

Approved: April 26, 2006
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 13, 2006, in Room 123-S of the Capitol.

All members were present except:

Senator Vicki Schmidt- excused
Senator Mark Taddiken- excused

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efir, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending:

See attached list.

Bill Introductions

Senator Wysong moved, with a second by Senator Teichman, to introduce a bill concerning school districts; at-risk education grant program (5rs2279). Motion carried on a voice vote.

The Chairman mentioned that there was \$6 million dollars in damage at the University of Kansas campus in Lawrence from a storm that moved through the area on March 12, 2006. There was damage to 60 percent of the buildings on the campus.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2006 and FY 2007 were made available to the Committee.

Subcommittee budget reports on:

State Conservation Commission

Kansas Water Office (Attachment 1)

Subcommittee Chairwoman Carolyn McGinn reported that the budget subcommittee on the State Conservation Commission concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustments and notations.

Senator McGinn moved, with a second by Senator Teichman, to amend the budget subcommittee report on the State Conservation Commission in FY 2007, Item Number 3, to delete \$786,268 from the State Water Plan for the Water Rights Purchase Program for consideration at Omnibus. Motion carried on a voice vote.

Senator McGinn moved, with a second by Senator Kelly, to adopt the budget subcommittee report on the State Conservation Commission in FY 2006 and FY 2007 as amended. Motion carried on a voice vote.

Subcommittee Chairwoman Carolyn McGinn reported that the budget subcommittee on the Kansas Water Office concurs with the Governor's recommendations in FY 2006 with notation and FY 2007 with adjustments and notations.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 13, 2006, in Room 123-S of the Capitol.

Senator McGinn moved, with a second by Senator Wysong, to adopt the budget subcommittee report on the Kansas Water Office in FY 2006 and FY 2007. Motion carried on a voice vote.

Kansas Department of Wildlife and Parks (Attachment 2)

Subcommittee Chairwoman Carolyn McGinn reported that the budget subcommittee on the Kansas Department of Wildlife and Parks concurs with the Governor's recommendations in FY 2006 with an additional recommendation and FY 2007 with adjustments and recommendations.

Senator McGinn moved, with a second by Senator Wysong, to adopt the budget subcommittee report on the Kansas Department of Wildlife and Parks in FY 2006 and FY 2007. Motion carried on a voice vote.

- Senate Subcommittee on Higher Education:**
Postsecondary Education Systemwide
Board of Regents
University of Kansas
University of Kansas Medical Center
Kansas State University
Kansas State University Veterinary Medical Center
Kansas State University Extension Systems and Agriculture Research Programs
Wichita State University
Emporia State University
Fort Hays State University
Pittsburg State University (Attachment 3)

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on Postsecondary Education Systemwide concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustments and notations.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on the Kansas Board of Regents concurs with the Governor's recommendations in FY 2006 and FY 2007 with notations and adjustments.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on the University of Kansas concurs with the Governor's recommendations in FY 2006 and FY 2007.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on the University of Kansas Medical Center concurs with the Governor's recommendations in FY 2006 and FY 2007 with notation.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on the Kansas State University concurs with the Governor's recommendations in FY 2006 and FY 2007.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on the Kansas State University Veterinary Medical Center concurs with the Governor's recommendations in FY 2006 and FY 2007.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on the Kansas State University Extension Systems and Agriculture Research Program concurs with the Governor's recommendations in FY 2006 and FY 2007.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on Wichita State University concurs with the Governor's recommendations in FY 2006 and FY 2007.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on Emporia State University concurs with the Governor's recommendations in FY 2006 and FY 2007.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 13, 2006, in Room 123-S of the Capitol.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on Fort Hays State University concurs with the Governor's recommendations in FY 2006 and FY 2007.

Subcommittee Chairman Stephen Morris reported that the budget subcommittee on Pittsburg State University concurs with the Governor's recommendations in FY 2006 and FY 2007.

Senator Barone moved, with a second by Senator Teichman, to adopt the budget subcommittee report on the Postsecondary Education Systemwide, Board of Regents, University of Kansas, University of Kansas Medical Center, Kansas State University, Kansas State University Veterinary Medical Center, Kansas State University Extension Systems and Agriculture Research Programs, Wichita State University, Emporia State University, Fort Hays State University and Pittsburg State University in FY 2006 and FY 2007. Motion carried on a voice vote.

The meeting adjourned at 11:25 a.m. The next meeting was scheduled for March 14, 2006.

SENATE WAYS AND MEANS
GUEST LIST

Date March 13, 2006

NAME	REPRESENTING
Judith Healy	Budget
Julia Thomas	DOB
Chadron	DOB
Ronnie Laffer	DOB
Tony Smith	KWL
John Ford	KWO
Mark Heim	SCC
Mary Jane Stankevsky	KGPA
Mike Bean	Ks. LUSTK. ASSN
Diana Kuhlmann	ESU
John Dougherty	ESU
Howard Smith	< PITTSBURG STATE
DK Prideaux	FAU
John Rose	KACCT
MARK BOZANTAK	CAPITOL STRATEGIST
Ron Allen	Hershey Reservoir
John Bullen	Hershey Reservoir
Michael White	KATSL
SUE PETERSON	K-STATE
SUE LAIRD	K-STATE

FY 2006 and FY 2007

SENATE WAYS AND MEANS SUBCOMMITTEE

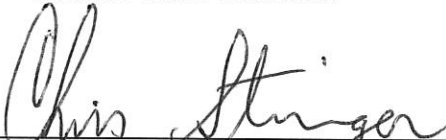
State Conservation Commission
Kansas Water Office



Senator Carolyn McGinn, Chair



Senator Mark Taddiken



Senator Chris Steineger

House Budget Committee Report

Agency: State Conservation Commission **Bill No. --**

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. Vol. I-1111

Budget Page No. 109

Expenditure Summary	Agency Estimate FY 06	Gov. Rec. FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,406,060	\$ 2,406,060	\$ 0
Aid to Local Units	2,496,732	2,496,732	0
Other Assistance	7,312,685	7,012,687	0
Subtotal - Operating	<u>\$ 12,215,477</u>	<u>\$ 11,915,479</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,215,477</u></u>	<u><u>\$ 11,915,479</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 644,009	\$ 644,009	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 644,009</u>	<u>\$ 644,009</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 644,009</u></u>	<u><u>\$ 644,009</u></u>	<u><u>\$ 0</u></u>
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>
TOTAL	<u><u>21.0</u></u>	<u><u>21.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

For FY 2006, the State Conservation Commission estimates expenditures of \$12,215,477, which is an increase of \$1,043,915 or 9.3 percent above the amount approved by the 2005 Legislature. The estimate includes expenditures of \$644,009 from the State General Fund \$10,567,848 from the State Water Plan Fund, \$81,250 from the Economic Development Initiatives Fund, and \$922,370 from all other funds.

Governor's Recommendation

For FY 2006, the Governor recommends expenditures of \$11,915,479, which is an increase of \$743,917 or 6.7 percent above the amount approved by the 2005 Legislature. The recommendation includes expenditures of \$644,009 from the State General Fund, \$10,267,850 from the State Water Plan Fund, \$81,250 from the Economic Development Initiatives Fund, and \$922,370 from all other funds. The difference from the agency request is attributed to a technical adjustment in the State Water Plan Fund.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

House Recommendation

The House has not yet considered this budget.

Senate Subcommittee Report

Agency: State Conservation Commission **Bill No. --**

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. Vol. II - 1111

Budget Page No. 109

Expenditure Summary	Agency Estimate FY 06	Gov. Rec. FY 06	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,406,060	\$ 2,406,060	\$ 0
Aid to Local Units	2,496,732	2,496,732	0
Other Assistance	7,312,685	7,012,687	0
Subtotal - Operating	<u>\$ 12,215,477</u>	<u>\$ 11,915,479</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,215,477</u></u>	<u><u>\$ 11,915,479</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 644,009	\$ 644,009	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 644,009</u>	<u>\$ 644,009</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 644,009</u></u>	<u><u>\$ 644,009</u></u>	<u><u>\$ 0</u></u>
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>
TOTAL	<u><u>21.0</u></u>	<u><u>21.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

For FY 2006, the State Conservation Commission estimates expenditures of \$12,215,477, which is an increase of \$1,043,915 or 9.3 percent above the amount approved by the 2005 Legislature. The estimate includes expenditures of \$644,009 from the State General Fund \$10,567,848 from the State Water Plan Fund, \$81,250 from the Economic Development Initiatives Fund, and \$922,370 from all other funds.

Governor's Recommendation

For FY 2006, the Governor recommends expenditures of \$11,915,479, which is an increase of \$743,917 or 6.7 percent above the amount approved by the 2005 Legislature. The recommendation includes expenditures of \$644,009 from the State General Fund, \$10,267,850 from the State Water Plan Fund, \$81,250 from the Economic Development Initiatives Fund, and \$922,370 from all other funds.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: State Conservation Commission **Bill No.** HB 2968

Bill Sec. 62

Analyst: VanHouse

Analysis Pg. No. Vol. II-1111

Budget Page No. 109

Expenditure Summary	Agency Request FY 07	Gov. Rec. FY 07	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,067,961	\$ 2,090,896	\$ 0
Aid to Local Units	3,013,399	3,213,399	0
Other Assistance	11,918,252	11,862,308	(5,236,268)
Subtotal - Operating	<u>\$ 16,999,612</u>	<u>\$ 17,166,603</u>	<u>\$ (5,236,268)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 16,999,612</u></u>	<u><u>\$ 17,166,603</u></u>	<u><u>\$ (5,268,268)</u></u>
State General Fund:			
State Operations	\$ 856,466	\$ 873,402	\$ 0
Aid to Local Units	900	900	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 857,366</u>	<u>\$ 874,302</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 857,366</u></u>	<u><u>\$ 874,302</u></u>	<u><u>\$ 0</u></u>
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	8.0	8.0	0.0
TOTAL	<u><u>21.0</u></u>	<u><u>21.0</u></u>	<u><u>0.0</u></u>

Agency Request

For FY 2007, the State Conservation Commission requests expenditures of \$16,999,612, which is an increase of \$4,784,135 or 39.2 percent above the FY 2006 revised request. The request includes expenditures of \$857,366 from the State General Fund, \$15,303,508 from the State Water Plan Fund, \$311,500 from the Economic Development Initiatives Fund, and \$527,238 from all other funds. The request includes enhancements totaling \$6,006,962, with \$199,250 from the State General Fund.

Governor's Recommendation

For FY 2007, the Governor recommends expenditures of \$17,166,603, which is an increase of \$5,251,124 or 44.1 percent above the FY 2006 recommendation. The recommendation includes \$874,302 from the State General Fund, \$15,451,124 from the State Water Plan Fund, \$311,500 from the Economic Development Initiatives Fund, and \$527,677 from all other funds. The recommendation includes enhancements of \$5,951,768, including \$189,000 from the State General Fund. Salaries and wages are also adjusted due to the one-time 27th payroll period in FY 2006.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations.

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$11,171,562, including \$634,112 from the State General Fund. The approved budget was reduced by a net total of \$50,267, including \$12,777 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$19,017 in salary adjustments, and \$31,250 in one-time adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 874,302	\$ 17,166,603
Baseline Budget	<u>621,335</u>	<u>11,742,630</u>
Dollar Difference	<u>\$ 252,967</u>	<u>\$ 5,423,973</u>
<i>Percent Difference</i>	40.7%	46.2%

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 17,315	\$ 23,314
SWPF Shift	189,000	0
Conservation Easements	0	311,500
Aid to Conservation Districts	0	4,000
Conservation Reserve Enhancement Program	0	4,000,000
Quick Response Areas	0	450,000
Multipurpose Small Lakes Rehabilitation	0	400,000
Water Rights Purchase	0	786,268
Other Net Adjustments	46,652	(551,109)
TOTAL	<u>\$ 252,967</u>	<u>\$ 5,423,973</u>

3. **Conservation Reserve Enhancement Program.** Delete \$4,000,000 from the State Water Plan Fund for the Conservation Reserve Enhancement Program

(CREP) for consideration at Omnibus. The Kansas State University Department of Agricultural Economics is currently conducting an analysis of the economic impact of the proposed CREP. The results of the analysis are projected to be available later in the Legislative session. In addition, no hydrologic data exists to document the benefits of a CREP.

4. **Conservation Easements.** Add a proviso limiting the use of funding for conservation easements only to easements to preserve the economic viability and long term sustainability of Fort Riley. The Governor's recommendation includes funding of \$311,500 from the Economic Development Initiatives Fund for this program.
5. **Water Rights Purchase Program.** Delete \$786,268 from the State Water Plan Fund for the Water Rights Purchase Program. The Budget Committee notes that it is supportive of the permanent retirement of water rights as long as it does not impair the local economy. The Budget Committee notes that HB 2710, currently in the House Committee on Environment, establishes a Water Rights Transition Assistance Program. The Budget Committee recommends consideration of this funding at Omnibus.
6. **Quick Response Areas.** Delete \$450,000 from the State Water Plan Fund for the Water Resources Cost Share - Quick Response Areas. This program would provide additional incentive payments to encourage the use of the existing Environmental Quality Incentives Program (EQIP). The Budget Committee directs the agency to provide additional information on this program for consideration at Omnibus.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation with the following adjustment.

1. **Conservation Easements.** Amend item number four to delete funding of \$311,500 from the Economic Development Initiatives Fund for conservation easements until Omnibus. The Committee notes that HB 2556 and HB 2558 concerning this program have not yet passed.

House Recommendation

The House has not yet considered this budget.

Senate Subcommittee Report

Agency: State Conservation Commission **Bill No.** SB 573

Bill Sec. 62

Analyst: VanHouse

Analysis Pg. No. Vol. II - 1111

Budget Page No. 109

Expenditure Summary	Agency Request FY 07	Gov. Rec. FY 07	Senate Subcom- mittee Adjustments
All Funds:			
State Operations	\$ 2,067,961	\$ 2,090,896	\$ (65,000)
Aid to Local Units	3,013,399	3,213,399	0
Other Assistance	11,918,252	11,862,308	(3,935,000)
Subtotal - Operating	\$ 16,999,612	\$ 17,166,603	\$ (4,000,000)
Capital Improvements	0	0	0
TOTAL	\$ 16,999,612	\$ 17,166,603	\$ (4,000,000)
State General Fund:			
State Operations	\$ 856,466	\$ 873,402	\$ 0
Aid to Local Units	900	900	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 857,366	\$ 874,302	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 857,366	\$ 874,302	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	8.0	8.0	0.0
TOTAL	21.0	21.0	0.0

Agency Request

For FY 2007, the State Conservation Commission requests expenditures of \$16,999,612, which is an increase of \$4,784,135 or 39.2 percent above the FY 2006 revised request. The request includes expenditures of \$857,366 from the State General Fund, \$15,303,508 from the State Water Plan Fund, \$311,500 from the Economic Development Initiatives Fund, and \$527,238 from all other funds. The request includes enhancements totaling \$6,006,962, with \$199,250 from the State General Fund.

Governor's Recommendation

For FY 2007, the Governor recommends expenditures of \$17,166,603, which is an increase of \$5,251,124 or 44.1 percent above the FY 2006 recommendation. The recommendation includes \$874,302 from the State General Fund, \$15,451,124 from the State Water Plan Fund, \$311,500 from the Economic Development Initiatives Fund, and \$527,677 from all other funds. The

recommendation includes enhancements of \$5,951,768, including \$189,000 from the State General Fund. Salaries and wages are also adjusted due to the one-time 27th payroll period in FY 2006.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments and notations.

1. **Conservation Reserve Enhancement Program.** Delete \$4,000,000 from the State Water Plan Fund for the Conservation Reserve Enhancement Program (CREP) for consideration at Omnibus. The Kansas State University Department of Agricultural Economics is currently conducting an analysis of the economic impact of the proposed CREP. The results of the analysis are projected to be available later in the Legislative session.
2. **Salt Cedar Demonstration Projects and Lake Rehabilitation.** Shift funding of \$65,000 from the State Water Plan Fund from Multipurpose Small Lake Rehabilitation to Salt Cedar Demonstration Projects. This would provide funding for approximately ten demonstration projects in Southwest Kansas. The Subcommittee notes that the Kansas Water Authority recommended funding of \$65,000 for Salt Cedar Demonstration Projects which was not recommended by the Governor.
3. **Water Rights Purchase Program.** The Subcommittee notes that the Senate Committee on Natural Resources was scheduled to work 2006 HB 2710 regarding the Water Rights Transition Assistance Program on Friday, March 10. Funding for the Water Rights Purchase Program may need to be adjusting depending on the outcome of the bill.

House Budget Committee Report

Agency: Kansas Water Office

Bill No. HB 2958

Bill Sec. 58

Analyst: VanHouse

Analysis Pg. No. Vol. II-1126

Budget Page No. 437

Expenditure Summary	Agency Estimate FY 06	Gov. Rec. FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 7,593,493	\$ 7,593,493	\$ 0
Aid to Local Units	0	0	0
Other Assistance	181,058	181,058	0
Subtotal - Operating	<u>\$ 7,774,551</u>	<u>\$ 7,774,551</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,774,551</u></u>	<u><u>\$ 7,774,551</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,440,009	\$ 1,440,009	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,440,009</u>	<u>\$ 1,440,009</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,440,009</u></u>	<u><u>\$ 1,440,009</u></u>	<u><u>\$ 0</u></u>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u><u>23.5</u></u>	<u><u>23.5</u></u>	<u><u>0.0</u></u>

Agency Estimate

For FY 2006, the **agency's** revised expenditure request totals \$7,774,551, which is an increase of \$1,444,760 or 22.8 percent above the amount approved by the 2005 Legislature. The request includes \$1,440,009 from the State General Fund and \$6,334,542 from all other funds.

Governor's Recommendation

For FY 2006, the **Governor** recommends expenditures of \$7,774,551, which is an increase of \$1,444,760 or 22.8 percent above the amount approved by the 2005 Legislature. The recommendation includes \$1,440,009 from the State General Fund and \$6,334,542 from all other funds.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustment.

1. **Groundwater Management District #3.** The Budget Committee recommends that the full Committee add a proviso allowing the Attorney General to negotiate a loan agreement with Groundwater Management District #3 from the Interstate Water Litigation Reserve Account of the State General Fund. The funding would be used for purposes related to water rights. The Budget Committee recommends a cap of \$1,000,000 on the loan amount. Funding for this account is a portion of the money received as a result of the water litigation between Kansas and Colorado.

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

House Recommendation

The House has not yet considered this budget.

Senate Subcommittee Report

Agency: Kansas Water Office

Bill No. SB 570

Bill Sec. 58

Analyst: VanHouse

Analysis Pg. No. Vol. II - 1126

Budget Page No. 437

Expenditure Summary	Agency Estimate FY 06	Gov. Rec. FY 06	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,593,493	\$ 7,593,493	\$ 0
Aid to Local Units	0	0	0
Other Assistance	181,058	181,058	0
Subtotal - Operating	<u>\$ 7,774,551</u>	<u>\$ 7,774,551</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,774,551</u></u>	<u><u>\$ 7,774,551</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,440,009	\$ 1,440,009	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,440,009</u>	<u>\$ 1,440,009</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,440,009</u></u>	<u><u>\$ 1,440,009</u></u>	<u><u>\$ 0</u></u>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u><u>23.5</u></u>	<u><u>23.5</u></u>	<u><u>0.0</u></u>

Agency Estimate

For FY 2006, the agency's revised expenditure request totals \$7,774,551, which is an increase of \$1,444,760 or 22.8 percent above the amount approved by the 2005 Legislature. The request includes \$1,440,009 from the State General Fund and \$6,334,542 from all other funds.

Governor's Recommendation

For FY 2006, the Governor recommends expenditures of \$7,774,551, which is an increase of \$1,444,760 or 22.8 percent above the amount approved by the 2005 Legislature. The recommendation includes \$1,440,009 from the State General Fund and \$6,334,542 from all other funds.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following notation.

1. **Water Conservation Projects Fund.** The Subcommittee notes that the agency's budget includes \$552,000 from the Water Conservation Projects Fund to begin feasibility studies on potential projects in the area affected by the water litigation between Kansas and Colorado. The Subcommittee directs the agency to report at Omnibus on the use of these funds.

House Budget Committee Report

Agency: Kansas Water Office

Bill No. HB 2968

Bill Sec. 63

Analyst: VanHouse

Analysis Pg. No. Vol. II-1126

Budget Page No. 437

Expenditure Summary	Agency Request FY 07	Gov. Rec. FY 07	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 7,364,162	\$ 7,378,853	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,500,000	3,500,000	(3,500,000)
Subtotal - Operating	<u>\$ 10,864,162</u>	<u>\$ 10,878,853</u>	<u>\$ (3,500,000)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 10,864,162</u></u>	<u><u>\$ 10,878,853</u></u>	<u><u>\$ (3,500,000)</u></u>
State General Fund:			
State Operations	\$ 2,184,414	\$ 2,196,044	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 2,184,414</u>	<u>\$ 2,196,044</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,184,414</u></u>	<u><u>\$ 2,196,044</u></u>	<u><u>\$ 0</u></u>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u><u>23.5</u></u>	<u><u>23.5</u></u>	<u><u>0.0</u></u>

Agency Request

For FY 2007, the agency requests expenditures of \$10,864,162, which is an increase of \$3,089,611 or 39.7 percent above the FY 2006 revised request. The request includes \$2,184,414 from the State General Fund and \$8,679,748 from all other funds.

Governor's Recommendation

For FY 2007, the Governor recommends expenditures of \$10,878,853, which is an increase of \$3,104,302 or 39.9 percent above the FY 2006 recommendation. The recommendation includes \$2,196,044 from the State General Fund and \$8,682,809 from all other funds.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations.

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$6,328,791, including \$1,433,384 from the State General Fund. The approved budget was reduced by a net total of \$26,037, including \$23,580 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$26,037 in salary adjustments.

- Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 2,196,044	\$ 10,878,853
Baseline Budget	1,409,804	6,302,754
Dollar Difference	<u>\$ 786,240</u>	<u>\$ 4,576,099</u>
<i>Percent Difference</i>	55.8%	72.6%

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 36,959	\$ 40,020
SWPF Adjustments	779,765	374,288
Water Conservation Projects Fund	0	3,500,000
Other Net Adjustments	(30,484)	661,791
TOTAL	<u>\$ 786,240</u>	<u>\$ 4,576,099</u>

- Water Conservation Projects Fund.** Delete \$2,500,000 from the Water Conservation Projects Fund for consideration at Omnibus. The Water Conservation Projects Fund was established in 1996 to receive funding resulting from the water litigation between Kansas and Colorado and is to be used on projects in the Upper Arkansas River Basin in areas directly impacted by the litigation. The agency requested additional funding in FY 2006 to begin feasibility studies for potential projects in this area. The Budget Committee requests further information and a more developed proposal before funding is allocated for projects from this fund. The Budget Committee directs the agency to meet with the Arkansas River Litigation Funds Committee and to report back to the Budget Committee prior to Omnibus. A Budget Committee meeting will be scheduled in late March to review this item.

4. **Conservation Reserve Enhancement Program.** Delete \$1,000,000 from the Water Conservation Projects Fund for the Conservation Reserve Enhancement Program (CREP) for consideration at Omnibus. The Kansas State University Department of Agricultural Economics is currently conducting an analysis of the economic impact of the proposed CREP. The results of the analysis are projected to be available later in the Legislative session. In addition, no hydrologic data exists to document the benefits of a CREP. The agency reports that an environmental assessment will be conducted by the United States Department of Agriculture (USDA) on the proposed CREP. The assessment is paid for by USDA and will examine the consequences of the CREP on the biological, cultural, water, earth, air, and recreational resources, as well as the socioeconomic and environmental justice of the project. Prior to funding the project, the Budget Committee requests information on the methodology used for the environmental assessment and its extent. Also requested are reasons, if any, property may not be enrolled due to the results of the assessment.
5. **Augmentation of Rattlesnake Creek.** Add a proviso directing the agency to work with Groundwater Management District No. 5 to start negotiations involving the purchase of water rights for the stream flow augmentation of the Rattlesnake Creek. The Budget Committee directs the agency to report back on this issue during the 2007 Legislative Session.
6. **Weather Stations.** The Budget Committee notes that the budget includes \$60,000 from the State Water Plan Fund for weather stations. This program would support crop water management through weather stations for irrigation scheduling, a mobile irrigation lab, field demonstrations, and one-on-one assistance. The existing stations are located in Southwest Kansas. The agency reported that this appropriation should provide enough resources to expand the program into other areas of the state.
7. **Colorado Water Litigation Settlement Funds.** Add a proviso stating that only the Legislature can authorize expenditures from the Water Conservation Reserve Account of the State Water Plan Fund.

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

House Recommendation

The House has not yet considered this budget.

Senate Subcommittee Report

Agency: Kansas Water Office

Bill No. SB 573

Bill Sec. 63

Analyst: VanHouse

Analysis Pg. No. Vol. II - 1126

Budget Page No. 437

Expenditure Summary	Agency Request FY 07	Gov. Rec. FY 07	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,364,162	\$ 7,378,853	\$ 0
Aid to Local Units	0	0	0
Other Assistance	3,500,000	3,500,000	(3,500,000)
Subtotal - Operating	<u>\$ 10,864,162</u>	<u>\$ 10,878,853</u>	<u>\$ (3,500,000)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 10,864,162</u></u>	<u><u>\$ 10,878,853</u></u>	<u><u>\$ (3,500,000)</u></u>
State General Fund:			
State Operations	\$ 2,184,414	\$ 2,196,044	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 2,184,414</u>	<u>\$ 2,196,044</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,184,414</u></u>	<u><u>\$ 2,196,044</u></u>	<u><u>\$ 0</u></u>
FTE Positions	22.5	22.5	0.0
Non FTE Uncl. Perm. Pos.	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
TOTAL	<u><u>23.5</u></u>	<u><u>23.5</u></u>	<u><u>0.0</u></u>

Agency Request

For FY 2007, the agency requests expenditures of \$10,864,162, which is an increase of \$3,089,611 or 39.7 percent above the FY 2006 revised request. The request includes \$2,184,414 from the State General Fund and \$8,679,748 from all other funds.

Governor's Recommendation

For FY 2007, the Governor recommends expenditures of \$10,878,853, which is an increase of \$3,104,302 or 39.9 percent above the FY 2006 recommendation. The recommendation includes \$2,196,044 from the State General Fund and \$8,682,809 from all other funds.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustments and notations.


1. **Water Conservation Projects Fund.** Delete \$2,500,000 from the Water Conservation Projects Fund for consideration at Omnibus. The Water Conservation Projects Fund was established in 1996 to receive funding resulting from the water litigation between Kansas and Colorado and is to be used on projects in the Upper Arkansas River Basin in areas directly impacted by the litigation.
2. **Conservation Reserve Enhancement Program.** Delete \$1,000,000 from the Water Conservation Projects Fund for the Conservation Reserve Enhancement Program (CREP) for consideration at Omnibus. The Kansas State University Department of Agricultural Economics is currently conducting an analysis of the economic impact of the proposed CREP. The results of the analysis are projected to be available later in the legislative session.
3. **Weather Stations.** The Subcommittee notes that the budget includes \$60,000 from the State Water Plan Fund for weather stations. This program would support crop water management through weather stations for irrigation scheduling, a mobile irrigation lab, field demonstrations, and one-on-one assistance. The stations being funded by this fund are located in Southwest Kansas.

It was reported that other local, state and federal governmental agencies, as well as private entities, own weather stations throughout the state. The Subcommittee notes that the network of weather stations is not well organized, and efforts may be duplicated in some areas. The Subcommittee recommends that the Kansas Water Authority thoroughly study this issue and report back to the 2007 Legislature.

SENATE SUBCOMMITTEE REPORT

Department of Wildlife and Parks


March 9, 2006



Senator Carolyn McGinn, Chairperson



Senator Chris Steineger



Senator Mark W. Taddiken

Senate Ways and Means
03-13-06
Attachment 2

House Budget Committee Report

Agency: Department of Wildlife and Parks

Bill No. 2958

Bill Sec. 59

Analyst: Efirid

Analysis Pg. No. Vol. II-1142

Budget Page No. 441

Expenditure	Agency Est. FY 06	Governor Rec. FY 06	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,754,096	\$ 3,699,557	\$ 0
Other Funds	38,083,786	37,965,022	0
Subtotal	\$ 41,837,882	\$ 41,664,579	\$ 0
Capital Improvements:			
State General Fund	\$ 14,175	\$ 14,175	\$ 0
Other Funds	17,660,741	18,493,901	0
Subtotal	\$ 17,674,916	\$ 18,508,076	\$ 0
TOTAL	\$ 59,512,798	\$ 60,172,655	\$ 0
FTE Positions	406.5	406.5	0.0

Agency Estimate

Compared with approved amounts, the agency's revised estimate includes an increase of \$191,649 State General Fund and \$317,147 special revenue funds for operating expenditures in FY 2006. For operating expenditures, the agency's revised FY 2006 budget request includes \$191,649 State General Fund carryover from FY 2005 that was not spent on National Guard license and park permit reimbursements last fiscal year. State General Fund financing for the National Guard program that is available in FY 2006 totals \$457,649, of which \$82,754 is allocated for license reimbursements and \$374,895 for park permit reimbursements. The net increase in FY 2006 special revenue funds financing results from decreases both in both salaries and wages expenditures and in capital outlay expenses, and from increases in expenditures for contractual services and commodities, when compared with the approved budget amounts.

Governor's Recommendation

The Governor recommends an increase of \$335,493 all funds, including \$137,110 State General Fund. The State General Fund recommendation is the net of adding the National Guard reimbursements of \$191,649 and subtracting additional shrinkage savings of \$54,539. The Governor's recommendation also includes net adjustments of \$198,383 special revenue funds in other expenditures estimated in FY 2006.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: Department of Wildlife and Parks

Bill No. 570

Bill Sec. 59

Analyst: Efird

Analysis Pg. No. Vol. II-1142

Budget Page No. 441

<u>Expenditure</u>	<u>Agency Est. FY 06</u>	<u>Governor Rec. FY 06</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,754,096	\$ 3,699,557	\$ (145,461)
Other Funds	38,083,786	37,965,022	133,917
Subtotal	<u>\$ 41,837,882</u>	<u>\$ 41,664,579</u>	<u>\$ (11,544)</u>
Capital Improvements:			
State General Fund	\$ 14,175	\$ 14,175	\$ 0
Other Funds	17,660,741	18,493,901	0
Subtotal	<u>\$ 17,674,916</u>	<u>\$ 18,508,076</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 59,512,798</u></u>	<u><u>\$ 60,172,655</u></u>	<u><u>\$ (11,544)</u></u>
FTE Positions	406.5	406.5	0.0

Agency Estimate

Compared with approved amounts, the agency's revised estimate includes an increase of \$191,649 State General Fund and \$317,147 special revenue funds for operating expenditures in FY 2006. For operating expenditures, the agency's revised FY 2006 budget request includes \$191,649 State General Fund carryover from FY 2005 that was not spent on National Guard license and park permit reimbursements last fiscal year. State General Fund financing for the National Guard program that is available in FY 2006 totals \$457,649, of which \$82,754 is allocated for license reimbursements and \$374,895 for park permit reimbursements. The net increase in FY 2006 special revenue funds financing results from decreases both in both salaries and wages expenditures and in capital outlay expenses, and from increases in expenditures for contractual services and commodities, when compared with the approved budget amounts.

Governor's Recommendation

The Governor recommends an increase of \$335,493 all funds, including \$137,110 State General Fund. The State General Fund recommendation is the net of adding the National Guard reimbursements of \$191,649 and subtracting additional shrinkage savings of \$54,539. The Governor's recommendation also includes net adjustments of \$198,383 special revenue funds in other expenditures estimated in FY 2006.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation and makes the following additional recommendation:

1. Delete \$200,000 from the State General Fund out of a total of \$457,649 in FY 2006 State General Fund financing for the National Guard program that reimburses the costs of free state parks permits, free hunting licenses, and free fishing licenses for National Guard members. The Subcommittee notes that the approved State General Fund financing in both FY 2005 and FY 2006 was \$266,000 in each fiscal year. Last fiscal year, actual expenditures for the six calendar months that the program was in operation totaled \$74,351 in FY 2005. A total of \$191,649 in FY 2005 savings reappropriated to FY 2006, and when added to the approved financing of \$266,000, makes a total of \$457,649 available in this fiscal year. The Subcommittee's recommendation would leave \$257,649 for expenditures in FY 2006, and the remaining \$200,000 of estimated savings would be lapsed.
2. Add \$200,000 from the State General Fund for operating expenditures of State Parks in FY 2006, and provide that any unexpended funds shall reappropriate to FY 2007 for operating expenditures of the State Parks. The Subcommittee makes other recommendations in FY 2007 that assume these savings of \$200,000 will reappropriate for the State Parks operating expenditures next fiscal year. The Subcommittee's intent is to reduce the Governor's recommended expenditures by \$200,000 in FY 2006, and to use that financing in FY 2007. However, if the agency finds its necessary to spend any of these funds this fiscal year, this recommendation provides the legal authority for such expenditures if the need should occur.
3. Add \$188,456 from all funds, including \$54,539 from the State General Fund, to restore a shrinkage reduction that is recommended by the Governor in FY 2006. The agency's revised FY 2006 budget includes \$54,539 from the State General Fund, \$127,849 from the Wildlife Fee Fund, and \$6,068 from the Boating Fee Fund for indirect costs in the Administration Division for salaries and wages. The Governor's recommendation reduces these funds to reflect FY 2005 expenditures for salaries and wages when positions were held vacant. The Subcommittee does not agree with the practice of holding positions vacant, especially in the current fiscal year, to achieve the Governor's recommended additional shrinkage savings that were not budgeted by the agency for FY 2006.

House Budget Committee Report

Agency: Department of Wildlife and Parks

Bill No. 2968

Bill Sec. 64

Analyst: Efird

Analysis Pg. No. Vol. II-1142

Budget Page No. 441

Expenditure	Agency Req. FY 07	Governor Rec. FY 07	Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 3,860,045	\$ 3,603,045	\$ 1,080,000
Other Funds	39,157,582	38,829,756	(1,861,725)
Subtotal	\$ 43,017,627	\$ 42,432,801	\$ (781,725)
Capital Improvements:			
State General Fund	\$ 305,000	\$ 0	\$ 0
Other Funds	5,185,000	5,885,000	0
Subtotal	\$ 5,490,000	\$ 5,885,000	\$ 0
TOTAL	\$ 48,507,627	\$ 48,317,801	\$ (781,725)
FTE Positions	407.5	407.5	0.0

Agency Request

The agency's request includes no funding for operations of either the Circle K Ranch or State Park No. 24. Operating expenditures financing is requested for \$3,860,045 State General Fund and \$39,157,582 special revenue funds. The State General Fund request is an increase of \$105,949 from the revised current fiscal year estimate. The special revenue funds request is an increase of slightly less than \$1.1 million from the revised current fiscal year estimate.

A net increase in State General Fund financing of \$105,949 would be used partially to fund 1.0 new FTE position and operating costs of the new section of the Prairie Spirit Trail that is schedule to open in FY 2007. The increase in State General Fund financing also would be used to fund motor vehicle purchases requested by the agency for next fiscal year. Absent the agency's requested enhancements of \$2.1 million, the FY 2007 budget would decrease \$935,555, including \$216,051 State General Fund, when compared with the revised current year estimates.

Governor's Recommendation

The Governor recommends a reduction of \$96,512 in State General Fund and an increase of \$864,734 special revenue funds when compared with the revised current fiscal year recommendation. The Governor recommends new financing of \$1.0 million special revenue funds in FY 2007 by transferring an additional \$1.0 million from the State Highway Fund, to be used for operating expenditures of the State Parks.

The net increase for expenditures in the Governor's recommendation is attributed to enhancement funding of \$65,000 State General Fund for the Prairie Spirit Trail, the 2.5 percent pay plan adjustment funding of \$476,537 special revenue funds, and one-time capital outlay enhancement funding of \$781,725 special revenue funds for trucks.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation, and makes the following adjustments and comments:

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$46,168,183, including \$3,562,447 from the State General Fund. The approved budget was reduced by a net total of \$1,189,695, including \$13,965 from the State General Fund, to establish a baseline budget for FY 2007. The reductions included \$390,195 in salary adjustments, and \$799,500 in one-time adjustments for motor vehicle purchases.

- Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 3,603,045	\$ 48,317,801
Baseline Budget	<u>3,548,482</u>	<u>44,978,488</u>
Dollar Difference	<u>\$ 54,563</u>	<u>\$ 3,339,313</u>
<i>Percent Difference</i>	<i>1.5%</i>	<i>6.9%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 0	\$ 436,537
New Vehicle Purchases	0	781,725
Prairie Spirit Trail	65,000	65,000
Capital Improvements	0	1,053,903
State Parks Financing	0	1,000,000
Other Net Adjustments	(10,437)	2,148
TOTAL	<u>\$ 54,563</u>	<u>\$ 3,339,313</u>

3. **Vehicles Enhancement and Reduction.** The Budget Committee recommends removing \$781,725 special revenue funds for the purchase of replacement vehicles in FY 2007 and for the issue to be considered during the Omnibus period. In addition, the Budget Committee notes the Governor's recommendation that agencies reduce 200 vehicles in the state fleet by July of 2006. This agency is slated to have 25 fewer vehicles as a result of this policy. The Budget Committee is concerned that the policy has not been reviewed sufficiently, and that an adverse consequence will occur for this agency. Because of the large number of seasonal employees, particularly at State Parks, who need vehicles, these older cars and pickups provide a means of providing low-cost transportation. Without these vehicles for seasonal park employees, a reduction in support for State Parks is included in the Governor's FY 2007 recommendation. Without \$97,000 from the State General Fund for replacement vehicles for State Parks, which the Governor did not include in FY 2007 recommended enhancement financing, the agency will be unable to purchase replacement vehicles. This issue should be reviewed at Omnibus, along with funding that the Governor did recommend for other replacement vehicles.
4. **Financing for State Parks.** The Budget Committee adds \$1.0 million from the State General Fund and reduces the transfer recommended by the Governor from the State Highway Fund by \$1.0 million for State Parks operating expenditures. The Budget Committee does not believe it is appropriate to pay for State Parks operating expenditures with money from the State Highway Fund after the recent State Finance Council approval for issuance of \$210 million in State General Fund financed highway bonds for road construction.

The Budget Committee also recommends an interim study during 2006 on the topic of State Parks financing, with a focus on restoring State General Fund financing and reducing State Park admission fees. The Budget Committee is concerned about the erosion of State General Fund support for State Parks, and the reluctance of the Governor to restore financing from the State General Fund. The Budget Committee notes that the former Governor also contributed to the reduction in State General Fund financing for State Parks and failed to support restoring State General Fund financing.

5. **State Park Admissions.** The Budget Committee believes that every time the agency raised State Park fees in recent years, both Governors and the Legislature took advantage of the situation to cut State General Fund support. The agency should be encouraged now to find ways to reduce admission fees. One method might be a shift to collecting individual entrance fees, rather than motor vehicle entrance fees. The process might be automated so individual cards could be provided as proof of paid admission and to use in reentering parks.
6. **Royalty Revenues.** The agency should investigate the possibility of leasing oil and gas rights to companies in order to acquire royalty revenues. The state owns five of the 24 state parks, some of which have considerable oil and gas activity in the vicinity.
7. **Reciprocal Agreements.** The agency should study the use of reciprocal agreements with surrounding states in order to provide a regional base for park visitors and collection of fees for admission to parks in multiple states.

8. **Rocky Ford Land Sale.** The Budget Committee recommends the agency revise its procedures for selling property. The Budget Committee notes that approximately 9.5 acres of land was sold as part of a larger transaction, and that the 9.5 acres was not supposed to be sold. The agency did not find out about the additional transfer of land until after the sale because no accurate survey was available.
9. **Funding for Prairie Spirit Trail.** The Budget Committee adds \$80,000 from the State General Fund and reduces \$80,000 from the Parks Fee Fund in FY 2007. This action allows deletion of a proviso authorizing expenditures from the Parks Fee Fund for the Prairie Spirit Trail. The Budget Committee concurs with the Governor who recommends new funding of \$65,000 State General Fund in FY 2007 to allow the third trail segment to open.
10. **State Park No. 24.** The Budget Committee recommends a prohibition against the agency acquiring tracks 1, 2, 3, 4, 5, and 8 in the area of State Park No. 24, and also a prohibition on expenditures for operating expenses, unless approved by the Legislature. The Budget Committee also recommends a written report to the 2007 Legislature by the agency in response to the alternatives of either letting the City of Topeka operate the park as a free park, or letting the agency operate the park as a paying park.
11. **Employee Housing.** The agency should review its policy of allowing agency personnel to occupy houses on its property, the amount of rents charged for such housing, and the necessity of having agency personnel located in such housing relative to their job responsibilities. A report shall be provided to the 2007 Legislature concerning employee housing.
12. **State Parks.** Except for seasonal and emergency temporary closures of limited-term duration, and prior to any announcement of possible state park or parks closure, the Secretary of Wildlife and Parks shall appear before the Legislature or one of its representative bodies and present a written protocol for park closure clearly outlined. If the Secretary does not appear and submit appropriate documentation, then no additional funds shall be expended from the Parks Fee Fund for the operation of state parks.
13. **Additional Provisos Recommended for Bill.** The Budget Committee recommends continuing two provisos from prior years that are not found in the Governor's FY 2007 recommended bill, including river access acquisition procedures and prohibiting acquisition of the Circle K Ranch, unless approved by the Legislature. The Budget Committee recommends the agency work with the standing committee and review provisos that need to be included in statute.

House Committee Recommendation

The Committee concurs with the Budget Committee recommendation and makes the further recommendation:

1. Encourage the passage of 2006 HB 2871 that addresses the issues of acquiring and disposing of real estate owned by the Department of Wildlife and Parks and that pertains to item 8 in the Budget Committee recommendation.

Recommended Provisos

During the fiscal year ending June 30, 2007, no expenditures shall be made from any moneys appropriated for the department of wildlife and parks from the state general fund or any special revenue fund for construction of any new river access on the Kansas River, unless (1) in any case of a new river access project on the Kansas river to be located wholly or partially outside an incorporated municipality, the secretary of wildlife and parks has obtained the prior written permission for the proposed river access from each owner of each parcel of real property on the river which is immediately adjacent to the real property upon which the proposed river access project is to be constructed, and, if a parcel of any such immediately adjacent real property is being leased, then the secretary also has obtained the prior written permission for the proposed new river access project from the lessor of such immediately adjacent real property, and (2) in any case of a new river access project on the Kansas river to be located wholly within an incorporated municipality, the secretary has obtained the prior written permission for the proposed new river access project from the governing body of the municipality.

During the fiscal year ending June 30, 2007, no expenditures shall be made form any moneys appropriated for the department of wildlife and parks or any other state agency from the state general fund or any special revenue fund for fiscal year 2007 by this or other appropriation act of the 2006 regular session of the legislature for the acquisition, operation, or maintenance of the Circle K Ranch except upon specific authorization of such acquisition, operation or maintenance in an appropriation act of the legislature enacted into law.

Senate Subcommittee Report

Agency: Department of Wildlife and Parks **Bill No.** 573 **Bill Sec.** 64
Analyst: Efird **Analysis Pg. No.** Vol. II-1142 **Budget Page No.** 441

<u>Expenditure</u>	<u>Agency Req. FY 07</u>	<u>Governor Rec. FY 07</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 3,860,045	\$ 3,603,045	\$ 1,097,000
Other Funds	39,157,582	38,829,756	(1,000,000)
Subtotal	<u>\$ 43,017,627</u>	<u>\$ 42,432,801</u>	<u>\$ 97,000</u>
Capital Improvements:			
State General Fund	\$ 305,000	\$ 0	\$ 0
Other Funds	5,185,000	5,885,000	0
Subtotal	<u>\$ 5,490,000</u>	<u>\$ 5,885,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 48,507,627</u></u>	<u><u>\$ 48,317,801</u></u>	<u><u>\$ 97,000</u></u>
FTE Positions	407.5	407.5	0.0

Agency Request

The agency's request includes no funding for operations of either the Circle K Ranch or State Park No. 24. Operating expenditures financing is requested for \$3,860,045 State General Fund and \$39,157,582 special revenue funds. The State General Fund request is an increase of \$105,949 from the revised current fiscal year estimate. The special revenue funds request is an increase of slightly less than \$1.1 million from the revised current fiscal year estimate.

A net increase in State General Fund financing of \$105,949 would be used partially to fund 1.0 new FTE position and operating costs of the new section of the Prairie Spirit Trail that is schedule to open in FY 2007. The increase in State General Fund financing also would be used to fund motor vehicle purchases requested by the agency for next fiscal year. Absent the agency's requested enhancements of \$2.1 million, the FY 2007 budget would decrease \$935,555, including \$216,051 State General Fund, when compared with the revised current year estimates.

Governor's Recommendation

The Governor recommends a reduction of \$96,512 in State General Fund and an increase of \$864,734 special revenue funds when compared with the revised current fiscal year recommendation. The Governor recommends new financing of \$1.0 million special revenue funds in FY 2007 by transferring an additional \$1.0 million from the State Highway Fund, to be used for operating expenditures of the State Parks.

The net increase for expenditures in the Governor's recommendation is attributed to enhancement funding of \$65,000 State General Fund for the Prairie Spirit Trail, the 2.5 percent pay plan adjustment funding of \$476,537 special revenue funds, and one-time capital outlay enhancement funding of \$781,725 special revenue funds for trucks.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, and makes the following adjustments and recommendations:

1. Delete \$1,000,000 of a transfer from the State Highway Fund that the Governor recommends for State Parks operating expenditures in FY 2007. The Subcommittee does not believe that highway money should be used to fund State Parks operating expenditures to the extent recommended by the Governor for FY 2007.
2. Add \$800,000 from the State General Fund for operating expenditures of the State Parks in FY 2007. The Subcommittee assumes that \$200,000 in State General Fund savings from FY 2006 will be available in FY 2007 as a reappropriation in order to finance the total amount of reduction in item 1 above. The Subcommittee recommends total expenditures of \$1,000,000 from the State General Fund in FY 2007 for State Parks operating expenditures.
3. Add \$97,000 from the State General Fund for replacement motor vehicles at the State Parks. The Governor's recommendation in FY 2007 provides the agency with total funding of \$781,725 from all funds for replacement vehicles, but none of that funding would be available to purchase motor vehicles requested for State

Parks. The agency's FY 2007 request includes \$97,000 from the State General Fund for replacement vehicles at State Parks that is omitted from the Governor's recommendation in funding all other agency motor vehicle replacements in FY 2007.


FY 2006 and FY 2007

SENATE SUBCOMMITTEE ON HIGHER EDUCATION

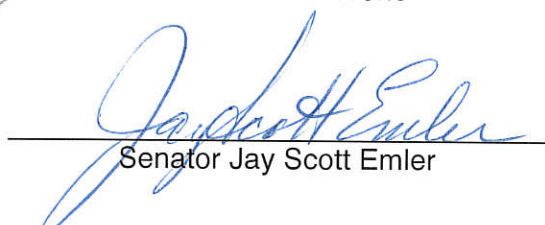
Postsecondary Education Systemwide
Board of Regents
University of Kansas
KU Medical Center
Kansas State University
KSU Veterinary Medical Center
KSU Extension Systems and Agriculture Research Programs
Wichita State University
Emporia State University
Fort Hays State University
Pittsburg State University



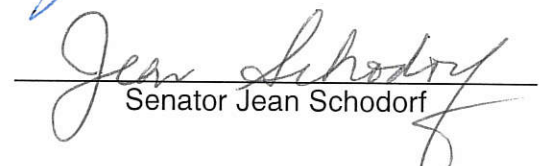
Senator Stephen Morris, Chair



Senator Jim Barone



Senator Jay Scott Emler



Senator Jean Schodorf



Senator Ruth Teichman

Senate Ways and Means
03-13-06
Attachment 3

House Budget Committee Report

Agency: Postsecondary Education Systemwide **Bill No.** **Bill Sec.**
Analyst: Hollon **Analysis Pg. No.** Various **Budget Page No.** Various

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 747,250,191	\$ 747,250,191	\$ 0
Other Funds	<u>1,177,253,656</u>	<u>1,177,253,656</u>	<u>0</u>
TOTAL	<u>\$ 1,924,503,847</u>	<u>\$ 1,924,503,847</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 2,044,313	\$ 2,044,313	\$ 0
Other Funds	<u>66,146,039</u>	<u>66,146,039</u>	<u>0</u>
TOTAL	<u>\$ 68,190,352</u>	<u>\$ 68,190,352</u>	<u>\$ 0</u>
TOTAL	<u>\$ 1,992,694,199</u>	<u>\$ 1,992,694,199</u>	<u>\$ 0</u>
FTE Positions	16,364.2	16,364.2	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>16,364.2</u>	<u>16,364.2</u>	<u>0.0</u>

Agency Estimate

The **current year estimate** for operating expenditures for the postsecondary education system is \$1.9 billion which is an increase of \$83.0 million (4.5 percent) above the approved budget. The FY 2006 State General Fund expenditures are estimated to be \$747.3 million which is an increase of \$1.5 million (0.2 percent) from the approved budget. Funds transferred from the Board of Regents to the individual institutions included \$11.6 million for the university operating grant increase; \$3.3 million for the faculty salary enhancement; and \$13.0 million for the 27th payroll period. The differences between the approved budget and the revised estimate are:

State General Fund

- unlimited reappropriations totaling \$1.5 million which are available for expenditure without further legislative action; and
- partially offset by a shift of \$30,867 from operating expenditures to debt service - principal.

General Fees Fund

The current year estimate for expenditures from the General Fees Funds of the state universities (tuition) is \$398.3 million which is an increase of \$53.5 million (15.5 percent) above the approved level due in part to:

- higher than anticipated carryforward balances from FY 2005 of \$16.8 million; and
- higher than anticipated revenue of \$39.9 million.

All Other Funds

- carry forward balances of:
 - \$292,307 from the Economic Development Initiatives Fund; and
 - \$3.7 million from the KAN-ED Fund; and
- \$27.1 million in revised estimates for expenditures from special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation with the following notation:

1. The Committee expresses concern regarding the shortage of large-animal veterinarians in the rural portions of the state and notes that graduates from Kansas State University Veterinary Medical Center are overwhelmingly small-animal veterinarians. In light of this situation, the Committee requests a report from the institution at Omnibus concerning its plan for graduating more large-animal veterinarians.
-

Senate Subcommittee Report

Agency: Postsecondary Education Systemwide **Bill No.** - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Various

Budget Page No. Various

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 747,250,191	\$ 747,250,191	\$ 0
Other Funds	<u>1,177,253,656</u>	<u>1,177,253,656</u>	<u>0</u>
TOTAL	<u>\$ 1,924,503,847</u>	<u>\$ 1,924,503,847</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 2,044,313	\$ 2,044,313	\$ 0
Other Funds	<u>66,146,039</u>	<u>66,146,039</u>	<u>0</u>
TOTAL	<u>\$ 68,190,352</u>	<u>\$ 68,190,352</u>	<u>\$ 0</u>
TOTAL	<u>\$ 1,992,694,199</u>	<u>\$ 1,992,694,199</u>	<u>\$ 0</u>
FTE Positions	16,364.2	16,364.2	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>16,364.2</u>	<u>16,364.2</u>	<u>0.0</u>

Agency Estimate

The **current year estimate** for operating expenditures for the postsecondary education system is \$1.9 billion which is an increase of \$83.0 million (4.5 percent) above the approved budget. The FY 2006 State General Fund expenditures are estimated to be \$747.3 million which is an increase of \$1.5 million (0.2 percent) from the approved budget. Funds were transferred from the Board of Regents to the individual institutions including \$11.6 million for the university operating grant increase; \$3.3 million for the faculty salary enhancement; and \$13.0 million for the 27th payroll period. The differences between the approved budget and the revised estimate are:

State General Fund

- unlimited reappropriations totaling \$1.5 million which are available for expenditure without further legislative action; and
- partially offset by a shift of \$30,867 from operating expenditures to debt service - principal.

General Fees Fund

The current year estimate for expenditures from the General Fees Funds of the state universities (tuition) is \$398.3 million which is an increase of \$53.5 million (15.5 percent) above the approved level due in part to:

- higher than anticipated carryforward balances from FY 2005 of \$16.8 million; and
- higher than anticipated revenue of \$39.9 million.

All Other Funds

- carry forward balances of:
 - \$292,307 from the Economic Development Initiatives Fund; and
 - \$3.7 million from the KAN-ED Fund; and
- \$27.1 million in revised estimates for expenditures from special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Postsecondary Education Systemwide **Bill No.** **Bill Sec.**
Analyst: Hollon **Analysis Pg. No.** Various **Budget Page No.** Various

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 783,604,659	\$ 769,675,167	\$ 615,350
Other Funds	<u>1,165,065,517</u>	<u>1,177,798,895</u>	<u>300,000</u>
TOTAL	<u>\$ 1,948,670,176</u>	<u>\$ 1,947,474,062</u>	<u>\$ 915,350</u>
Capital Improvements:			
State General Fund	\$ 22,064,347	\$ 2,193,330	\$ 0
Other Funds	<u>55,739,389</u>	<u>55,739,389</u>	<u>0</u>
TOTAL	<u>\$ 77,803,736</u>	<u>\$ 57,932,719</u>	<u>\$ 0</u>
TOTAL	<u>\$ 2,026,473,912</u>	<u>\$ 2,055,406,781</u>	<u>\$ 915,350</u>
FTE Positions	16,371.2	16,365.2	(1.0)
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>16,371.2</u>	<u>16,365.2</u>	<u>(1.0)</u>

Agency Request

The **FY 2007 operating request** for the postsecondary education system is \$1.9 billion which is an increase of \$24.2 million (1.3 percent) above the current year estimate. State General Fund expenditures for FY 2007 are requested at \$783.6 million which is an increase of \$36.4 million (4.9 percent) above the current year estimate. The request includes enhancement packages totaling \$43.8 million detailed below. Absent these enhancements, the request is \$1.9 billion which is a decrease of \$19.7 million (1.0 percent) below the current year estimate.

The request includes:

- \$33.0 million from the State General Fund to provide for an operating grant increase for the state universities;
- \$3.2 million from the State General Fund to offset lost out-district tuition revenue for the community colleges and Washburn University;
- \$2.0 million from the State General Fund to shift partial funding of the KAN-ED program from the Kansas Universal Service Fund to the State General Fund;
- \$1.8 million from the State General Fund to increase funding for the postsecondary aid formula for technical colleges and schools;
- \$1.0 million from the State General Fund to increase funding for the Comprehensive Grant Program to provide financial assistance to financially needy students;
- \$200,000 from the State General Fund to meet federal requirements for the state

- match of the Adult Basic Education Program;
- \$195,382 from the State General Fund and 3.0 FTE positions for the Board Office;
- \$92,000 from the State General Fund to finance statutorily-required reimbursements to the universities for various tuition waiver programs;
- \$75,000 from the State General Fund to purchase information processing equipment for the postsecondary database;
- \$22,500 from the State General Fund for increases in other operating expenses such as rent, travel, memberships, and computer purchases;
- \$7,500 from the State General Fund for an increase in the annual dues to the Midwest Higher Education Compact;
- \$2.0 million from the State General Fund for the fourth and final year of the Aviation Research Initiative at Wichita State University; and
- \$250,000 from the State General Fund and 4.0 FTE positions for Fort Hays State University for the operation of the Kansas Wetlands Educational Center.

Governor's Recommendation

The **Governor** recommends an FY 2007 operating budget of \$1.9 billion which is an increase of \$23.0 million (1.2 percent) above the current year recommendation. The Governor recommends State General Fund expenditures of \$769.7 million which is an increase of \$22.4 million (3.0 percent) from the current year. The recommendation includes:

- an increase in the state university operating grants totaling \$20.0 million from the State General Fund:
 - the State General Fund portion of a 2.5 percent base salary increase for classified employees and a 2.5 percent merit pool for unclassified employees at the state universities would equate to \$11.8 million;
 - the State General Fund of a pay grade adjustment for certain building trade positions at the state universities as part of a state-wide initiative would equate to \$245,389 (including the base salary increases noted above);
 - assuming that the state universities expend the funds in the above manner, the balance of the operating grant increase would be \$7.9 million. The State General Fund portion of the KPERS employer contribution rate increase and the death and disability rate for university employees are not specifically addressed in the Governor's recommendation.

Staff Note: Under the operating grant concept, the universities are not obligated to expend these funds in this manner. Increases in other funding sources for these items are included in the budgets of the individual institutions. In addition, the pay grade adjustment for trade positions would not apply to employees of the University of Kansas given that the university is staffed entirely by unclassified positions.

- an increase of \$1.3 million from the State General Fund for student financial aid including: \$1.0 million for the Comprehensive Grant program, \$200,000 for the Nursing Service Scholarship Program, and \$90,000 for statutory tuition waivers.
- an increase in Postsecondary Aid for Vocational Education of \$1.0 million from the State General Fund;
- an increase in Adult Basic Education of \$200,000 from the State General Fund;
- \$95,926 (\$60,460 from the State General Fund) for a 2.5 percent base salary adjustment for classified employees and a 2.5 percent merit pool for unclassified

- employees in the Board office;
- an increase of \$31,089 from the State General Fund to make other pay plan adjustments in the Board office;
- an increase of \$75,000 from the State General Fund for information technology equipment related to the postsecondary database;
- the addition of \$46,478 from the State General Fund and 1.0 FTE position for an Administrative Assistant position in the Academic Affairs area; and
- the elimination of funding totaling \$82,500 from the State General Fund for the annual dues for the Midwest Higher Education Compact;
- continuation of funding of \$2.0 million from the State General Fund in the budget of Wichita State University for the Aviation Research Initiative; and
- a shift from the Economic Development Initiatives Fund to the State General Fund of \$300,000 in the budget of KSU ESARP.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For the postsecondary education system, the FY 2006 approved budget totaled \$1.9 billion, including \$747.8 million from the State General Fund. The approved budget was increased by a net total of \$7.1 million, partially offset by a reduction of \$2.4 million from the State General Fund, to establish a baseline budget for FY 2007. Detailed information is in the individual agency budget committee reports.

2. Add \$3.2 million from the State General Fund to offset lost out-district tuition revenue for the community colleges and Washburn University. Unless the Legislature takes action, the rate paid by other counties to the institutions will be eliminated as of July 1. The additional funding should be disbursed proportionally based upon the amount of revenue that each institution receives from out-district tuition rather than being added to the funding formula. The formula is based on overall enrollment and, as a result, additional funds would not necessarily go to those institutions most affected by a reduction in out-district tuition revenue.
3. Shift \$240,000 from the university operating grant increase from the State General Fund to the postsecondary aid formula for technical schools and colleges. This amount reflects the State General Fund portion of the trade position retention incentive for the state universities. The Budget Committee

notes that, under the block grant concept, the state universities are not required to spend those particular funds in that specific manner and that the non-State General Fund portion of the incentive has been recommended in the budgets of the individual universities. It is the belief of the Budget Committee that individuals in trade positions must be trained before they can be retained and that the additional funding would be very beneficial to the technical colleges.

4. Delete \$46,478 from the State General Fund and 1.0 FTE Administrative Assistant position recommended for the Academic Affairs area in the Board office for consideration at Omnibus. The Budget Committee notes that, given the other needs in higher education and other state agencies, adding staff should not be a priority for state funds.
5. Delete a total of \$2.4 million from the State General Fund from the budgets of the state universities for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be conforming to the requirement of Joint Committee on Information Technology review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities submit their project plans for the purchase of personal computers and upgrades for wiring infrastructure to the Chief Information Technology Officer prior to that time.
6. Add \$150,000 from the State General Fund to increase funding for the Masters-level nursing program at Fort Hays State University. The Budget Committee notes a report by the Board of Regents which indicates that the shortage of nurses in the state is due not to low enrollments, but to a lack of nursing faculty and physical space in addition to other factors. The Budget Committee recommends that this amount be matched dollar for dollar by the university and that the additional funds be used to hire faculty and increase facilities for the program.
7. Shift \$300,000 from the State General Fund to the Economic Development Initiatives Fund at KSU Extension Systems and Agriculture Research Programs. The Budget Committee notes that this amount has been funded through the EDIF for the past two years and believes that to be the appropriate funding source.
8. Consider at Omnibus the addition of funding to fully fund the statutory formula for technical colleges. The state's portion of funding is to be 85 percent of local operating costs, but that level of funding has not been achieved in many years. In addition, the Higher Education Coordination Act (1999 SB 345) did not address funding for the technical colleges as it did the other sectors of higher education. As a result, increases of funding for technical education have fallen behind those of the rest of higher education.
9. Request introduction of legislation which would establish a three-year pilot program in which two state universities would be exempted from the purchasing limits set by the Division of Purchases within the Department of Administration. Under current law, state agencies must utilize the Division of Purchases if the amount of the purchase is over \$25,000. Given that the state universities regularly make purchases above that amount, the Budget Committee believes that an exemption would allow the universities to operate more efficiently and would provide more flexibility. The participating universities would be selected by

the Board of Regents and would be required to report the results of the program to the Legislature and the Governor.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation with the following adjustments:

1. Amend Item #8 above to add \$3.0 million from the State General Fund for postsecondary vocational education at this time and to consider additional funding at Omnibus.
 2. Shift \$200,000 from the State General Fund which was recommended for the undergraduate Nursing Service Scholarship Program to use for capacity-building in the Master's-level nursing programs at any institution in the state. The Board of Regents is to determine the specific use of the funds and the institutions involved. The additional State General Fund moneys are to be matched on a dollar for dollar basis by the institutions.
 3. The Committee expresses concern regarding the shortage of large-animal veterinarians in the rural portions of the state and notes that graduates from Kansas State University Veterinary Medical Center are overwhelmingly small-animal veterinarians. In light of this situation, the Committee requests a report from the institution at Omnibus concerning its plan for graduating more large-animal veterinarians.
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Senate Subcommittee Report

Agency: Postsecondary Education Systemwide **Bill No.** 573

Bill Sec. 40-49

Analyst: Hollon

Analysis Pg. No. Various

Budget Page No. Various

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 783,604,659	\$ 769,675,167	\$ 7,300,000
Other Funds	1,165,065,517	1,177,798,895	0
TOTAL	<u>\$ 1,948,670,176</u>	<u>\$ 1,947,474,062</u>	<u>\$ 7,300,000</u>
Capital Improvements:			
State General Fund	\$ 22,064,347	\$ 2,193,330	\$ 0
Other Funds	55,739,389	55,739,389	0
TOTAL	<u>\$ 77,803,736</u>	<u>\$ 57,932,719</u>	<u>\$ 0</u>
TOTAL	<u>\$ 2,026,473,912</u>	<u>\$ 2,005,406,781</u>	<u>\$ 7,300,000</u>
FTE Positions	16,371.2	16,365.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>16,371.2</u>	<u>16,365.2</u>	<u>0.0</u>

Agency Request

The **FY 2007 operating request** for the postsecondary education system is \$1.9 billion which is an increase of \$24.2 million (1.3 percent) above the current year estimate. State General Fund expenditures for FY 2007 are requested at \$783.6 million which is an increase of \$36.4 million (4.9 percent) above the current year estimate. The request includes enhancement packages totaling \$43.8 million detailed below. Absent these enhancements, the request is \$1.9 billion which is a decrease of \$19.7 million (1.0 percent) below the current year estimate.

The request includes:

- \$33.0 million from the State General Fund to provide for an operating grant increase for the state universities;
- \$3.2 million from the State General Fund to offset lost out-district tuition revenue for the community colleges and Washburn University;
- \$2.0 million from the State General Fund to shift partial funding of the KAN-ED program from the Kansas Universal Service Fund to the State General Fund;
- \$1.8 million from the State General Fund to increase funding for the postsecondary aid formula for technical colleges and schools;
- \$1.0 million from the State General Fund to increase funding for the Comprehensive Grant Program to provide financial assistance to financially needy students;

- \$200,000 from the State General Fund to meet federal requirements for the state match of the Adult Basic Education Program;
- \$195,382 from the State General Fund and 3.0 FTE positions for the Board Office;
- \$92,000 from the State General Fund to finance statutorily-required reimbursements to the universities for various tuition waiver programs;
- \$75,000 from the State General Fund to purchase information processing equipment for the postsecondary database;
- \$22,500 from the State General Fund for increases in other operating expenses such as rent, travel, memberships, and computer purchases;
- \$7,500 from the State General Fund for an increase in the annual dues to the Midwest Higher Education Compact;
- \$2.0 million from the State General Fund for the fourth and final year of the Aviation Research Initiative at Wichita State University; and
- \$250,000 from the State General Fund and 4.0 FTE positions for Fort Hays State University for the operation of the Kansas Wetlands Educational Center.

Governor's Recommendation

The **Governor** recommends an FY 2007 operating budget of \$1.9 billion which is an increase of \$23.0 million (1.2 percent) above the current year recommendation. The Governor recommends State General Fund expenditures of \$769.7 million which is an increase of \$22.4 million (3.0 percent) from the current year. The recommendation includes:

- an increase in the state university operating grants totaling \$20.0 million from the State General Fund:
 - the State General Fund portion of a 2.5 percent base salary increase for classified employees and a 2.5 percent merit pool for unclassified employees at the state universities would equate to \$11.8 million;
 - the State General Fund of a pay grade adjustment for certain building trade positions at the state universities as part of a state-wide initiative would equate to \$245,389 (including the base salary increases noted above);
 - assuming that the state universities expend the funds in the above manner, the balance of the operating grant increase would be \$7.9 million. The State General Fund portion of the KPERS employer contribution rate increase and the death and disability rate for university employees are not specifically addressed in the Governor's recommendation.

Staff Note: Under the operating grant concept, the universities are not obligated to expend these funds in this manner. Increases in other funding sources for these items are included in the budgets of the individual institutions. In addition, the pay grade adjustment for trade positions would not apply to employees of the University of Kansas given that the university is staffed entirely by unclassified positions.

- an increase of \$1.3 million from the State General Fund for student financial aid including: \$1.0 million for the Comprehensive Grant program, \$200,000 for the Nursing Service Scholarship Program, and \$90,000 for statutory tuition waivers.
- an increase in Postsecondary Aid for Vocational Education of \$1.0 million from the State General Fund;
- an increase in Adult Basic Education of \$200,000 from the State General Fund;

- \$95,926 (\$60,460 from the State General Fund) for a 2.5 percent base salary adjustment for classified employees and a 2.5 percent merit pool for unclassified employees in the Board office;
- an increase of \$31,089 from the State General Fund to make other pay plan adjustments in the Board office;
- an increase of \$75,000 from the State General Fund for information technology equipment related to the postsecondary database;
- the addition of \$46,478 from the State General Fund and 1.0 FTE position for an Administrative Assistant position in the Academic Affairs area; and
- the elimination of funding totaling \$82,500 from the State General Fund for the annual dues for the Midwest Higher Education Compact;
- continuation of funding of \$2.0 million from the State General Fund in the budget of Wichita State University for the Aviation Research Initiative; and
- a shift from the Economic Development Initiatives Fund to the State General Fund of \$300,000 in the budget of KSU ESARP.

Senate Subcommittee Recommendation

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

1. Add \$3.2 million from the State General Fund to offset lost out-district tuition revenue for the community colleges and Washburn University. Unless the Legislature takes action, the rate paid by other counties to the institutions will be eliminated as of July 1. The additional funding should be disbursed proportionally based upon the amount of revenue that each institution receives from out-district tuition rather than being added to the funding formula. The formula is based on overall enrollment and, as a result, additional funds would not necessarily go to those institutions most affected by a reduction in out-district tuition revenue.
2. Add \$3.9 million from the State General Fund for technical college funding. Of this amount, \$3.2 million is to increase funding toward the statutory formula and \$735,000 is to hold the technical colleges harmless during a shift in the funding allocation process by the Board of Regents.

Per the statutory formula, the state is to fund 85 percent of local costs of operations with the institution paying for the other 15 percent. This formula has not been fully funded in recent years. In addition, the Higher Education Coordination Act did not address a new funding mechanism for these institutions as it did for the community colleges and Washburn University. Compounding the situation, the technical colleges and schools have little or no other sources of revenue outside of state funding and student tuition. The Subcommittee adds \$3.2 million from the State General Fund to add an amount equal to that added for lost out-district tuition at the community colleges and Washburn University.

The Board of Regents has approved a new allocation process for technical college funding. Previous allocations were based upon the institutions' budgets

as approved by the Board of Regents. The new process will allocate funds based upon a three-year average of enrollment. Under the new process, several technical colleges would receive less of an increase than they would have under the previous method. In an effort to hold those institutions harmless, the Subcommittee adds \$735,000 from the State General Fund.

In addition, the Subcommittee notes Senate Bill 588 which would establish the Kansas Technical College and Vocational Education School Commission. The Commission would be charged with studying the governance, funding and mission of Kansas technical colleges and vocational education schools.

3. Add \$165,000 from the State General Fund for a Biosciences Academy. This academy would be a three-week summer program for 40 high-achieving students in math and science. The program would provide content learning, hands-on laboratory experiences, and exposure to ethics and legal issues as well as career opportunities.
4. While not adding funding at this time, the Subcommittee notes the critical shortage of nurses in the state and recommends a review at Omnibus of the Board of Regents' proposal to increase the capacity of the state's postsecondary education programs. In response to the Subcommittee's request, the agency provided a listing of the three most critical pieces of its proposal:
 - Establishing a Nurse Educator Scholarship Program - \$2.4 million;
 - Increasing Nursing Faculty and Supplies - \$2.4 million;
 - Purchasing Equipment and Upgrading Facilities - \$2.7 million; and
 - Creating a Statewide Nursing Consortium (financed through federal funds).

The Subcommittee commends the higher education institutions for their efforts in reallocating resources and utilizing other funding sources to expand their nursing programs to meet the need. For example:

- Wichita State University, Emporia State University, and Fort Hays State University expanded programs by reallocating existing resources;
 - Pittsburg State University created capacity by rearranging class schedules;
 - University of Kansas and Butler County Community College expanded enrollment by adding online offerings;
 - Washburn University began a nursing program without additional state funds; and
 - Pratt Community College and Cowley County Community College have partnered to provide classes at a single location.
5. The Subcommittee expresses its deep concern over the lack of progress this legislative session on the deferred maintenance issue, not only at the state universities, but with all of the institutions in the postsecondary education system. The institutions have utilized existing resources to the best of their abilities, but the projects are too many in number and too high in cost. Due to debt service obligations, the Educational Building Fund can only supply \$15.0 million per year for rehabilitation and repair. Additional state funding sources must be found in order to adequately address even a portion of the problem. Each year that goes by without those additional resources only compounds the problem. The Subcommittee notes that an ad hoc group is working on the parameters of the problem and hopes that a bill will be introduced before the end of the 2006 Legislative Session.

6. The Subcommittee commends the postsecondary institutions for their efficiencies and innovation in handling reduced budgets while continuing the missions of education and research. Each institution noted examples in which costs were reduced, courses were made more readily available to students, or state funds were leveraged for additional revenue from outside sources. The Subcommittee expresses its gratitude to the institutions for being such good stewards of the state's money.

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House Budget Committee Report

Agency: Board of Regents

Bill No.

Bill Sec.

Analyst: Hollon

Analysis Pg. No. Vol. II - 898

Budget Page No. 327

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 151,230,324	\$ 151,230,324	\$ 0
Other Funds	39,833,934	39,833,934	0
TOTAL	\$ 191,064,258	\$ 191,064,258	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	10,880,000	10,880,000	0
TOTAL	\$ 10,880,000	\$ 10,880,000	\$ 0
TOTAL	\$ 201,944,258	\$ 201,944,258	\$ 0
FTE Positions	57.5	57.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	57.5	57.5	0.0

Agency Estimate

The **agency's** estimate for FY 2006 operating expenditures of \$191.1 million is a net decrease of \$30.0 million (13.6 percent) below the approved budget. The estimate includes State General Fund expenditures of \$151.2 million which is a decrease of \$26.9 million (15.1 percent) below the approved budget. Differences between the approved amount and the agency's revised estimate include:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$1.0 million which is available for expenditure without any further legislative action; and
- transfers from this agency to the individual institutions of:
 - \$11.6 million for the state university operating grant;
 - \$3.3 million for the faculty salary enhancement; and
 - \$13.0 for the 27th payroll period.

All Other Funds

- unlimited reappropriations of:
 - \$249 from the Economic Development Initiatives Fund; and
 - \$3.7 million from the KAN-ED Fund; and

- a reduction of \$3.3 million in the estimate of the debt service-interest payment for the Research Corporation bonds.

Governor's Recommendation

The **Governor** concurs with the agency's revised estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Board of Regents

Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 898

Budget Page No. 327

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 151,230,324	\$ 151,230,324	\$ 0
Other Funds	39,833,934	39,833,934	0
TOTAL	\$ 191,064,258	\$ 191,064,258	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	10,880,000	10,880,000	0
TOTAL	\$ 10,880,000	\$ 10,880,000	\$ 0
TOTAL	\$ 201,944,258	\$ 201,944,258	\$ 0
FTE Positions	57.5	57.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	57.5	57.5	0.0

Agency Estimate

The **agency's** estimate for FY 2006 operating expenditures of \$191.1 million is a net decrease of \$30.0 million (13.6 percent) below the approved budget. The estimate includes State General Fund expenditures of \$151.2 million which is a decrease of \$26.9 million (15.1 percent) below the approved budget. Differences between the approved amount and the agency's revised estimate include:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$1.0 million which is available for expenditure without any further legislative action; and
- transfers from this agency to the individual institutions of:
 - \$11.6 million for the state university operating grant;
 - \$3.3 million for the faculty salary enhancement; and
 - \$13.0 for the 27th payroll period.

All Other Funds

- unlimited reappropriations of:
 - \$249 from the Economic Development Initiatives Fund; and
 - \$3.7 million from the KAN-ED Fund; and
- a reduction of \$3.3 million in the estimate of the debt service-interest payment for the Research Corporation bonds.

Governor's Recommendation

The **Governor** concurs with the agency's revised estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Regents

Bill No.

Bill Sec.

Analyst: Hollon

Analysis Pg. No. Vol. II - 898

Budget Page No. 327

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 200,587,920	\$ 181,608,428	\$ 3,153,522
Other Funds	40,167,453	40,202,919	0
TOTAL	<u>\$ 240,755,373</u>	<u>\$ 221,811,347</u>	<u>\$ 3,153,522</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	32,450,000	32,450,000	0
TOTAL	<u>\$ 32,450,000</u>	<u>\$ 32,450,000</u>	<u>\$ 0</u>
TOTAL	<u>\$ 273,205,373</u>	<u>\$ 254,261,347</u>	<u>\$ 3,153,522</u>
FTE Positions	60.5	58.5	(1.0)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>60.5</u>	<u>58.5</u>	<u>(1.0)</u>

Agency Request

The **agency** requests an FY 2007 operating budget of \$240.8 million which is an increase of \$49.7 million (26.0 percent) above the FY 2006 revised estimate. The request includes \$200.6 million from the State General Fund which is an increase of \$49.4 million (32.6 percent) above the FY 2006 revised estimate.

- The request includes funding of \$8.9 million in the Current Services budget for the third year of a three-year plan to fund the Higher Education Coordination Act (1999 SB 345) based upon the original estimate. The prior two years, the agency requested an enhancement of full funding based upon the statutory formulae and the Governor recommended the revised funding mechanism. The FY 2007 portion is comprised of:
 - \$5,086,081 for community college operating grants;
 - \$455,060 for the Washburn University operating grant; and
 - \$3,333,426 for faculty salary enhancements at the state universities.
- The request includes enhancements totaling \$41.6 million and 3.0 FTE positions. Absent those enhancements, the agency's FY 2007 request would be an increase of \$8.1 million (4.3 percent) from the current year. The State General Fund increase would be \$7.7 million (5.2 percent) above the current year. The increase

is due to the third year of the revised SB 345 funding noted above partially offset by reappropriations of FY 2005 funds expended in FY 2006 and not available in FY 2007.

Governor's Recommendation

The **Governor** recommends an FY 2007 operating budget of \$221.8 million which is an increase of \$30.7 million (16.1 percent) above the current year recommendation. The recommendation includes \$181.6 million from the State General Fund which is an increase of \$30.4 million (20.1 percent) from the current year recommendation. The recommendation includes:

- Funding of \$8.9 million in the Current Services budget for the third year of a three-year plan to fund the Higher Education Coordination Act (1999 SB 345) based upon the original estimate. The prior two years, the agency requested an enhancement of full funding based upon the statutory formulae and the Governor recommended the revised funding mechanism. The FY 2007 portion is comprised of:
 - \$5,086,081 for community college operating grants;
 - \$455,060 for the Washburn University operating grant; and
 - \$3,333,426 for faculty salary enhancements at the state universities.

- an increase in the state university operating grants totaling \$20.0 million from the State General Fund:
 - the State General Fund portion of a 2.5 percent base salary increase for classified employees and a 2.5 percent merit pool for unclassified employees at the state universities would equate to \$11.8 million;
 - the State General Fund of a pay grade adjustment for certain building trade positions at the state universities as part of a state-wide initiative would equate to \$245,389 (including the base salary increases noted above);
 - assuming that the state universities expend the funds in the above manner, the balance of the operating grant increase would be \$7.9 million.

Staff Note: Under the operating grant concept, the universities are not obligated to expend these funds in this manner. Increases in other funding sources for these items are included in the budgets of the individual institutions. In addition, the pay grade adjustment for trade positions would not apply to employees of the University of Kansas given that the university is staffed entirely by unclassified positions.

- an increase of \$1.3 million from the State General Fund for student financial aid including: \$1.0 million for the Comprehensive Grant program, \$200,000 for the Nursing Service Scholarship Program, and \$90,000 for statutory tuition waivers.

- an increase in Postsecondary Aid for Vocational Education of \$1.0 million from the State General Fund;

- an increase in Adult Basic Education of \$200,000 from the State General Fund;

- \$95,926 (\$60,460 SGF) for a 2.5 percent base salary adjustment for classified employees and a 2.5 percent merit pool for unclassified employees in the Board office;
- an increase of \$31,089 from the State General Fund to make other pay plan adjustments in the Board office;
- an increase of \$75,000 from the State General Fund for information technology equipment related to the postsecondary database;
- the addition of \$46,478 from the State General Fund and 1.0 FTE position for an Administrative Assistant position in the Academic Affairs area; and
- the elimination of funding totaling \$82,500 from the State General Fund for the annual dues for the Midwest Higher Education Compact.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor’s recommendations with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents’ Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$221.1 million, including \$178.1 million from the State General Fund. The approved budget was reduced by a net total of \$24.1 million, including \$23.8 million from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$7.4 million in salary adjustments and \$15.0 million in one-time adjustments, partially offset by an increase of \$4.7 million for debt service payments.

2. **Comparison of FY 2007 Baseline Budget to Governor’s Recommendation.** The table below reflects the difference between the Governor’s recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 181,608,428	\$ 254,261,347
Baseline Budget	157,848,554	230,118,171
Dollar Difference	\$ 23,759,874	\$ 24,143,176
<i>Percent Difference</i>	<i>13.1%</i>	<i>9.5%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment - KBOR	\$ 9,443	\$ 9,443
University Op. Grant Increase	20,000,000	20,000,000
SB 345 Funding	8,874,567	8,874,567
Vocational Education Increase	1,000,000	1,000,000
Adult Basic Education Increase	200,000	200,000
Comprehensive Grant Increase	1,000,000	1,000,000
Nursing Scholarship Increase	200,000	200,000
Tuition Waiver Reimbursement	90,000	90,000
Postsecondary Database	75,000	75,000
Administrative Assistant	46,478	46,478
MHEC Dues Elimination	(82,500)	(82,500)
One-time FY 2006 KAN-ED Exp.	0	(1,212,310)
Federal Funds Adjustments	0	(361,836)
Other Net Adjustments	37,669	(4,883)
KAN-ED Funding Shift (not recommended by the Governor)	(2,000,000)	0
Pay Plan Annualization - Univ. (not addressed by the Governor)	(5,690,783)	(5,690,783)
TOTAL	<u>\$ 23,759,874</u>	<u>\$ 24,143,176</u>

3. Add \$3.2 million from the State General Fund to offset lost out-district tuition revenue for the community colleges and Washburn University. Unless the Legislature takes action, the rate paid by other counties to the institutions will be eliminated as of July 1. The additional funding should be disbursed proportionally based upon the amount of revenue that each institution receives from out-district tuition rather than being added to the funding formula. The formula is based on overall enrollment and, as a result, additional funds would not necessarily go to those institutions most affected by a reduction in out-district tuition revenue.
4. Shift \$240,000 from the university operating grant increase from the State General Fund to the postsecondary aid formula for technical schools and colleges. This amount reflects the State General Fund portion of the trade position retention incentive for the state universities. The Budget Committee notes that, under the block grant concept, the state universities are not required to spend those particular funds in that specific manner and that the non-State General Fund portion of the incentive has been recommended in the budgets of the individual universities. It is the belief of the Budget Committee that individuals in trade positions must be trained before they can be retained and that the additional funding would be very beneficial to the technical colleges.
5. Delete \$46,478 from the State General Fund and 1.0 FTE Administrative Assistant position recommended for the Academic Affairs area for consideration at Omnibus. The Budget Committee notes that, given the other needs in higher education and other state agencies, adding staff should not be a priority for state funds.
6. Consider at Omnibus the addition of funding to fully fund the statutory formula for technical colleges. The state's portion of funding is to be 85 percent of local

operating costs, but that level of funding has not been achieved in many years. In addition, the Higher Education Coordination Act (1999 SB345) did not address funding for the technical colleges as it did the other sectors of higher education. As a result, increases of funding for technical education have fallen behind those of the rest of higher education.

7. Request introduction of legislation which would establish a three-year pilot program in which two state universities would be exempted from the purchasing limits set by the Division of Purchases within the Department of Administration. Under current law, state agencies must utilize the Division of Purchases if the amount of the purchase is over \$25,000. Given that the state universities regularly make purchases above that amount, the Budget Committee believes that an exemption would allow the universities to operate more efficiently and would provide more flexibility. The participating universities would be selected by the Board of Regents and would be required to report the results of the program to the Legislature and the Governor.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation with the following adjustments:

1. Amend Item #6 above to add \$3.0 million from the State General Fund for postsecondary vocational education at this time and to consider additional funding at Omnibus.
 2. Shift \$200,000 from the State General Fund which was recommended for the undergraduate Nursing Service Scholarship Program to use for capacity-building in the Master's-level nursing programs at any institution in the state. The Board of Regents is to determine the specific use of the funds and the institutions involved. The additional State General Fund moneys are to be matched on a dollar for dollar basis by the institutions.
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Senate Subcommittee Report

Agency: Board of Regents

Bill No. 573

Bill Sec. 49

Analyst: Hollon

Analysis Pg. No. Vol. II - 898

Budget Page No. 327

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 200,587,920	\$ 181,608,428	\$ 7,300,000
Other Funds	40,167,453	40,202,919	0
TOTAL	\$ 240,755,373	\$ 221,811,347	\$ 7,300,000
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	32,450,000	32,450,000	0
TOTAL	\$ 32,450,000	\$ 32,450,000	\$ 0
TOTAL	\$ 273,205,373	\$ 254,261,347	\$ 7,300,000
FTE Positions	60.5	58.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	60.5	58.5	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$240.8 million which is an increase of \$49.7 million (26.0 percent) above the FY 2006 revised estimate. The request includes \$200.6 million from the State General Fund which is an increase of \$49.4 million (32.6 percent) above the FY 2006 revised estimate.

- The request includes funding of \$8.9 million in the Current Services budget for the third year of a three-year plan to fund the Higher Education Coordination Act (1999 SB 345) based upon the original estimate. The prior two years, the agency requested an enhancement of full funding based upon the statutory formulae and the Governor recommended the revised funding mechanism. The FY 2007 portion is comprised of:
 - \$5,086,081 for community college operating grants;
 - \$455,060 for the Washburn University operating grant; and
 - \$3,333,426 for faculty salary enhancements at the state universities.
- The request includes enhancements totaling \$41.6 million and 3.0 FTE positions. Absent those enhancements, the agency's FY 2007 request would be an increase of \$8.1 million (4.3 percent) from the current year. The State General Fund increase would be \$7.7 million (5.2 percent) above the current year. The increase

is due to the third year of the revised SB 345 funding noted above partially offset by reappropriations of FY 2005 funds expended in FY 2006 and not available in FY 2007.

Governor's Recommendation

The **Governor** recommends an FY 2007 operating budget of \$221.8 million which is an increase of \$30.7 million (16.1 percent) above the current year recommendation. The recommendation includes \$181.6 million from the State General Fund which is an increase of \$30.4 million (20.1 percent) from the current year recommendation. The recommendation includes:

- Funding of \$8.9 million in the Current Services budget for the third year of a three-year plan to fund the Higher Education Coordination Act (1999 SB 345) based upon the original estimate. The prior two years, the agency requested an enhancement of full funding based upon the statutory formulae and the Governor recommended the revised funding mechanism. The FY 2007 portion is comprised of:
 - \$5,086,081 for community college operating grants;
 - \$455,060 for the Washburn University operating grant; and
 - \$3,333,426 for faculty salary enhancements at the state universities.
- an increase in the state university operating grants totaling \$20.0 million from the State General Fund:
 - the State General Fund portion of a 2.5 percent base salary increase for classified employees and a 2.5 percent merit pool for unclassified employees at the state universities would equate to \$11.8 million;
 - the State General Fund of a pay grade adjustment for certain building trade positions at the state universities as part of a state-wide initiative would equate to \$245,389 (including the base salary increases noted above);
 - assuming that the state universities expend the funds in the above manner, the balance of the operating grant increase would be \$7.9 million.

Staff Note: Under the operating grant concept, the universities are not obligated to expend these funds in this manner. Increases in other funding sources for these items are included in the budgets of the individual institutions. In addition, the pay grade adjustment for trade positions would not apply to employees of the University of Kansas given that the university is staffed entirely by unclassified positions.

- an increase of \$1.3 million from the State General Fund for student financial aid including: \$1.0 million for the Comprehensive Grant program, \$200,000 for the Nursing Service Scholarship Program, and \$90,000 for statutory tuition waivers.
- an increase in Postsecondary Aid for Vocational Education of \$1.0 million from the State General Fund;
- an increase in Adult Basic Education of \$200,000 from the State General Fund;

- \$95,926 (\$60,460 SGF) for a 2.5 percent base salary adjustment for classified employees and a 2.5 percent merit pool for unclassified employees in the Board office;
- an increase of \$31,089 from the State General Fund to make other pay plan adjustments in the Board office;
- an increase of \$75,000 from the State General Fund for information technology equipment related to the postsecondary database;
- the addition of \$46,478 from the State General Fund and 1.0 FTE position for an Administrative Assistant position in the Academic Affairs area; and
- the elimination of funding totaling \$82,500 from the State General Fund for the annual dues for the Midwest Higher Education Compact.

Senate Subcommittee Recommendation

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

1. Add \$3.2 million from the State General Fund to offset lost out-district tuition revenue for the community colleges and Washburn University. Unless the Legislature takes action, the rate paid by other counties to the institutions will be eliminated as of July 1. The additional funding should be disbursed proportionally based upon the amount of revenue that each institution receives from out-district tuition rather than being added to the funding formula. The formula is based on overall enrollment and, as a result, additional funds would not necessarily go to those institutions most affected by a reduction in out-district tuition revenue.
2. Add \$3.9 million from the State General Fund for technical college funding. Of this amount, \$3.2 million is to increase funding toward the statutory formula and \$735,000 is to hold the technical colleges harmless during a shift in the funding allocation process by the Board of Regents.

Per the statutory formula, the state is to fund 85 percent of local costs of operations with the institution paying for the other 15 percent. This formula has not been fully funded in recent years. In addition, the Higher Education Coordination Act did not address a new funding mechanism for these institutions as it did for the community colleges and Washburn University. Compounding the situation, the technical colleges and schools have little or no other sources of revenue outside of state funding and student tuition. The Subcommittee adds \$3.2 million from the State General Fund to add an amount equal to that added for lost out-district tuition at the community colleges and Washburn University.

The Board of Regents has approved a new allocation process for technical college funding. Previous allocations were based upon the institutions' budgets as approved by the Board of Regents. The new process will allocate funds based upon a three-year average of enrollment. Under the new process, several technical colleges would receive less of an increase than they would have under the previous method. In an effort to hold those institutions harmless, the Subcommittee adds \$735,000 from the State General Fund.

In addition, the Subcommittee notes Senate Bill 588 which would establish the Kansas Technical College and Vocational Education School Commission. The Commission would be charged with studying the governance, funding and mission of Kansas technical colleges and vocational education schools.

3. Add \$165,000 from the State General Fund for a Biosciences Academy. This academy would be a three-week summer program for 40 high-achieving students in math and science. The program would provide content learning, hands-on laboratory experiences, and exposure to ethics and legal issues as well as career opportunities.
4. While not adding funding at this time, the Subcommittee notes the critical shortage of nurses in the state and recommends a review at Omnibus of the Board of Regents' proposal to increase the capacity of the state's postsecondary education programs. In response to the Subcommittee's request, the agency provided a listing of the three most critical pieces of its proposal:
 - Establishing a Nurse Educator Scholarship Program - \$2.4 million;
 - Increasing Nursing Faculty and Supplies - \$2.4 million;
 - Purchasing Equipment and Upgrading Facilities - \$2.7 million; and
 - Creating a Statewide Nursing Consortium (financed through federal funds).

House Budget Committee Report

Agency: University of Kansas **Bill No.** **Bill Sec.**
Analyst: Hollon **Analysis Pg. No.** Vol. II - 924 **Budget Page No.** 421

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 142,829,991	\$ 142,829,991	\$ 0
Other Funds	330,038,774	330,038,774	0
TOTAL	\$ 472,868,765	\$ 472,868,765	\$ 0
Capital Improvements:			
State General Fund	\$ 676,300	\$ 676,300	\$ 0
Other Funds	22,000,231	22,000,231	0
TOTAL	\$ 22,676,531	\$ 22,676,531	\$ 0
TOTAL	\$ 495,545,296	\$ 495,545,296	\$ 0
FTE Positions	4,685.4	4,685.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	4,685.4	4,685.4	0.0

Agency Estimate

The **agency's** current year operating budget estimate is \$472.9 million which is an increase of \$20.6 million (4.6 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$142.8 million which is an increase of \$6.8 million (5.0 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- an unlimited reappropriation of \$244,377 which is available for expenditures without further legislative action; and
- \$6.6 million which was transferred from the Board of Regents to the University of Kansas for items approved by the 2005 Legislature:
 - \$2.4 million for the operating grant increase;
 - \$978,260 for the faculty salary enhancement; and
 - \$3.2 million for the 27th payroll period.

General Fees Fund

- an increase of \$23.6 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$2.8 million;
 - unanticipated FY 2006 tuition revenue of \$21.7 million;

- a shift of \$1.8 million from capital improvement expenditures to operating expenditures;
- a revised estimated carryforward into FY 2007 of \$1.8 million; and
- partially offset by a shift of \$4.6 million to non-reportable expenditures.

All Other Funds

- a reduction of \$9.8 million in anticipated receipts to special revenue funds which were not realized.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2006 revised estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: University of Kansas

Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 924

Budget Page No. 421

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 142,829,991	\$ 142,829,991	\$ 0
Other Funds	330,038,774	330,038,774	0
TOTAL	<u>\$ 472,868,765</u>	<u>\$ 472,868,765</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 676,300	\$ 676,300	\$ 0
Other Funds	22,000,231	22,000,231	0
TOTAL	<u>\$ 22,676,531</u>	<u>\$ 22,676,531</u>	<u>\$ 0</u>
TOTAL	<u>\$ 495,545,296</u>	<u>\$ 495,545,296</u>	<u>\$ 0</u>
FTE Positions	4,685.4	4,685.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>4,685.4</u>	<u>4,685.4</u>	<u>0.0</u>

Agency Estimate

The **agency's** current year operating budget estimate is \$472.9 million which is an increase of \$20.6 million (4.6 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$142.8 million which is an increase of \$6.8 million (5.0 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- an unlimited reappropriation of \$244,377 which is available for expenditures without further legislative action; and
- \$6.6 million which was transferred from the Board of Regents to the University of Kansas for items approved by the 2005 Legislature:
 - \$2.4 million for the operating grant increase;
 - \$978,260 for the faculty salary enhancement; and
 - \$3.2 million for the 27th payroll period.

General Fees Fund

- an increase of \$23.6 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$2.8 million;

- unanticipated FY 2006 tuition revenue of \$21.7 million;
- a shift of \$1.8 million from capital improvement expenditures to operating expenditures;
- a revised estimated carryforward into FY 2007 of \$1.8 million; and
- partially offset by a shift of \$4.6 million to non-reportable expenditures.

All Other Funds

- a reduction of \$9.8 million in anticipated receipts to special revenue funds which were not realized.

Governor's Recommendation

The **Governor** concurs with the agency's FY 2006 revised estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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House Budget Committee Report

Agency: University of Kansas

Bill No.

Bill Sec.

Analyst: Hollon

Analysis Pg. No. Vol. II - 924

Budget Page No. 421

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 139,337,291	\$ 139,337,291	\$ (799,337)
Other Funds	329,552,799	334,158,314	0
TOTAL	\$ 468,890,090	\$ 473,495,605	\$ (799,337)
Capital Improvements:			
State General Fund	\$ 9,509,183	\$ 709,183	\$ 0
Other Funds	8,143,539	8,143,539	0
TOTAL	\$ 17,652,722	\$ 8,852,722	\$ 0
TOTAL	\$ 486,542,812	\$ 482,348,327	\$ (799,337)
FTE Positions	4,685.4	4,685.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	4,685.4	4,685.4	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$468.9 million which is a decrease of \$4.0 million (0.8 percent) below the current year estimate. The agency requests State General Fund expenditures of \$139.3 million which is a decrease of \$3.5 million (2.4 percent) below the current year. The decrease is due mainly to the one-time expenditure in FY 2006 for the 27th payroll period.

Governor's Recommendation

The **Governor** concurs with the agency's operating request and adds \$4.6 million from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request of \$8.8 million from the State General Fund for utility tunnel improvements.

Staff Note: The Governor's recommended pay differential for trade occupations will not apply to this agency. All employees of the University of Kansas are unclassified employees.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$477.6 million, including \$136.6 million from the State General Fund. The approved budget was increased by a net total of \$4.1 million, including \$3.8 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$1.1 million in salary adjustments and \$3.4 million in one-time adjustments, partially offset by a reduction of \$443,586 for debt service payments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 140,046,474	\$ 482,348,327
Baseline Budget	140,467,719	481,724,591
Dollar Difference	<u>\$ (421,245)</u>	<u>\$ 623,736</u>
<i>Percent Difference</i>	<i>(0.3)%</i>	<i>0.1%</i>

The following table reflects items of difference.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 4,605,515
Tuition Estimate	0	26,648,839
Federal Funds Adjustment	0	(16,124,837)
Capital Improvements Adjustment	0	(11,139,847)
Other Net Adjustments	206,574	(1,680,100)
KPERs Rate Increase (not recommended by the Governor)	(448,442)	(1,204,167)
KPERs D&D Rate Increase (not recommended by the Governor)	(179,377)	(481,667)
TOTAL	<u>\$ (421,245)</u>	<u>\$ 623,736</u>

3. Delete \$799,337 from the State General Fund for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be

conforming to the requirement of Joint Committee on Information Technology review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities submit their project plans for the purchase of personal computers and upgrades for wiring infrastructure to the Chief Information Technology Officer prior to that time.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: University of Kansas **Bill No.** 573 **Bill Sec.** 46

Analyst: Hollon **Analysis Pg. No.** Vol. II - 924 **Budget Page No.** 421

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 139,337,291	\$ 139,337,291	\$ 0
Other Funds	329,552,799	334,158,314	0
TOTAL	\$ 468,890,090	\$ 473,495,605	\$ 0
Capital Improvements:			
State General Fund	\$ 9,509,183	\$ 709,183	\$ 0
Other Funds	8,143,539	8,143,539	0
TOTAL	\$ 17,652,722	\$ 8,852,722	\$ 0
TOTAL	\$ 486,542,812	\$ 482,348,327	\$ 0
FTE Positions	4,685.4	4,685.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	4,685.4	4,685.4	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$468.9 million which is a decrease of \$4.0 million (0.8 percent) below the current year estimate. The agency requests State General Fund expenditures of \$139.3 million which is a decrease of \$3.5 million (2.4 percent) below the current year. The decrease is due mainly to the one-time expenditure in FY 2006 for the 27th payroll period.

Governor's Recommendation

The **Governor** concurs with the agency's operating request and adds \$4.6 million from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request of \$8.8 million from the State General Fund for utility tunnel improvements.

Staff Note: The Governor's recommended pay differential for trade occupations will not apply to this agency. All employees of the University of Kansas are unclassified employees.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: University of Kansas
Medical Center

Bill No. --

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-941

Budget Page No. 424

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 109,675,976	\$ 109,675,976	\$ 0
Other Funds	140,764,467	140,764,467	0
TOTAL	\$ 250,440,443	\$ 250,440,443	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,980,225	2,980,225	0
TOTAL	\$ 2,980,225	\$ 2,980,225	\$ 0
TOTAL	\$ 253,420,668	\$ 253,420,668	\$ 0
FTE Positions	2,478.7	2,478.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,478.7	2,478.7	0.0

Agency Estimate

The **agency's** current year estimate of operating expenditures is \$250.4 million which is an increase of \$17.2 million (7.4 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$109.7 million which is an increase of \$5.3 million (5.0 percent) above the approved budget. The differences between the approved budget and the agency's revised estimate include:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$14,410 which is available for expenditure without any further legislative action; and
- \$5.2 million which was transferred from the Board of Regents to the Medical Center for items approved by the 2005 Legislature:
 - \$2.4 million for the operating grant increase;
 - \$404,878 for the faculty salary enhancement; and
 - \$2.4 million for the 27th payroll period.

General Fees Fund

- an increase of \$3.6 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$540,981; and
 - higher than anticipated FY 2006 tuition revenue of \$3.8 million.
- the increase is partially offset by an increase in nonreportable expenditures of \$221,197 and a revised estimate of carryforward into FY 2007 of \$483,958.

All Other Funds

- an unlimited reappropriation of FY 2005 Children's Initiatives Fund savings of \$5,007 which is available for expenditures without further legislative action; and
- \$8.4 million in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: University of Kansas
Medical Center

Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 941

Budget Page No. 424

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 109,675,976	\$ 109,675,976	\$ 0
Other Funds	140,764,467	140,764,467	0
TOTAL	\$ 250,440,443	\$ 250,440,443	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,980,225	2,980,225	0
TOTAL	\$ 2,980,225	\$ 2,980,225	\$ 0
TOTAL	\$ 253,420,668	\$ 253,420,668	\$ 0
FTE Positions	2,478.7	2,478.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,478.7	2,478.7	0.0

Agency Estimate

The **agency's** current year estimate of operating expenditures is \$250.4 million which is an increase of \$17.2 million (7.4 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$109.7 million which is an increase of \$5.3 million (5.0 percent) above the approved budget. The differences between the approved budget and the agency's revised estimate include:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$14,410 which is available for expenditure without any further legislative action; and
- \$5.2 million which was transferred from the Board of Regents to the Medical Center for items approved by the 2005 Legislature:
 - \$2.4 million for the operating grant increase;
 - \$404,878 for the faculty salary enhancement; and
 - \$2.4 million for the 27th payroll period.

General Fees Fund

- an increase of \$3.6 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$540,981;
 - higher than anticipated FY 2006 tuition revenue of \$3.8 million; and
- the increase is partially offset by an increase in nonreportable expenditures of \$221,197 and a revised estimate of increased carryforward into FY 2007 of \$483,958.

All Other Funds

- an unlimited reappropriation of FY 2005 Children's Initiatives Fund savings of \$5,007 which is available for expenditures without further legislative action; and
- \$8.4 million in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: University of Kansas
Medical Center

Bill No. --

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-941

Budget Page No. 424

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 107,221,166	\$ 112,221,166	\$ (298,567)
Other Funds	139,569,490	141,785,624	0
TOTAL	<u>\$ 246,790,656</u>	<u>\$ 254,006,790</u>	<u>\$ (298,567)</u>
Capital Improvements:			
State General Fund	\$ 6,228,701	\$ 0	\$ 0
Other Funds	3,365,000	3,365,000	0
TOTAL	<u>\$ 9,593,701</u>	<u>\$ 3,365,000</u>	<u>\$ 0</u>
TOTAL	<u>\$ 256,384,357</u>	<u>\$ 257,371,790</u>	<u>\$ (298,567)</u>
FTE Positions	2,478.7	2,478.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2,478.7</u>	<u>2,478.7</u>	<u>0.0</u>

Agency Request

The **agency** requests an FY 2007 operating budget of \$246.8 million which is a decrease of \$3.6 million (1.5 percent) below the current year estimate. The agency requests State General Fund expenditures of \$107.2 million which is a decrease of \$2.5 million (2.2 percent) below the current year estimate. The decrease is due mainly to one-time expenditures in FY 2006 for the 27th payroll period.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request with two additions:

- \$5.0 million from the State General Fund to assist the university in its pursuit of designation as a National Cancer Center; and
- \$2.2 million from special revenue funds for the non-State General Fund portion of the pay plan.

The Governor does not recommend the agency's capital improvement request of \$6.2 million from the State General Fund to update the Applegate Energy Center.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$241.8 million, including \$104.4 million from the State General Fund. The approved budget was increased by a net total of \$4.9 million, including \$3.3 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$948,702 in salary adjustments, \$2.8 million in one-time adjustments, and \$1.2 million for debt service payments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 112,221,166	\$ 257,371,790
Baseline Budget	<u>107,720,748</u>	<u>246,715,978</u>
Dollar Difference	<u>\$ 4,500,418</u>	<u>\$ 10,655,812</u>
<i>Percent Difference</i>	<i>4.0%</i>	<i>4.1%</i>

The following table reflects items of difference.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 0	\$ 2,216,134
Cancer Center	5,000,000	5,000,000
Tuition Estimate	0	3,916,778
Other Net Adjustments	5,526	481,683
KPERs Rate Increase (not recommended by the Gov.)	(360,791)	(684,845)
KPERs D&D Rate Increase (not recommended by the Governor)	(144,317)	(273,938)
TOTAL	<u>\$ 4,500,418</u>	<u>\$ 10,655,812</u>

3. Delete \$298,567 from the State General Fund for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be

conforming to the requirement of Joint Committee on Information Technology review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities submit their project plans for the purchase of personal computers and upgrades for wiring infrastructure to the Chief Information Technology Officer prior to that time.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: University of Kansas Medical Center **Bill No.** 573 **Bill Sec.** 47

Analyst: Hollon **Analysis Pg. No.** Vol. II - 941 **Budget Page No.** 424

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 107,221,166	\$ 112,221,166	\$ 0
Other Funds	139,569,490	141,785,624	0
TOTAL	\$ 246,790,656	\$ 254,006,790	\$ 0
Capital Improvements:			
State General Fund	\$ 6,228,701	\$ 0	\$ 0
Other Funds	3,365,000	3,365,000	0
TOTAL	\$ 9,593,701	\$ 3,365,000	\$ 0
TOTAL	\$ 256,384,357	\$ 257,371,790	\$ 0
FTE Positions	2,478.7	2,478.7	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2,478.7	2,478.7	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$246.8 million which is a decrease of \$3.6 million (1.5 percent) below the current year estimate. The agency requests State General Fund expenditures of \$107.2 million which is a decrease of \$2.5 million (2.2 percent) below the current year estimate. The decrease is due mainly to one-time expenditures in FY 2006 for the 27th payroll period.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request with two additions:

- \$5.0 million from the State General Fund to assist the university in its pursuit of designation as a National Cancer Center; and
- \$2.2 million from special revenue funds for the non-State General Fund portion of the pay plan.

The Governor does not recommend the agency's capital improvement request of \$6.2 million from the State General Fund to update the Applegate Energy Center.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes the agency's pursuit of designation as a National Cancer Center and the Governor's recommendation of \$5.0 million to assist in this endeavor. The Subcommittee believes that this is a very important initiative for not just the KU Medical Center, but for the entire state. This small investment can have a very far-reaching impact. For example, when asked how long the state's investment might be requested, the Director of the Center replied, "When there is no more cancer."

House Budget Committee Report

Agency: Kansas State University **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Vol. II-957 **Budget Page No.** 264

Expenditure Summary	Agency Request FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 109,407,048	\$ 109,407,048	\$ 0
Other Funds	346,456,991	346,456,991	0
TOTAL	\$ 455,864,039	\$ 455,864,039	\$ 0
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Other Funds	13,223,154	13,223,154	0
TOTAL	\$ 13,412,600	\$ 13,412,600	\$ 0
TOTAL	\$ 469,276,639	\$ 469,276,639	\$ 0
FTE Positions	3,269.3	3,269.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,269.3	3,269.3	0.0

Agency Request

The **agency's** current year operating expenditure estimate is \$455.9 million which is an increase of \$40.8 million (9.8 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$109.4 million which is an increase of \$4.9 million (4.7 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- \$4.9 million which was transferred from the Board of Regents to Kansas State University for items approved by the 2005 Legislature.
 - \$1.9 for the operating grant increase;
 - \$694,706 for the faculty salary enhancement; and
 - \$2.4 million for the 27th payroll period.

General Fees Fund

- an increase of \$13.4 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$5.8 million;

- higher than anticipated FY 2006 tuition revenue of \$7.1 million; and
- a revised estimate of carryforward into FY 2007 of \$694,319.

All Other Funds

- \$22.5 million in unanticipated receipts to special revenue funds including \$20.1 million in federal funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas State University Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 957

Budget Page No. 264

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 109,407,048	\$ 109,407,048	\$ 0
Other Funds	346,456,991	346,456,991	0
TOTAL	\$ 455,864,039	\$ 455,864,039	\$ 0
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Other Funds	13,223,154	13,223,154	0
TOTAL	\$ 13,412,600	\$ 13,412,600	\$ 0
TOTAL	\$ 469,276,639	\$ 469,276,639	\$ 0
FTE Positions	3,269.3	3,269.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,269.3	3,269.3	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$455.9 million which is an increase of \$40.8 million (9.8 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$109.4 million which is an increase of \$4.9 million (4.7 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- \$4.9 million which was transferred from the Board of Regents to Kansas State University for items approved by the 2005 Legislature:
 - \$1.9 for the operating grant increase;
 - \$694,706 for the faculty salary enhancement; and
 - \$2.4 million for the 27th payroll period.

General Fees Fund

- an increase of \$13.4 million due to:

- a higher than anticipated carryforward of FY 2005 balances of \$5.8 million;
- higher than anticipated FY 2006 tuition revenue of \$7.1 million; and
- a revised estimate of carryforward into FY 2007 of \$694,319.

All Other Funds

- \$22.5 million in unanticipated receipts to special revenue funds including \$20.1 million in federal funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas State University **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-957

Budget Page No. 264

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 107,025,187	\$ 107,025,187	\$ (793,000)
Other Funds	343,078,503	345,808,070	0
TOTAL	<u>\$ 450,103,690</u>	<u>\$ 452,833,257</u>	<u>\$ (793,000)</u>
Capital Improvements:			
State General Fund	\$ 704,446	\$ 189,446	\$ 0
Other Funds	7,406,321	7,406,321	0
TOTAL	<u>\$ 8,110,767</u>	<u>\$ 7,595,767</u>	<u>\$ 0</u>
TOTAL	<u>\$ 458,214,457</u>	<u>\$ 460,429,024</u>	<u>\$ (793,000)</u>
FTE Positions	3,269.3	3,269.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3,269.3</u>	<u>3,269.3</u>	<u>0.0</u>

Agency Request

The **agency** requests an FY 2007 operating budget of \$450.1 million which is a net decrease of \$5.8 million (1.3 percent) below the current year estimate. The agency requests State General Fund expenditures of \$107.0 million which is a decrease of \$2.4 million (2.2 percent) below the current year estimate due to one-time expenditures in FY 2006 for the 27th payroll period. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$2.7 million from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request of \$515,000 from the State General Fund for renovation of Memorial Stadium.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$424.6 million, including \$104.7 million from the State General Fund. The approved budget was increased by a net total of \$6.2 million, including \$3.1 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$1.2 million in salary adjustments, \$2.5 million in one-time adjustments, and \$2.4 million for debt service payments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 107,214,633	\$ 460,429,024
Baseline Budget	107,754,586	430,746,883
Dollar Difference	<u>\$ (539,953)</u>	<u>\$ 29,682,141</u>
<i>Percent Difference</i>	<i>(0.5)%</i>	<i>6.4%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 2,729,567
Tuition Estimate	0	8,615,415
Federal Funds Adjustment	0	23,511,527
Capital Improvements	0	(3,535,000)
Adjustment		
Other Net Adjustments	(8,141)	(458,544)
KPERs Rate Increase	(379,866)	(843,446)
(not recommended by the Governor)		
KPERs D&D Rate Increase	(151,946)	(337,378)
(not recommended by the Governor)		
TOTAL	<u>\$ (539,953)</u>	<u>\$ 29,682,141</u>

3. Delete \$793,000 from the State General Fund for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be conforming to the requirement of Joint Committee on Information Technology

review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities submit their project plans for the purchase of personal computers and upgrades for wiring infrastructure to the Chief Information Technology Officer prior to that time.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas State University **Bill No.** 573 **Bill Sec.** 41

Analyst: Hollon **Analysis Pg. No.** Vol. II - 957 **Budget Page No.** 264

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 107,025,187	\$ 107,025,187	\$ 0
Other Funds	343,078,503	345,808,070	0
TOTAL	\$ 450,103,690	\$ 452,833,257	\$ 0
Capital Improvements:			
State General Fund	\$ 704,446	\$ 189,446	\$ 0
Other Funds	7,406,321	7,406,321	0
TOTAL	\$ 8,110,767	\$ 7,595,767	\$ 0
TOTAL	\$ 458,214,457	\$ 460,429,024	\$ 0
FTE Positions	3,269.3	3,269.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3,269.3	3,269.3	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$450.1 million which is a net decrease of \$5.8 million (1.3 percent) below the current year estimate. The agency requests State General Fund expenditures of \$107.0 million which is a decrease of \$2.4 million (2.2 percent) below the current year estimate due to one-time expenditures in FY 2006 for the 27th payroll period. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$2.7 million from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request of \$515,000 from the State General Fund for renovation of Memorial Stadium.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas State University
Veterinary Medical Center

Bill No. --

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-974

Budget Page No. 268

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,529,658	\$ 10,529,658	\$ 0
Other Funds	25,468,890	25,468,890	0
TOTAL	\$ 35,998,548	\$ 35,998,548	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	300,000	300,000	0
TOTAL	\$ 300,000	\$ 300,000	\$ 0
TOTAL	\$ 36,298,548	\$ 36,298,548	\$ 0
FTE Positions	295.6	295.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	295.6	295.6	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$36.0 million which is an increase of \$7.5 million (26.2 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$10.5 million which is an increase of \$540,730 (5.4 percent) from the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- \$540,730 which was transferred from the Board of Regents to the KSU Veterinary Medical Center for items approved by the 2005 Legislature:
 - \$177,052 for the operating grant increase;
 - \$79,046 for the faculty salary enhancement; and
 - \$284,632 for the 27th payroll period.

General Fees Fund

- an increase of \$2.3 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$1.5 million;

- unanticipated FY 2006 tuition revenue of \$703,261; and
- a decrease in the estimated carryforward into FY 2007 of \$167,944.

All Other Funds

- an increase of \$4.6 million due to the expenditure of carryforward balances from FY 2005. These expenditures include \$3.8 million for the establishment of a clinical training program in Omaha.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation with the following adjustments:

1. The Committee expresses concern regarding the shortage of large-animal veterinarians in the rural portions of the state and notes that graduates from Kansas State University Veterinary Medical Center are overwhelmingly small-animal veterinarians. In light of this situation, the Committee requests a report from the institution at Omnibus concerning its plan for graduating more large-animal veterinarians.
-

Senate Subcommittee Report

Agency: Kansas State University
Veterinary Medical Center

Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 974

Budget Page No. 268

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 10,529,658	\$ 10,529,658	\$ 0
Other Funds	<u>25,468,890</u>	<u>25,468,890</u>	<u>0</u>
TOTAL	<u>\$ 35,998,548</u>	<u>\$ 35,998,548</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	<u>300,000</u>	<u>300,000</u>	<u>0</u>
TOTAL	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 0</u>
TOTAL	<u>\$ 36,298,548</u>	<u>\$ 36,298,548</u>	<u>\$ 0</u>
FTE Positions	295.6	295.6	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>295.6</u>	<u>295.6</u>	<u>0.0</u>

Agency Estimate

The **agency's** current year operating expenditure estimate is \$36.0 million which is an increase of \$7.5 million (26.2 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$10.5 million which is an increase of \$540,730 (5.4 percent) from the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- \$540,730 which was transferred from the Board of Regents to the KSU Veterinary Medical Center for items approved by the 2005 Legislature:
 - \$177,052 for the operating grant increase;
 - \$79,046 for the faculty salary enhancement; and
 - \$284,632 for the 27th payroll period.

General Fees Fund

- an increase of \$2.3 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$1.5 million; 3-54

- unanticipated FY 2006 tuition revenue of \$703,261; and
- a decrease in the estimated carryforward into FY 2007 of \$167,944.

All Other Funds

- an increase of \$4.6 million due to the expenditure of carryforward balances from FY 2005. These expenditures include \$3.8 million for the establishment of a clinical training program in Omaha.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

43545-(3/3/6{2:55PM})

House Budget Committee Report

Agency: Kansas State University **Bill No. --**
 Veterinary Medical Center

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-974

Budget Page No. 268

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,245,026	\$ 10,245,026	\$ 0
Other Funds	19,725,204	19,958,579	0
TOTAL	\$ 29,970,230	\$ 30,203,605	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	315,000	315,000	0
TOTAL	\$ 315,000	\$ 315,000	\$ 0
TOTAL	\$ 30,285,230	\$ 30,518,605	\$ 0
FTE Positions	295.6	295.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	295.6	295.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$30.0 million which is a decrease of \$6.0 million (16.7 percent) below the current year estimate. The agency requests State General Fund expenditures of \$10.2 million which is a decrease of \$284,632 (2.7 percent) below the current year estimate. The overall decrease is mainly due to balances in special revenue funds being expended during FY 2006 and not available for expenditure in FY 2007. The State General Fund decrease is due to the one-time expenditure in FY 2006 for the 27th payroll period. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$233,375 from special revenue funds for the non-State General Fund portion of the pay plan.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$28.5 million, including \$10.0 million from the State General Fund. The approved budget was increased by a net total of \$361,289, including \$312,401 from the State General Fund to establish a baseline budget for FY 2007. The increases included \$105,191 in salary adjustments and \$256,098 in one-time adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 10,245,026	\$ 30,518,605
Baseline Budget	10,301,329	28,890,490
Dollar Difference	<u>\$ (56,303)</u>	<u>\$ 1,628,115</u>
<i>Percent Difference</i>	<i>(0.5)%</i>	<i>5.3%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 233,375
Tuition Estimate	0	993,585
Capital Improvement Adjustments	0	315,000
Other Net Adjustments	(408)	190,565
KPERs Rate Increase (not recommended by the Governor)	(39,925)	(74,578)
KPERs D&D Rate Increase (not recommended by the Governor)	(15,970)	(29,832)
TOTAL	<u>\$ (56,303)</u>	<u>\$ 1,628,115</u>

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation with the following adjustments:

1. The Committee expresses concern regarding the shortage of large-animal veterinarians in the rural portions of the state and notes that graduates from

Kansas State University Veterinary Medical Center are overwhelmingly small-animal veterinarians. In light of this situation, the Committee requests a report from the institution at Omnibus concerning its plan for graduating more large-animal veterinarians.

Senate Subcommittee Report

Agency: Kansas State University
Veterinary Medical Center

Bill No. 573

Bill Sec. 43

Analyst: Hollon

Analysis Pg. No. Vol. II - 974

Budget Page No. 268

<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 10,245,026	\$ 10,245,026	\$ 0
Other Funds	19,725,204	19,958,579	0
TOTAL	\$ 29,970,230	\$ 30,203,605	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	315,000	315,000	0
TOTAL	\$ 315,000	\$ 315,000	\$ 0
TOTAL	\$ 30,285,230	\$ 30,518,605	\$ 0
FTE Positions	295.6	295.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	295.6	295.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$30.0 million which is a decrease of \$6.0 million (16.7 percent) below the current year estimate. The agency requests State General Fund expenditures of \$10.2 million which is a decrease of \$284,632 (2.7 percent) below the current year estimate. The overall decrease is mainly due to balances in special revenue funds being expended during FY 2006 and not available for expenditure in FY 2007. The State General Fund decrease is due to the one-time expenditure in FY 2006 for the 27th payroll period. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's request and adds \$233,375 from special revenue funds for the non-State General Fund portion of the pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas State University **Bill No. --**
 Extension Systems and Agriculture Research Program

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-986

Budget Page No. 265

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 51,253,277	\$ 51,253,277	\$ 0
Other Funds	69,735,952	69,735,952	0
TOTAL	\$ 120,989,229	\$ 120,989,229	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
TOTAL	\$ 120,989,229	\$ 120,989,229	\$ 0
FTE Positions	1,390.6	1,390.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,390.6	1,390.6	0.0

Agency Estimate

The **agency's** current year estimate of operating expenditures is \$121.0 million which is an increase of \$102,635 (0.1 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$51.3 million which is an increase of \$2.6 million (5.3 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- \$2.6 million which was transferred from the Board of Regents to this agency for items approved by the 2005 Legislature:
 - \$1.2 million for the operating grant increase;
 - \$239,303 for the faculty salary enhancement; and
 - \$1.2 million for the 27th payroll period.

All Other Funds

- \$2.5 million due to revised estimates for receipts to special revenue funds being lowered.

Governor's Recommendation

The Governor concurs with the agency's estimate

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas State University **Bill No. - -**
Extension Systems and Agriculture Research Program

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 986

Budget Page No. 265

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 51,253,277	\$ 51,253,277	\$ 0
Other Funds	69,735,952	69,735,952	0
TOTAL	\$ 120,989,229	\$ 120,989,229	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
TOTAL	\$ 120,989,229	\$ 120,989,229	\$ 0
FTE Positions	1,390.6	1,390.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,390.6	1,390.6	0.0

Agency Estimate

The **agency's** current year estimate of operating expenditures is \$121.0 million which is an increase of \$102,635 (0.1 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$51.3 million which is an increase of \$2.6 million (5.3 percent)

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above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- \$2.6 million which was transferred from the Board of Regents to this agency for items approved by the 2005 Legislature:
 - \$1.2 million for the operating grant increase;
 - \$239,303 for the faculty salary enhancement; and
 - \$1.2 million for the 27th payroll period.

All Other Funds

- \$2.5 million due to revised estimates for receipts to special revenue funds being lowered.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas State University **Bill No. --**
 Extension Systems and Agriculture Research Program

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-986

Budget Page No. 265

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 50,056,962	\$ 50,356,962	\$ (300,000)
Other Funds	69,944,541	70,663,969	300,000
TOTAL	\$ 120,001,503	\$ 121,020,931	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
TOTAL	\$ 120,001,503	\$ 121,020,931	\$ 0
FTE Positions	1,390.6	1,390.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,390.6	1,390.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$120.0 million which is a decrease of \$987,726 (0.8 percent) below the current year estimate. The agency requests State General Fund expenditures of \$50.1 million which is a decrease of \$1.2 million (2.3 percent) below the current year estimate. The decrease is due mainly to the one-time expenditure in FY 2006 for the 27th payroll period partially offset by increased expenditures from special revenue funds. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's request, but shifts \$300,000 from the Economic Development Initiatives Fund to the State General Fund and adds \$1.0 million from special revenue funds for the non-State General Fund portion of the pay plan.

House Budget Committee Recommendation

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and

statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$121.0 million, including \$48.7 million from the State General Fund. The approved budget was increased by a net total of \$1.9 million, including \$1.7 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$509,054 in salary adjustments and \$1.4 million in one-time adjustments, partially offset by a reduction of \$9,718 for debt service payments.

2. Comparison of FY 2007 Baseline Budget to Governor's Recommendation.

The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 50,356,962	\$ 121,020,931
Baseline Budget	<u>50,325,149</u>	<u>122,882,323</u>
Dollar Difference	<u>\$ 31,813</u>	<u>\$ (1,861,392)</u>
<i>Percent Difference</i>	<i>0.1%</i>	<i>(1.5)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 0	\$ 1,019,428
Shift to SGF	300,000	0
Capital Improvements Adjustment	0	(100,000)
Other Net Adjustments	(8,571)	(2,289,004)
KPERS Rate Increase (not recommended by the Governor)	(185,440)	(351,297)
KPERS D&D Rate Increase (not recommended by the Governor)	(74,176)	(140,519)
TOTAL	<u>\$ 31,813</u>	<u>\$ (1,861,392)</u>

3. Shift \$300,000 from the State General Fund to the Economic Development Initiatives Fund. The Budget Committee notes that this amount has been funded through the EDIF for the past two years and believes that to be the appropriate funding source.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Kansas State University **Bill No.** 573
Extension Systems and Agriculture Research Program

Bill Sec. 42

Analyst: Hollon

Analysis Pg. No. Vol. II - 986

Budget Page No. 265

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 50,056,962	\$ 50,356,962	\$ 0
Other Funds	69,944,541	70,663,969	0
TOTAL	\$ 120,001,503	\$ 121,020,931	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
TOTAL	\$ 120,001,503	\$ 121,020,931	\$ 0
FTE Positions	1,390.6	1,390.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,390.6	1,390.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$120.0 million which is a decrease of \$987,726 (0.8 percent) below the current year estimate. The agency requests State General Fund expenditures of \$50.1 million which is a decrease of \$1.2 million (2.3 percent) below the current year estimate. The decrease is due mainly to the one-time expenditure in FY 2006 for the 27th payroll period partially offset by increased expenditures from special revenue funds. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's request, but shifts \$300,000 from the Economic Development Initiatives Fund to the State General Fund and adds \$1.0 million from special revenue funds for the non-State General Fund portion of the pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Wichita State University **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-998

Budget Page No. 439

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 70,618,249	\$ 70,618,249	\$ 0
Other Funds	110,058,900	110,058,900	0
TOTAL	\$ 180,677,149	\$ 180,677,149	\$ 0
Capital Improvements:			
State General Fund	\$ 1,050,000	\$ 1,050,000	\$ 0
Other Funds	3,618,392	3,618,392	0
TOTAL	\$ 4,668,392	\$ 4,668,392	\$ 0
TOTAL	\$ 185,345,541	\$ 185,345,541	\$ 0
FTE Positions	1,807.0	1,807.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,807.0	1,807.0	0.0

Agency Estimate

The **agency's** current year estimate for operating expenditures is \$180.7 million which is an increase of \$15.0 million (9.1 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$70.6 million which is an increase of \$2.9 million (4.2 percent) above the approved budget. The differences between the approved budget and the agency's revised estimate are:

State General Fund

- \$2.9 million which was transferred from the Board of Regents to the University of Kansas for items approved by the 2005 Legislature:
 - \$1.4 million for the operating grant increase;
 - \$380,412 for the faculty salary enhancement; and
 - \$1.1 million for the 27th payroll period.

General Fees Fund

- an increase of \$4.8 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$1.3 million;

- unanticipated FY 2006 tuition revenue of \$2.6 million; and
- a revised estimate of carryforward into FY 2007 of \$826,065.

All Other Funds

- a reappropriation of FY 2005 balances of \$292,058 in the Economic Development Initiatives Fund which is available for expenditure without further legislative action; and
- \$7.1 million in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Wichita State University Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 998

Budget Page No. 439

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 70,618,249	\$ 70,618,249	\$ 0
Other Funds	110,058,900	110,058,900	0
TOTAL	\$ 180,677,149	\$ 180,677,149	\$ 0
Capital Improvements:			
State General Fund	\$ 1,050,000	\$ 1,050,000	\$ 0
Other Funds	3,618,392	3,618,392	0
TOTAL	\$ 4,668,392	\$ 4,668,392	\$ 0
TOTAL	\$ 185,345,541	\$ 185,345,541	\$ 0
FTE Positions	1,807.0	1,807.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,807.0	1,807.0	0.0

Agency Estimate

The **agency's** current year estimate for operating expenditures is \$180.7 million which is an increase of \$15.0 million (9.1 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$70.6 million which is an increase of \$2.9 million (4.2 percent) above the approved budget. The differences between the approved budget and the agency's revised estimate are:

State General Fund

- \$2.9 million which was transferred from the Board of Regents to the University of Kansas for items approved by the 2005 Legislature:
 - \$1.4 million for the operating grant increase;
 - \$380,412 for the faculty salary enhancement; and
 - \$1.1 million for the 27th payroll period.

General Fees Fund

- an increase of \$4.8 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$1.3 million;
 - unanticipated FY 2006 tuition revenue of \$2.6 million; and
 - a revised estimate of carryforward into FY 2007 of \$826,065.

All Other Funds

- a reappropriation of FY 2005 balances of \$292,058 in the Economic Development Initiatives Fund which is available for expenditure without further legislative action; and
- \$7.1 million in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

43541-(3/6/6(2:52PM))

House Budget Committee Report

Agency: Wichita State University **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-998

Budget Page No. 439

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 69,722,725	\$ 69,722,725	\$ (159,561)
Other Funds	108,567,670	109,644,460	0
TOTAL	\$ 178,290,395	\$ 179,367,185	\$ (159,561)
Capital Improvements:			
State General Fund	\$ 1,305,000	\$ 1,160,000	\$ 0
Other Funds	805,000	805,000	0
TOTAL	\$ 2,110,000	\$ 1,965,000	\$ 0
TOTAL	\$ 180,400,395	\$ 181,332,185	\$ (159,561)
FTE Positions	1,807.0	1,807.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,807.0	1,807.0	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$178.3 million which is a decrease of \$2.4 million (1.3 percent) below the current year estimate. The agency requests State General Fund expenditures of \$69.7 million which is a decrease of \$895,524 (1.3 percent) below the current year estimate. The decrease is due to one-time expenditures in FY 2006 for the 27th payroll period partially offset by an increase in the debt service interest payments for the Research Corporation bonds. The request includes an enhancement of \$2.0 million from the State General Fund for the final year of the Aviation Research Initiative.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request and adds \$1.1 million from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request for \$145,000 from the State General Fund for a campus-wide energy study.

House Budget Committee Recommendation

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary

adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$167.5 million, including \$68.8 million from the State General Fund. The approved budget was increased by a net total of \$2.7 million, including \$2.4 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$615,308 in salary adjustments, \$1.7 million in one-time adjustments, and \$331,197 for debt service payments.

2. Comparison of FY 2007 Baseline Budget to Governor's Recommendation.

The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 70,882,725	\$ 181,332,185
Baseline Budget	71,231,207	170,170,012
Dollar Difference	<u>\$ (348,482)</u>	<u>\$ 11,162,173</u>
<i>Percent Difference</i>	<i>(0.5)%</i>	<i>6.2%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 1,076,790
Tuition Estimate	0	3,248,212
Research Expenditures	0	6,128,928
Other Net Adjustments	(2,573)	1,318,134
KPERs Rate Increase (not recommended by the Governor)	(247,078)	(435,636)
KPERs D&D Rate Increase (not recommended by the Governor)	(98,831)	(174,255)
TOTAL	<u>\$ (348,482)</u>	<u>\$ 11,162,173</u>

3. Delete \$159,561 from the State General Fund for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be conforming to the requirement of Joint Committee on Information Technology review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities submit their project plans for the purchase of personal computers and upgrades

for wiring infrastructure to the Chief Information Technology Officer prior to that time.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Wichita State University **Bill No.** 573 **Bill Sec.** 48

Analyst: Hollon **Analysis Pg. No.** Vol. II - 998 **Budget Page No.** 439

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 69,722,725	\$ 69,722,725	\$ 0
Other Funds	108,567,670	109,644,460	0
TOTAL	\$ 178,290,395	\$ 179,367,185	\$ 0
Capital Improvements:			
State General Fund	\$ 1,305,000	\$ 1,160,000	\$ 0
Other Funds	805,000	805,000	0
TOTAL	\$ 2,110,000	\$ 1,965,000	\$ 0
TOTAL	\$ 180,400,395	\$ 181,332,185	\$ 0
FTE Positions	1,807.0	1,807.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	1,807.0	1,807.0	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$178.3 million which is a decrease of \$2.4 million (1.3 percent) below the current year estimate. The agency requests State General Fund expenditures of \$69.7 million which is a decrease of \$895,524 (1.3 percent) below the current year estimate. The decrease is due to one-time expenditures in FY 2006 for the 27th payroll period partially offset by an increase in the debt service interest payments for the Research Corporation bonds. The request includes an enhancement of \$2.0 million from the State General Fund for the final year of the Aviation Research Initiative.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request and adds \$1.1 million from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request for \$145,000 from the State General Fund for a campus-wide energy study.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Emporia State University **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-1013

Budget Page No. 163

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 32,853,033	\$ 32,853,033	\$ 0
Other Funds	34,536,231	34,536,231	0
TOTAL	\$ 67,389,264	\$ 67,389,264	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,954,847	1,954,847	0
TOTAL	\$ 1,954,847	\$ 1,954,847	\$ 0
TOTAL	\$ 69,344,111	\$ 69,344,111	\$ 0
FTE Positions	793.6	793.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	793.6	793.6	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$67.4 million which is an increase of \$1.5 million (2.3 percent) above the approved budget. The agency estimates State General Fund expenditures of \$32.9 million which is an increase of \$1.8 million (6.0 percent) above the approved budget. The differences between the approved budget and the agency's revised estimate include:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$170,008 which is available for expenditure without any further legislative action; and
- transfers of \$1.7 million from the Board of Regents to Emporia State University for items approved by the 2005 Legislature:
 - \$732,779 for the operating grant increase;
 - \$167,015 for the faculty salary enhancement; and
 - \$776,779 for the 27th payroll period.

General Fees Fund

- increases of \$1.7 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$503,065;
 - and
 - unanticipated FY 2006 tuition revenue of \$1.1 million.

All Other Funds

- \$2.0 million in anticipated receipts to special revenue funds which were not realized.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Emporia State University Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 1013

Budget Page No. 163

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 32,853,033	\$ 32,853,033	\$ 0
Other Funds	34,536,231	34,536,231	0
TOTAL	\$ 67,389,264	\$ 67,389,264	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,954,847	1,954,847	0
TOTAL	\$ 1,954,847	\$ 1,954,847	\$ 0
TOTAL	\$ 69,344,111	\$ 69,344,111	\$ 0
FTE Positions	793.6	793.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	793.6	793.6	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$67.4 million which is an increase of \$1.5 million (2.3 percent) above the approved budget. The agency estimates State General Fund expenditures of \$32.9 million which is an increase of \$1.8 million (6.0 percent) above the approved budget. The differences between the approved budget and the agency's revised estimate include:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$170,008 which is available for expenditure without any further legislative action; and
- transfers of \$1.7 million from the Board of Regents to Emporia State University for items approved by the 2005 Legislature:
 - \$732,779 for the operating grant increase;
 - \$167,015 for the faculty salary enhancement; and
 - \$776,779 for the 27th payroll period.

General Fees Fund

- increases of \$1.7 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$503,065; and
 - unanticipated FY 2006 tuition revenue of \$1.1 million.

All Other Funds

- \$2.0 million in anticipated receipts to special revenue funds which were not realized.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Emporia State University **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-1013

Budget Page No. 163

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 31,906,246	\$ 31,906,246	\$ (152,694)
Other Funds	34,085,975	34,568,595	0
TOTAL	\$ 65,992,221	\$ 66,474,841	\$ (152,694)
Capital Improvements:			
State General Fund	\$ 425,036	\$ 0	\$ 0
Other Funds	620,578	620,578	0
TOTAL	\$ 1,045,614	\$ 620,578	\$ 0
TOTAL	\$ 67,037,835	\$ 67,095,419	\$ (152,694)
FTE Positions	793.6	793.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	793.6	793.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$66.0 million which is a decrease of \$1.4 million (2.1 percent) below the current year estimate. The agency requests State General Fund expenditures of \$31.9 million which is a decrease of \$946,787 (2.9 percent) below the current year. The decrease is due mainly to the one-time expenditure in FY 2006 for the 27th payroll period.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request and adds \$482,620 from special revenue funds for the non-State General Fund portion of the pay plan. The recommendation continues funding of \$250,000 from the State General Fund for the Center of Innovative School Leadership (CISL). KSA 76-767 provides for three years of state funding for CISL (subject to appropriations). FY 2007 is the third year of this commitment. The Governor does not recommend the agency's capital improvement request of \$425,036 from the State General Fund for renovation of the William Allen White Library.

House Budget Committee Recommendation

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary

adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$66.5 million, including \$31.0 million from the State General Fund. The approved budget was increased by a net total of \$1.3 million, including \$1.0 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$260,162 in salary adjustments, \$899,794 in one-time adjustments, and \$123,350 for debt service payments.

2. Comparison of FY 2007 Baseline Budget to Governor's Recommendation.

The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 31,906,246	\$ 67,095,419
Baseline Budget	<u>32,051,789</u>	<u>67,760,831</u>
Dollar Difference	<u>\$ (145,543)</u>	<u>\$ (665,412)</u>
<i>Percent Difference</i>	<i>(0.5)%</i>	<i>(1.0)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 482,620
Tuition Estimate	0	1,456,314
Federal Funds Adjustment	0	(902,803)
Other Net Adjustments	1,467	(1,481,944)
KPERs Rate Increase (not recommended by the Governor)	(105,007)	(186,858)
KPERs D&D Rate Increase (not recommended by the Governor)	(42,003)	(32,741)
TOTAL	<u>\$ (145,543)</u>	<u>\$ (665,412)</u>

3. Delete \$152,694 from the State General Fund for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be conforming to the requirement of Joint Committee on Information Technology review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities submit their project plans for the purchase of personal computers and upgrades

for wiring infrastructure to the Chief Information Technology Officer prior to that time.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Emporia State University **Bill No.** 573

Bill Sec. 44

Analyst: Hollon

Analysis Pg. No. Vol. II - 1013

Budget Page No. 163

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 31,906,246	\$ 31,906,246	\$ 0
Other Funds	34,085,975	34,568,595	0
TOTAL	\$ 65,992,221	\$ 66,474,841	\$ 0
Capital Improvements:			
State General Fund	\$ 425,036	\$ 0	\$ 0
Other Funds	620,578	620,578	0
TOTAL	\$ 1,045,614	\$ 620,578	\$ 0
TOTAL	\$ 67,037,835	\$ 67,095,419	\$ 0
FTE Positions	793.6	793.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	793.6	793.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$66.0 million which is a decrease of \$1.4 million (2.1 percent) below the current year estimate. The agency requests State General Fund expenditures of \$31.9 million which is a decrease of \$946,787 (2.9 percent) below the current year. The decrease is due mainly to the one-time expenditure in FY 2006 for the 27th payroll period.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request and adds \$482,620 from special revenue funds for the non-State General Fund portion of the pay plan. The recommendation continues funding of \$250,000 from the State General Fund for the Center of Innovative School

Leadership (CISL). KSA 76-767 provides for three years of state funding for CISL (subject to appropriations). FY 2007 is the third year of this commitment. The Governor does not recommend the agency's capital improvement request of \$425,036 from the State General Fund for renovation of the William Allen White Library.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Fort Hays State University **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Vol. II-1028 **Budget Page No.** 169

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,489,742	\$ 33,489,742	\$ 0
Other Funds	41,932,591	41,932,591	0
TOTAL	\$ 75,422,333	\$ 75,422,333	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,819,564	1,819,564	0
TOTAL	\$ 1,819,564	\$ 1,819,564	\$ 0
TOTAL	\$ 77,241,897	\$ 77,241,897	\$ 0
FTE Positions	745.9	745.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	745.9	745.9	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$75.4 million which is an increase of \$7.0 million (10.2 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$33.5 million which is an increase of \$1.6 million (5.1 percent) above the approved budget. The differences between the approved budget and the agency's revised current year estimate are:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$36,237 which is available for expenditure without any further legislative action; and
- \$1.6 million which was transferred from the Board of Regents to Fort Hays State University for items approved by the 2005 Legislature:
 - \$753,406 for the operating grant increase;
 - \$171,031 for the faculty salary enhancement; and
 - \$649,804 for the 27th payroll period.

General Fees Fund

- increases of \$5.7 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$3.6 million; and
 - unanticipated FY 2006 tuition revenue of \$2.1 million; and
- the increase is partially offset by a revised estimate of carryforward into FY 2007 totaling \$2.8 million.

All Other Funds

- \$2.5 million in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Fort Hays State University **Bill No. - -** **Bill Sec. - -**

Analyst: Hollon **Analysis Pg. No. Vol. II - 1028** **Budget Page No. 169**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 33,489,742	\$ 33,489,742	\$ 0
Other Funds	41,932,591	41,932,591	0
TOTAL	\$ 75,422,333	\$ 75,422,333	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,819,564	1,819,564	0
TOTAL	\$ 1,819,564	\$ 1,819,564	\$ 0
TOTAL	\$ 77,241,897	\$ 77,241,897	\$ 0
FTE Positions	745.9	745.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	745.9	745.9	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$75.4 million which is an increase of \$7.0 million (10.2 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$33.5 million which is an increase of \$1.6 million (5.1 percent) above the approved budget. The differences between the approved budget and the agency's revised current year estimate are:

State General Fund

- an unlimited reappropriation of FY 2005 State General Fund savings of \$36,237 which is available for expenditure without any further legislative action; and
- \$1.6 million which was transferred from the Board of Regents to Fort Hays State University for items approved by the 2005 Legislature:
 - \$753,406 for the operating grant increase;
 - \$171,031 for the faculty salary enhancement; and
 - \$649,804 for the 27th payroll period.

General Fees Fund

- increases of \$5.7 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$3.6 million;
 - unanticipated FY 2006 tuition revenue of \$2.1 million; and
- the increase is partially offset by a revised estimate of carryforward into FY 2007 totaling \$2.8 million.

All Other Funds

- \$2.5 million in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Fort Hays State University

Bill No. --

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. Vol. II-1028

Budget Page No. 169

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,053,701	\$ 32,803,701	\$ 150,000
Other Funds	41,973,452	42,232,126	0
TOTAL	\$ 75,027,153	\$ 75,035,827	\$ 150,000
Capital Improvements:			
State General Fund	\$ 320,000	\$ 0	\$ 0
Other Funds	694,511	694,511	0
TOTAL	\$ 1,014,511	\$ 694,511	\$ 0
TOTAL	\$ 76,041,664	\$ 75,730,338	\$ 150,000
FTE Positions	749.9	749.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	749.9	749.9	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$75.0 million which is a decrease of \$395,180 (0.5 percent) below the current year estimate. The agency requests State General Fund expenditures of \$33.1 million which is a decrease of \$436,041 (1.3 percent) below the current year. The request includes an enhancement of \$250,000 and 4.0 FTE positions for operation of the Kansas Wetlands Educational Center at Cheyenne Bottoms. Minus the enhancement, the agency's request is \$74.8 million which is a decrease of \$645,180 (0.9 percent) below the current year estimate.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request with the following exceptions:

- The recommendation does not include the enhancement request of \$250,000 from the State General Fund and 4.0 FTE positions; and
- The recommendation adds \$258,674 from special revenue funds for the non-State General Fund portion of the pay plan.

The Governor does not recommend the agency's capital improvement request of \$320,000 from the State General Fund for the renovation of Picken Hall.

House Budget Committee Recommendation

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$68.9 million, including \$31.9 million from the State General Fund. The approved budget was increased by a net total of \$1.5 million, including \$1.1 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$240,165 in salary adjustments, \$924,437 in one-time adjustments, and \$373,008 for debt service payments.

- Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 32,803,701	\$ 75,730,338
Baseline Budget	32,982,075	70,460,024
Dollar Difference	<u>\$ (178,374)</u>	<u>\$ 5,270,314</u>
<i>Percent Difference</i>	<i>(0.5)%</i>	<i>7.0%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 258,674
Tuition Estimate	0	2,981,904
Federal Funds Adjustment	0	172,101
Other Net Adjustments	(2,491)	2,094,792
KPERs Rate Increase (not recommended by the Governor)	(125,631)	(169,398)
KPERs D&D Rate Increase (not recommended by the Governor)	(50,252)	(67,759)
TOTAL	<u>\$ (178,374)</u>	<u>\$ 5,270,314</u>

3. Add \$150,000 from the State General Fund to increase funding for the Masters-level nursing program. The Budget Committee notes a report by the Board of Regents which indicates that the shortage of nurses in the state is due not to low enrollments, but to a lack of nursing faculty and physical space in addition to other factors. The Budget Committee recommends that this amount be matched dollar for dollar by the university and that the additional funds be used to hire faculty and increase facilities for the program.

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Fort Hays State University **Bill No.** 573 **Bill Sec.** 40

Analyst: Hollon **Analysis Pg. No.** Vol. II - 1028 **Budget Page No.** 169

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 33,053,701	\$ 32,803,701	\$ 0
Other Funds	41,973,452	42,232,126	0
TOTAL	\$ 75,027,153	\$ 75,035,827	\$ 0
Capital Improvements:			
State General Fund	\$ 320,000	\$ 0	\$ 0
Other Funds	694,511	694,511	0
TOTAL	\$ 1,014,511	\$ 694,511	\$ 0
TOTAL	\$ 76,041,664	\$ 75,730,338	\$ 0
FTE Positions	749.9	749.9	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	749.9	749.9	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$75.0 million which is a decrease of \$395,180 (0.5 percent) below the current year estimate. The agency requests State General Fund expenditures of \$33.1 million which is a decrease of \$436,041 (1.3 percent) below the current year. The request includes an enhancement of \$250,000 and 4.0 FTE positions for operation of the Kansas Wetlands Educational Center at Cheyenne Bottoms. Minus the enhancement, the agency's

request is \$74.8 million which is a decrease of \$645,180 (0.9 percent) below the current year estimate.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request with the following exceptions:

- The recommendation does not include the enhancement request of \$250,000 from the State General Fund and 4.0 FTE positions; and
- The recommendation adds \$258,674 from special revenue funds for the non-State General Fund portion of the pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Pittsburg State University **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Vol. II-1042 **Budget Page No.** 322

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 35,362,893	\$ 35,362,893	\$ 0
Other Funds	38,426,926	38,426,926	0
TOTAL	\$ 73,789,819	\$ 73,789,819	\$ 0
Capital Improvements:			
State General Fund	\$ 128,567	\$ 128,567	\$ 0
Other Funds	9,369,626	9,369,626	0
TOTAL	\$ 9,498,193	\$ 9,498,193	\$ 0
TOTAL	\$ 83,288,012	\$ 83,288,012	\$ 0
FTE Positions	840.6	840.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	840.6	840.6	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$73.8 million which is an increase of \$3.3 million (4.6 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$35.4 million which is an increase of \$1.9 million (5.7 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- an unlimited reappropriation of \$3,713 which is available for expenditures without further legislative action; and
- \$1.9 million which was transferred from the Board of Regents to Pittsburg State University for items approved by the 2005 Legislature:
 - \$793,387 for the operating grant increase;
 - \$218,775 for the faculty salary enhancement; and
 - \$904,611 for the 27th payroll period.

General Fees Fund

- increases of \$1.7 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$827,382; and
 - unanticipated FY 2006 tuition revenue of \$900,348; and
- the increase is partially offset by a revised estimate of carryforward into FY 2007 of \$562,585.

All Other Funds

- \$173,778 in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Budget Committee's recommendation.

Senate Subcommittee Report

Agency: Pittsburg State University

Bill No. - -

Bill Sec. - -

Analyst: Hollon

Analysis Pg. No. Vol. II - 1042

Budget Page No. 322

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 35,362,893	\$ 35,362,893	\$ 0
Other Funds	38,426,926	38,426,926	0
TOTAL	\$ 73,789,819	\$ 73,789,819	\$ 0
Capital Improvements:			
State General Fund	\$ 128,567	\$ 128,567	\$ 0
Other Funds	9,369,626	9,369,626	0
TOTAL	\$ 9,498,193	\$ 9,498,193	\$ 0
TOTAL	\$ 83,288,012	\$ 83,288,012	\$ 0
FTE Positions	840.6	840.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	840.6	840.6	0.0

Agency Estimate

The **agency's** current year operating expenditure estimate is \$73.8 million which is an increase of \$3.3 million (4.6 percent) above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$35.4 million which is an increase of \$1.9 million (5.7 percent) above the approved budget. The differences between the approved amount and the agency's revised estimate are:

State General Fund

- an unlimited reappropriation of \$3,713 which is available for expenditures without further legislative action; and
- \$1.9 million which was transferred from the Board of Regents to Pittsburg State University for items approved by the 2005 Legislature:
 - \$793,387 for the operating grant increase;
 - \$218,775 for the faculty salary enhancement; and
 - \$904,611 for the 27th payroll period.

General Fees Fund

- increases of \$1.7 million due to:
 - a higher than anticipated carryforward of FY 2005 balances of \$827,382; and
 - unanticipated FY 2006 tuition revenue of \$900,348; and
- the increase is partially offset by a revised estimate of carryforward into FY 2007 of \$562,585.

All Other Funds

- \$173,778 in unanticipated receipts to special revenue funds.

Governor's Recommendation

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Pittsburg State University **Bill No. --** **Bill Sec. --**

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<u>Expenditure Summary</u>	<u>Agency Request FY 2007</u>	<u>Governor's Recommendation FY 2007</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 34,448,435	\$ 34,448,435	\$ (185,013)
Other Funds	38,400,430	38,776,239	0
TOTAL	\$ 72,848,865	\$ 73,224,674	\$ (185,013)
Capital Improvements:			
State General Fund	\$ 3,571,981	\$ 134,701	\$ 0
Other Funds	1,939,440	1,939,440	0
TOTAL	\$ 5,511,421	\$ 2,074,141	\$ 0
 TOTAL	 \$ 78,360,286	 \$ 75,298,815	 \$ (185,013)
 FTE Positions	 840.6	 840.6	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	840.6	840.6	0.0

Agency Request

The **agency** requests an FY 2007 operating budget of \$72.8 million which is a decrease of \$940,954 (1.3 percent) below the current year estimate. The agency requests State General Fund expenditures of \$34.4 million which is a decrease of \$914,458 (2.6 percent) below the current year estimate. The difference is due mainly to the one-time funding in FY 2006 of the 27th payroll period. The agency requests no operating enhancements.

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request and adds \$375,809 from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request of \$3.4 million from the State General Fund to renovate McCray Hall.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$75.2 million, including \$33.6 million from the State General Fund. The approved budget was increased by a net total of \$1.8 million, including \$1.2 million from the State General Fund to establish a baseline budget for FY 2007. The increases included \$275,388 in salary adjustments, \$1.0 million in one-time adjustments, and \$506,596 for debt service payments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 34,583,136	\$ 75,298,815
Baseline Budget	34,725,492	76,976,167
Dollar Difference	<u>\$ (142,356)</u>	<u>\$ (1,677,352)</u>
<i>Percent Difference</i>	<i>(0.4)%</i>	<i>(2.2)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 0	\$ 375,809
Tuition Estimate	0	1,402,779
Capital Improvements Adjustment	0	(2,938,044)
Other Net Adjustments	(1,242)	(245,628)
KPERS Rate Increase (not recommended by the Governor)	(100,796)	(194,477)
KPERS D&D Rate Increase (not recommended by the Governor)	(40,318)	(77,791)
TOTAL	<u>\$ (142,356)</u>	<u>\$ (1,677,352)</u>

3. Delete \$185,013 from the State General Fund for consideration at Omnibus. The Budget Committee expresses its concern that the state universities may not be conforming to the requirement of Joint Committee on Information Technology review of projects over \$250,000 in terms of the agencies' purchase of personal computers. The amount reduced from this agency's budget reflects the amount budgeted from the State General Fund for personal computer purchases for FY 2007. The Budget Committee further recommends that the state universities

Governor's Recommendation

The **Governor** concurs with the agency's operating budget request and adds \$375,809 from special revenue funds for the non-State General Fund portion of the pay plan. The Governor does not recommend the agency's capital improvement request of \$3.4 million from the State General Fund to renovate McCray Hall.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.