</b>
<b>State General Funds:</b>			
State Operations	\$ 9,933,635	\$ 9,545,175	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 9,933,635	\$ 9,545,175	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORT. EXP.</b>	<b>\$ 9,933,635</b>	<b>\$ 9,545,175</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,933,635</b>	<b>\$ 9,545,175</b>	<b>\$ 0</b>
FTE Positions	271.9	271.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>271.9</b>	<b>271.9</b>	<b>0.0</b>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$9.9 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$9.5 million reflects the approved budget after the second allotment.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$6.7 million is an increase of \$1.1 million from the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$11.2 million reflects an increase of \$2.6 million the budget initially approved by the 2002 Legislature. The

increase is attributable to a expenditures of accumulated balances in the Hospital and Diagnostic Laboratory Revenue Fund for equipment and increased restricted use funding. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a an increase of 12.7 FTE positions from the number approved by the 2002 Legislature. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

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

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1022

**Budget Page No.** 299

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 24,974,783	\$ 24,599,816	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 24,974,783	\$ 24,599,816	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 24,974,783</b>	<b>\$ 24,599,816</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 24,974,783</b>	<b>\$ 24,599,816</b>	<b>\$ 0</b>
 <b>State General Fund:</b>			
State Operations	\$ 9,920,142	\$ 9,545,175	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 9,920,142	\$ 9,545,175	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 9,920,142</b>	<b>\$ 9,545,175</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,920,142</b>	<b>\$ 9,545,175</b>	<b>\$ 0</b>
 <b>FTE Positions</b>			
	271.9	271.9	0.0
<b>Non FTE Uncl. Perm. Pos.</b>	0.0	0.0	0.0
<b>TOTAL</b>	271.9	271.9	0.0

### Agency Request/Governor's Recommendation

**State General Fund.** The University requests \$9.9 million from the State General Fund in FY 2004, a decrease of \$13,493 (0.0 percent) from the current year estimate. The decrease is attributable to FY 2003 Faculty of Distinction monies which are not reflected in the FY 2004 budget. **The Governor** recommends \$9.5 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$6.5 million in FY 2004, a decrease of \$150,643 from the current year. The estimate assumes no increase in tuition revenue income and the expenditure of accumulated balances in the current year. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$8.5 million, a decrease of \$3.1 million (26.6 percent) from the current year. The majority of the decrease is associated with current year one time expenditures from the Hospital and Diagnostic Laboratory Revenue Fund. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** KSU ESARP

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1033

**Budget Page No.** 297

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 99,372,412	\$ 97,479,081	\$ 0
Aid to Local Units	246,221	246,221	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 99,618,633</u>	<u>\$ 97,725,302</u>	<u>\$ 0</u>
Capital Improvements	17,449,712	17,449,712	0
TOTAL REPORT. EXP.	<u>\$ 117,068,345</u>	<u>\$ 115,175,014</u>	<u>\$ 0</u>
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u><u>\$ 117,068,345</u></u>	<u><u>\$ 115,175,014</u></u>	<u><u>\$ 0</u></u>
<b>State General Funds:</b>			
State Operations	\$ 48,349,691	\$ 45,456,360	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	<u>\$ 48,349,691</u>	<u>\$ 45,456,360</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	<u>\$ 48,349,691</u>	<u>\$ 46,456,360</u>	<u>\$ 0</u>
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u><u>\$ 48,349,691</u></u>	<u><u>\$ 46,456,360</u></u>	<u><u>\$ 0</u></u>
FTE Positions	1,395.7	1,395.7	0.0
Non FTE Uncl. Perm. Pos.	<u>2.4</u>	<u>2.4</u>	<u>0.0</u>
TOTAL	<u><u>1,398.1</u></u>	<u><u>1,398.1</u></u>	<u><u>0.0</u></u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$48.4 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$46.5 million reflects the approved budget.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$51.3 million reflects a net decrease of \$80,277 from the budget initially approved by the 2002 Legislature. Federal funding increases by \$78,161. Restricted use funding decreases by \$158,438. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a reduction of 34.5 FTE positions from the number approved by the 2002 Legislature. The decrease is partially offset by an increase in Non-FTE Unclassified Permanent positions of 2.4, for a net decrease of 32.1 positions. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** KSU ESARP

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1033

**Budget Page No.** 297

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 99,599,150	\$ 97,705,818	\$ 0
Aid to Local Units	233,199	233,199	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 99,832,349	\$ 97,939,017	\$ 0
Capital Improvements	4,150,000	4,150,000	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 103,982,349</b>	<b>\$ 102,089,017</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 103,982,349</b>	<b>\$ 102,089,017</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 48,349,692	\$ 46,456,360	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 48,349,692	\$ 46,456,360	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 48,349,692</b>	<b>\$ 46,456,360</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 48,349,692</b>	<b>\$ 45,456,360</b>	<b>\$ 0</b>
FTE Positions	1,395.7	1,395.7	0.0
Non FTE Uncl. Perm. Pos.	2.4	2.4	0.0
<b>TOTAL</b>	<b>1,398.1</b>	<b>1,398.1</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

**State General Fund.** The University requests \$48.3 million from the State General Fund for ESARP in FY 2004, an increase of \$1 (0.0 percent) from the current year estimate. **The Governor** recommends \$46.5 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Federal Land Grant Funds.** The University estimates that expenditures from the Federal Extension Fund and the federal Experimental station Fund will total \$8.0 million in FY 2004, a decrease of \$73,361 (0.9 percent) from the current year. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$43.5 million, an increase of \$287,076 (0.9 percent) from the current year. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.



## Budget Committee Report

**Agency:** Wichita State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1043

**Budget Page No.** 449

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 138,585,634	\$ 136,030,289	\$ 0
Aid to Local Units	0	0	0
Other Assistance	12,606,676	12,606,676	0
Subtotal – Operating	\$ 151,192,310	\$ 148,636,965	\$ 0
Capital Improvements	2,684,851	2,684,851	0
<b>TOTAL REPORT. EXP.</b>	<b>\$ 153,877,161</b>	<b>\$ 151,321,816</b>	<b>\$ 0</b>
Non-expense Items	950,000	950,000	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 154,827,161</b>	<b>\$ 152,271,816</b>	<b>\$ 0</b>
<b>State General Funds:</b>			
State Operations	\$ 65,278,133	\$ 62,722,788	\$ 0
Aid to Local Units	0	0	0
Other Assistance	15,492	15,492	0
Subtotal – Operating	\$ 65,293,625	\$ 62,738,280	\$ 0
Capital Improvements	0	0	0
<b>TOTAL REPORT. EXP.</b>	<b>\$ 65,293,625</b>	<b>\$ 62,738,280</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 65,293,625</b>	<b>\$ 62,738,280</b>	<b>\$ 0</b>
FTE Positions	1,667.6	1,667.6	0.0
Non FTE Uncl. Perm. Pos.	68.7	68.7	0.0
<b>TOTAL</b>	<b>1,736.3</b>	<b>1,736.3</b>	<b>0.0</b>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$65.3 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$62.7 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$32.7 million reflects an increase of \$2.3 million the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$55.2 million reflects an increase of \$5.5 million the budget initially approved by the 2002 Legislature. The increase is attributable to increased restricted use funding. While subject to appropriation, most

restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a reduction of 59.7 FTE positions from the number approved by the 2002 Legislature. The decrease is offset by an increase in Non-FTE Unclassified Permanent positions of 68.7, for a net increase of 9.0 positions. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Wichita State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1043

**Budget Page No.** 449

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 138,351,648	\$ 135,834,181	\$ 0
Aid to Local Units	0	0	0
Other Assistance	12,606,676	12,606,676	0
Subtotal – Operating	\$ 150,958,324	\$ 148,440,857	\$ 0
Capital Improvements	1,120,586	630,000	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 152,078,910</b>	<b>\$ 149,070,857</b>	<b>\$ 0</b>
Non-expense Items	950,000	950,000	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 153,028,910</b>	<b>\$ 150,020,857</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 65,240,255	\$ 62,722,788	\$ 0
Aid to Local Units	0	0	0
Other Assistance	15,492	15,492	0
Subtotal – Operating	\$ 65,255,747	\$ 62,738,280	\$ 0
Capital Improvements	490,586	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 65,746,333</b>	<b>\$ 62,738,280</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 65,746,333</b>	<b>\$ 62,738,280</b>	<b>\$ 0</b>
FTE Positions	1,667.6	1,667.6	0.0
Non FTE Uncl. Perm. Pos.	68.7	68.7	0.0
<b>TOTAL</b>	<b>1,736.3</b>	<b>1,736.3</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** The University requests \$65.3 million from the State General Fund in FY 2004, a decrease of \$37,878 (0.1 percent) from the current year estimate. The decrease is attributable to a FY 2003 Faculty of Distinction program monies which are not reflected in the FY 2004 budget. **The Governor** recommends \$31.8 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$32.7 million in FY 2004, an amount unchanged from the current year. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

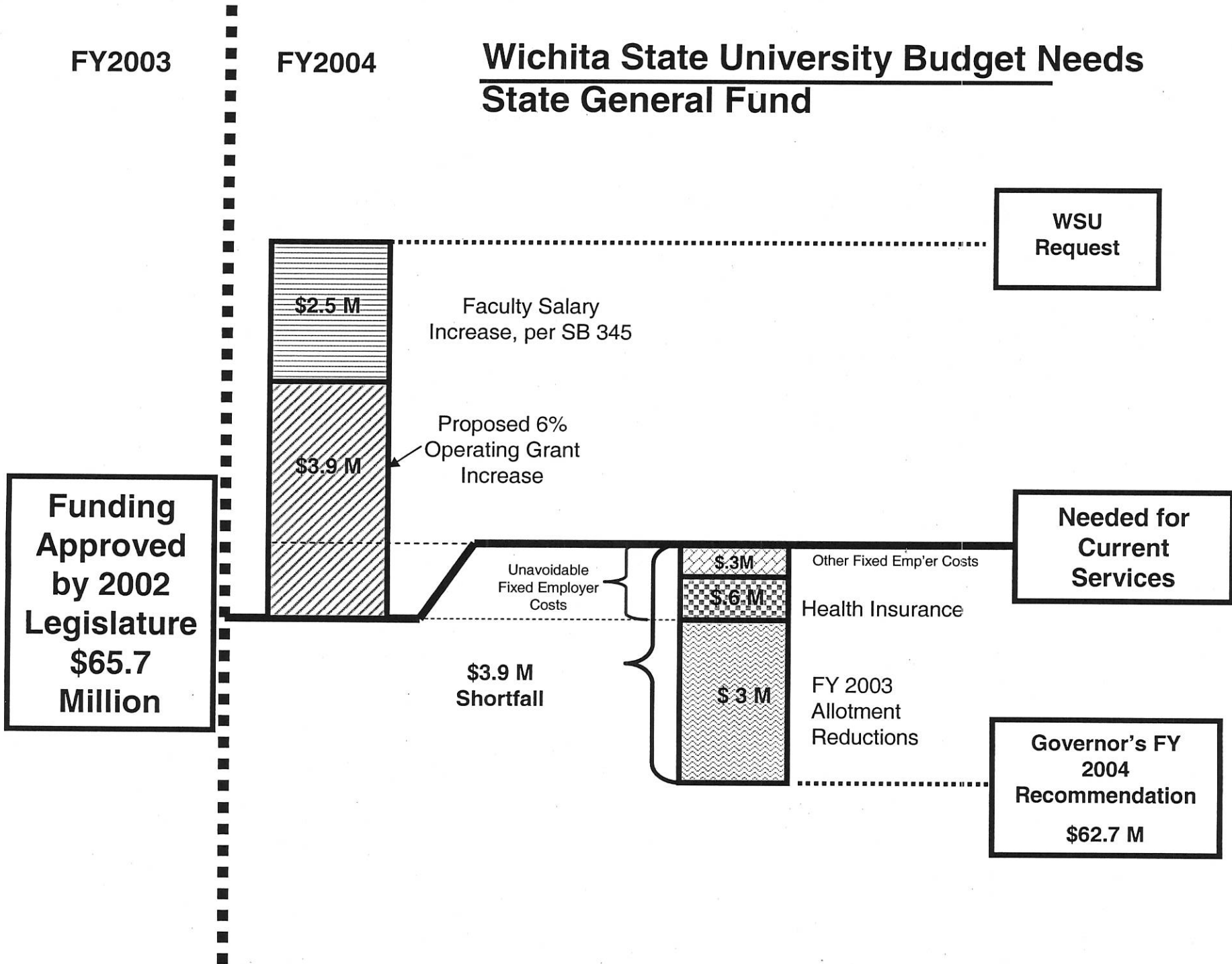
**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$53.0 million, a decrease of \$196,108 (0.4 percent) from the current year. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations, with the following observations:

1. The Budget Committee notes that the University continues to strive for excellence even in these difficult times. The Budget Committee wishes to congratulate the University on the following signs of success:
  - WSU increased extramural research funding to over \$30.0 million in FY 2002.
  - WSU's Accountability Planning Matrix has proven invaluable in administering through the current year budget reductions while maintaining the quality of the student learning experience as the highest priority.
2. The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant the recommendation still leaves Wichita State University with many challenges to face in the coming year. The Board estimates that it will require an additional \$3.9 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of the University's funding shortfalls.

# Wichita State University Budget Needs State General Fund



WSU Request

Funding Approved by 2002 Legislature \$65.7 Million

Needed for Current Services

Governor's FY 2004 Recommendation \$62.7 M

## Budget Committee Report

**Agency:** Emporia State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1055

**Budget Page No.** 161

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 52,570,212	\$ 51,379,415	\$ 0
Aid to Local Units	131,602	131,602	0
Other Assistance	5,121,244	5,121,244	0
Subtotal – Operating	\$ 57,823,058	\$ 56,632,261	\$ 0
Capital Improvements	1,973,927	1,973,927	0
TOTAL REPORT. EXP.	\$ 59,796,985	\$ 58,606,188	\$ 0
Non-expense Items	3,604,241	3,604,241	0
TOTAL EXPENDITURES	\$ 63,401,226	\$ 62,210,429	\$ 0
<b>State General Funds:</b>			
State Operations	\$ 30,420,648	\$ 29,229,851	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,705	1,705	0
Subtotal – Operating	\$ 30,422,353	\$ 29,231,556	\$ 0
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	\$ 30,422,353	\$ 29,231,556	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	\$ 30,422,353	\$ 29,231,556	\$ 0
FTE Positions	742.3	742.3	0.0
Non FTE Uncl. Perm. Pos.	32.8	32.8	0.0
TOTAL	775.1	775.1	0.0

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$30.4 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$29.2 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$10.3 million reflects an increase of \$1.1 million the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$17.1 million reflects an increase of \$2.4 million the budget initially approved by the 2002 Legislature. Of this amount, \$239,347 is attributable to general use expenditures from the Equipment Reserve Fund

(\$224,347) and Interest On State Normal School Fund (\$15,000). The balance of the increase is attributable to increased restricted use funding to bring estimated expenditures more in line with the FY 2002 actual expenditures from restricted use funds of \$16.3 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 Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a reduction of 32.8 FTE positions from the number approved by the 2002 Legislature. The decrease is offset by an equal increase in Non-FTE Unclassified Permanent positions. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Emporia State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1055

**Budget Page No.** 161

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 52,410,233	\$ 51,236,080	\$ 0
Aid to Local Units	131,602	131,602	0
Other Assistance	5,114,378	5,114,378	0
Subtotal – Operating	\$ 57,656,213	\$ 56,482,060	\$ 0
Capital Improvements	1,054,474	706,156	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 58,710,687</b>	<b>\$ 57,188,216</b>	<b>\$ 0</b>
Non-expense Items	3,605,212	3,605,212	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 62,315,899</b>	<b>\$ 60,793,428</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 30,404,004	\$ 29,229,851	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,705	1,705	0
Subtotal – Operating	\$ 30,405,709	\$ 29,231,556	\$ 0
Capital Improvements	348,318	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 30,754,423</b>	<b>\$ 29,231,556</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,754,423</b>	<b>\$ 29,231,556</b>	<b>\$ 0</b>
FTE Positions	742.3	742.3	0.0
Non FTE Uncl. Perm. Pos.	32.8	32.8	0.0
<b>TOTAL</b>	<b>775.1</b>	<b>775.1</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** The University requests \$30.4 million from the State General Fund in FY 2004, a decrease of \$16,644 (0.1 percent) from the current year estimate. The decrease is attributable to a FY 2002 reappropriation and Faculty of Distinction monies in the FY 2003 budget which are not reflected in the FY 2004 budget. **The Governor** recommends \$29.2 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$10.3 million in FY 2004, an increase of \$8,856 (0.1 percent) from the current year. The estimate assumes stable enrollment and no increase in tuition rates. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.



**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$17.0 million, a net decrease of \$159,057 (0.9 percent) from the current year. General use expenditures decrease from the current year from Equipment Reserve Fund (\$224,347) and the Interest On State Normal School Fund (\$30,000). Restricted use fund expenditures are estimated to increase by \$95,290. **The Governor** concurs with the University's estimate.

### House Budget Committee Recommendation

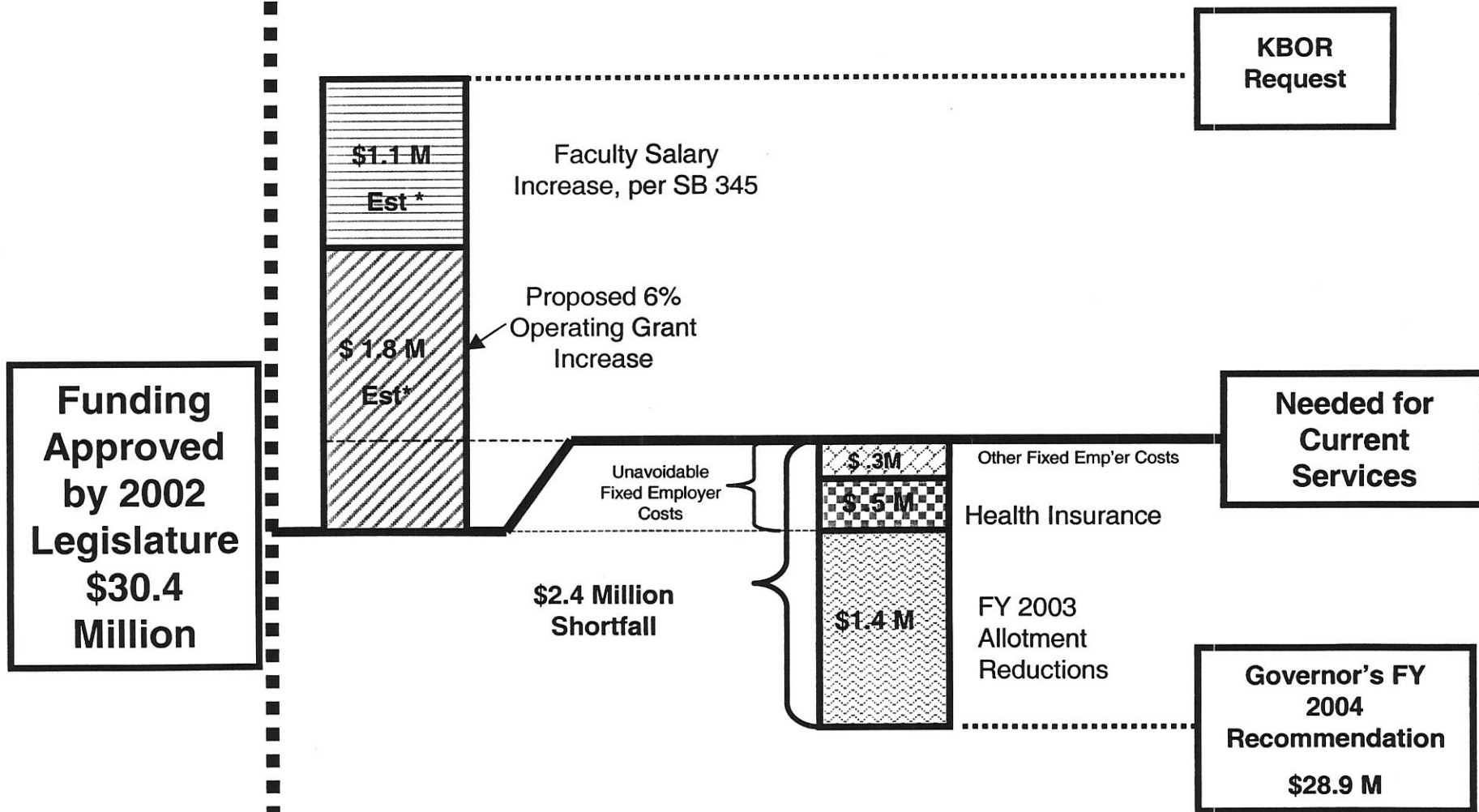
The Budget Committee concurs with the Governor's recommendations, with the following observations:

1. The Budget Committee notes that the University continues to strive for excellence even in these difficult times. The Budget Committee wishes to congratulate the University on the following signs of success:
  - ESU's Fall 2002 enrollment of 6,005 is the largest in eight years;
  - ESU graduates 1,100 students per year, with a 99 percent placement rate and an average salary of \$29,366. 80 percent of ESU graduates remain in the state after graduation and 1 of every 6 teachers in the state has one or more degrees from ESU.
2. The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant the recommendation still leaves Emporia State University with many challenges to face in the coming year. The Board estimates that it will require an additional \$2.4 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of the University's funding shortfalls.

FY2003

FY2004

# E- State University Budget Needs



\* Board of Regents would make actual allocations

## Budget Committee Report

**Agency:** Fort Hays State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1066

**Budget Page No.** 167

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 55,019,301	\$ 53,789,430	\$ 0
Aid to Local Units	0	0	0
Other Assistance	5,762,373	5,762,373	0
Subtotal – Operating	\$ 60,781,674	\$ 59,551,803	\$ 0
Capital Improvements	1,743,032	1,743,032	0
TOTAL REPORT. EXP.	\$ 62,524,706	\$ 61,294,835	\$ 0
Non-expense Items	2,753,718	2,753,718	0
TOTAL EXPENDITURES	\$ 65,278,424	\$ 64,048,553	\$ 0
<b>State General Funds:</b>			
State Operations	\$ 31,409,402	\$ 30,179,531	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 31,409,402	\$ 30,179,531	\$ 0
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	\$ 31,409,402	\$ 30,179,531	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	\$ 31,409,402	\$ 30,179,531	\$ 0
FTE Positions	705.6	705.6	0.0
Non FTE Uncl. Perm. Pos.	18.0	18.0	0.0
TOTAL	723.6	723.6	0.0

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$33.1 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$31.8 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$9.6 million is an increase of \$0.8 million from the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$19.7 million reflects an increase of \$0.8 million the budget initially approved by the 2002 Legislature. The increase is attributable to increased restricted use funding. While subject to appropriation, most

restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

**FTE positions.** The budget as submitted reflects a reduction of 18.0 FTE positions from the number approved by the 2002 Legislature. The decrease is offset by an equal increase in Non-FTE Unclassified Permanent positions. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Fort Hays State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1066

**Budget Page No.** 167

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 54,784,585	\$ 53,562,712	\$ 0
Aid to Local Units	0	0	0
Other Assistance	5,762,373	5,762,373	0
Subtotal – Operating	\$ 60,546,958	\$ 59,325,085	\$ 0
Capital Improvements	749,850	510,000	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 61,296,808</b>	<b>\$ 59,835,085</b>	<b>\$ 0</b>
Non-expense Items	2,753,718	2,753,718	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 64,050,526</b>	<b>\$ 62,588,803</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 31,401,404	\$ 30,179,531	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal – Operating	\$ 31,401,404	\$ 30,179,531	\$ 0
Capital Improvements	239,850	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 31,161,554</b>	<b>\$ 30,179,531</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 31,161,554</b>	<b>\$ 30,179,531</b>	<b>\$ 0</b>
FTE Positions	705.6	705.6	0.0
Non FTE Uncl. Perm. Pos.	18.0	18.0	0.0
<b>TOTAL</b>	<b>723.6</b>	<b>723.6</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** The University requests \$31.4 million from the State General Fund in FY 2004, a decrease of \$7,998 (0.0 percent) from the current year estimate. The decrease is attributable to a FY 2002 reappropriation in the FY 2003 budget and Faculty of Distinction monies which are not reflected in the FY 2004 budget. **The Governor** recommends \$30.2 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

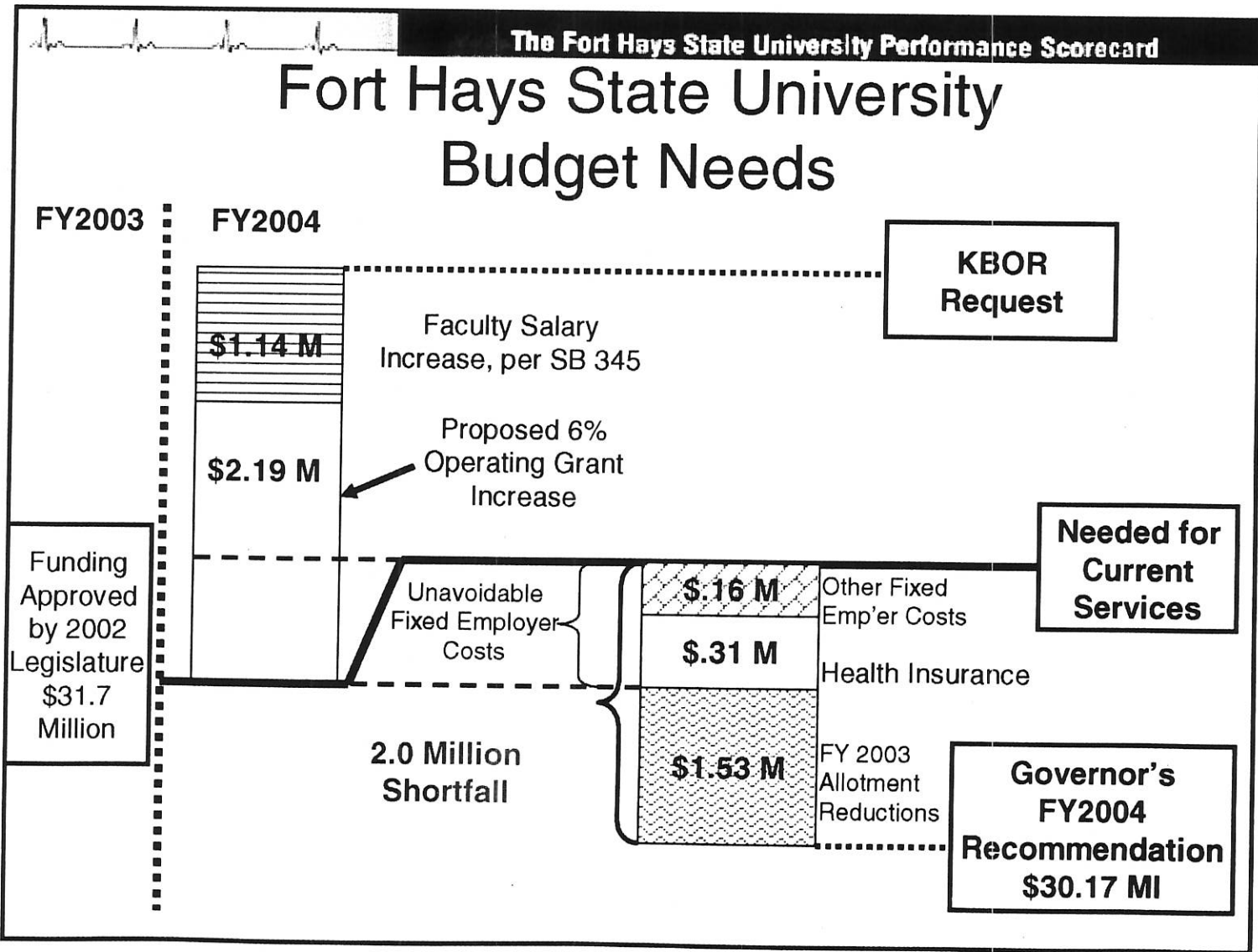
**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$9.6 million in FY 2004, an amount unchanged from the current year. The estimate assumes a 1.8 percent increase in tuition revenue income. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$19.5 million, a net decrease of \$226,728 (1.1 percent) from current year restricted use fund expenditures. **The Governor** concurs with the University's estimate.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendations, with the following observations:

1. The Budget Committee notes that the University continues to strive for excellence even in these difficult times. The Budget Committee wishes to congratulate the University on the following signs of success:
  - Fort Hays enrollment in the Fall of 2002 totaled 6,392 students, a 13.8 percent increase since 1997;
  - Fort Hays strives to maintain student accessibility by offering world class training while holding tuition increases to increases in the 10-year rolling average of Kansas Personal Income growth.
2. The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant the recommendation still leaves Fort Hays State University with many challenges to face in the coming year. The Board estimates that it will require an additional \$2.0 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of the University's funding shortfalls.



## Budget Committee Report

**Agency:** Pittsburg State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1077

**Budget Page No.** 333

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 58,916,911	\$ 57,619,812	\$ 0
Aid to Local Units	0	0	0
Other Assistance	5,698,691	5,698,691	0
Subtotal – Operating	\$ 64,615,602	\$ 63,318,503	\$ 0
Capital Improvements	2,919,165	2,919,165	0
TOTAL REPORT. EXP.	\$ 67,534,767	\$ 66,237,668	\$ 0
Non-expense Items	4,575,431	4,575,431	0
TOTAL EXPENDITURES	<u>\$ 72,110,198</u>	<u>\$ 70,813,099</u>	<u>\$ 0</u>
<b>State General Funds:</b>			
State Operations	\$ 32,680,498	\$ 31,383,399	\$ 0
Aid to Local Units	0	0	0
Other Assistance	443,311	443,311	0
Subtotal – Operating	\$ 33,123,809	\$ 31,826,710	\$ 0
Capital Improvements	0	0	0
TOTAL REPORT. EXP.	\$ 33,123,809	\$ 31,826,710	\$ 0
Non-expense Items	0	0	0
TOTAL EXPENDITURES	<u>\$ 33,123,809</u>	<u>\$ 31,826,710</u>	<u>\$ 0</u>
FTE Positions	789.7	789.7	0.0
Non FTE Uncl. Perm. Pos.	17.6	17.6	0.0
TOTAL	<u>807.3</u>	<u>807.3</u>	<u>0.0</u>

### Agency Est. /Governor's Recommendation

**State General Fund.** The University estimates FY 2003 State General Fund expenditures will total \$33.1 million, which reflects the approved budget prior to the second State General Fund allotment. **The Governor's** recommendation of \$31.8 million reflects the approved budget.

**Tuition.** Estimated FY 2003 expenditures from the General Fees Fund of \$13.4 million reflects an increase of \$2.0 million the budget initially approved by the 2002 Legislature. The increase is primarily attributable to tuition increases approved by the Board of Regents subsequent to the 2002 Legislative Session. **The Governor** concurs with the University's estimate.

**Other Funds.** Estimated FY 2003 expenditures from other funding sources of \$18.1 million reflects an increase of \$0.8 million the budget initially approved by the 2002 Legislature. Of this amount, \$293,998 is attributable to general use expenditures from the Equipment Reserve Fund.



The balance of the increase is attributable to increased restricted use funding. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations.

## Budget Committee Report

**Agency:** Pittsburg State University

**Bill No.**

**Bill Sec.**

**Analyst:** West

**Analysis Pg. No.** 1077

**Budget Page No.** 333

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
All Funds:			
State Operations	\$ 58,680,308	\$ 57,388,286	\$ 0
Aid to Local Units	0	0	0
Other Assistance	5,698,691	5,698,691	0
Subtotal – Operating	\$ 64,378,999	\$ 63,086,977	\$ 0
Capital Improvements	4,657,000	3,727,000	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 69,035,999</b>	<b>\$ 66,813,977</b>	<b>\$ 0</b>
Non-expense Items	3,895,258	3,895,258	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 72,931,257</b>	<b>\$ 70,709,235</b>	<b>\$ 0</b>
State General Fund:			
State Operations	\$ 32,675,421	\$ 31,383,399	\$ 0
Aid to Local Units	0	0	0
Other Assistance	443,311	443,311	0
Subtotal – Operating	\$ 33,118,732	\$ 31,826,710	\$ 0
Capital Improvements	930,000	0	0
<b>TOTAL REPORTABLE EXP.</b>	<b>\$ 34,048,732</b>	<b>\$ 31,826,710</b>	<b>\$ 0</b>
Non-expense Items	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$ 34,048,732</b>	<b>\$ 31,826,710</b>	<b>\$ 0</b>
FTE Positions	789.7	789.7	0.0
Non FTE Uncl. Perm. Pos.	17.6	17.6	0.0
<b>TOTAL</b>	<b>807.3</b>	<b>807.3</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

**State General Fund.** The University requests \$33.2 million from the State General Fund in FY 2004, a decrease of \$5,077 (0.0 percent) from the current year estimate. The decrease is attributable to a FY 2002 reappropriation in the FY 2003 budget which are not reflected in the FY 2004 budget. **The Governor** recommends \$31.8 million from the State General Fund for the University in FY 2004, an amount unchanged from the current year recommendation.

**Tuition.** The University estimates that expenditures from the General Fees Fund will total \$13.4 million in FY 2004, an amount unchanged from the current year. The estimate assumes a 5.0 percent increase in tuition revenue income. The Board of Regents will set the FY 2004 tuition rates in the late spring of FY 2003. **The Governor** concurs with the University's estimate.

**Other Funds.** The University estimates that FY 2004 expenditures from other funding sources will total \$17.9 million, a net decrease of \$231,526 (1.3 percent) from the current year. General use expenditures decrease from the current year from the Equipment Reserve Fund (\$293,998). Restricted use fund expenditures are estimated to increase by \$62,475. **The Governor** concurs with the University's estimate.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendations, with the following observations:

1. The Budget Committee notes that the University continues to strive for excellence even in these difficult times. The Budget Committee wishes to congratulate the University on the following signs of success:
  - PSU is in the process of raising in excess of \$1.0 million for a Veteran's Memorial. A key piece of the Memorial is the Vietnam Veterans Moving wall which will remain at PSU on permanent display;
  - PSU has record setting enrollment in its 100th year, with 6,751 students enrolled. The majority of these students are on campus and going to school full time .
2. The Budget Committee notes that while the Governor's FY 2004 recommendations provide the same level of funding from the State General Fund for the State University Operating Grant the recommendation still leaves Pittsburg State University with many challenges to face in the coming year. The Board estimates that it will require an additional \$2.0 million to maintain the current level of services. The attached chart graphically depicts the Board's estimate of the University's funding shortfalls.

FY2003

FY2004

# Pittsburg State University's Budget Needs

