House Budget Committee Report

Agency: Postsecondary Education Systemwide **Bill No.** House Sub. for SB 4 **Bill Sec.** --

Analyst: Morrow **Analysis Pg. No.** 1971 **Budget Page No.** 121

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation* FY 2015	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	$ 790,417,277	$ 776,134,894	$ 1,470,000
Other Funds	1,797,973,234	1,796,930,015	0
Subtotal	$ 2,588,390,511	$ 2,573,064,909	$ 1,470,000
Capital Improvements:			
State General Fund	$ 7,301,244	$ 7,301,244	$ 0
Other Funds	133,059,591	131,896,591	0
Subtotal	$ 140,360,835	$ 139,197,835	$ 0
TOTAL	$ 2,728,751,346	$ 2,712,262,744	$ 1,470,000
FTE positions	17,969.7	17,969.7	0.0
Non FTE Uncl. Perm. Pos.	55.0	55.0	0.0
TOTAL	18,024.7	18,024.7	0.0

This includes Governor's allotment #2 from February 2015.

Agency Estimate

The **agency's** revised estimate for operating expenditures in FY 2015 is $2.6 billion, including $790.4 million from the State General Fund. This is an increase of $144.8 million, or 5.6 percent, all from special revenue funds above the approved amount. The State General Fund estimate remains the same as the approved amount. The increase is mainly in salaries and wages ($62.8 million), other assistance ($12.5 million) and capital improvements ($42.8 million).

The postsecondary education systemwide revised estimate for capital improvements in FY 2015 is $140.4 million, including $7.3 million from the State General Fund. This is an increase of $42.8 million, or 43.9 percent, all funds and a decrease of $1.2 million, or 14.1 percent, State General Fund from the FY 2015 approved amount. The increase includes additional expenditures at Kansas State University Veterinary Medical Center for the equine performance testing facility and small animal clinic renovations ($1.5 million); Fort Hays State University Weist Hall ($11.7 million); Emporia State University Singular and Tresler Halls ($1.1 million); and other special revenue expenditures for projects at the universities.

Governor's Recommendation

The **Governor** recommends operating expenditures of $2.6 billion, including $792.3 million from the State General Fund. This is an increase of $146.6 million, or 5.7 percent, all funds and $2.9 million, or 0.4 percent, State General Fund above the approved amount. The State General Fund increase is for the Board of Regents Career Technical Education tuition program. The other funds increase is mainly due to increased expenditures for salaries and wages and other assistance.

The Governor recommends bonding authority for the KSU Student Union, KU Residence Hall and Dining, and KU Corbin Hall.

The Governor recommends capital improvements of $139.2 million, including $7.3 million from the State General Fund. This is a decrease of $1.2 million, all from special revenue funds, below the agency's revised estimate due to the Art and Education Building project at Fort Hays State, which is being revised and will be resubmitted in the future.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015 with the following adjustments:

1. Delete language allowing $25.0 million in bonding authority for the student union expansion in FY 2015.
2. Delete language allowing $51.2 million in bonding authority for a new dorm and dinning hall in FY 2015.
3. Delete language allowing $14.5 million in bonding authority for Corbin Hall in FY 2015.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4 with the following further adjustments:

Board of Regents

1. Add $1.47 million, all from State General Fund, for the Incentive for Technical Education program in FY 2015.
2. Add language allowing the Board of Regents the flexibility to expend money from different funds for the $3.1 million State General Fund reduction to specific programs due to the Governor's allotment and fully fund the Midwest Higher Education Compact which was reduced by $1,900 from State General Fund by the Governor's February allotment in FY 2015.
3. The Budget Committee commends the Board of Regents and Regents Universities for working to increase the graduation rates over the last 27 years. The information provided to the Committee shows an overall, steady increase in the 4-year, 5-year and 6-year graduation rates for state universities.

Senate Subcommittee Report

Agency: Postsecondary Education Systemwide **Bill No.** House Sub. for SB 4 **Bill Sec.** --

Analyst: Morrow **Analysis Pg. No.** 1971 **Budget Page No.** 121

Expenditure Summary	Agency Estimate FY 2015	Governor Recommendation* FY 2015	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 790,417,277	$ 776,134,894	$ 750,000
Other Funds	1,797,973,234	1,796,930,015	0
Subtotal	$ 2,588,390,511	$ 2,573,064,909	$ 750,000
Capital Improvements:			
State General Fund	$ 7,301,244	$ 7,301,244	$ 0
Other Funds	133,059,591	131,896,591	0
Subtotal	$ 140,360,835	$ 139,197,835	$ 0
TOTAL	$ 2,728,751,346	$ 2,712,262,744	$ 750,000
FTE positions	17,969.7	17,969.7	0.0
Non FTE Uncl. Perm. Pos.	55.0	55.0	0.0
TOTAL	18,024.7	18,024.7	0.0

This includes Governor's allotment #2 from February 2015.

Agency Estimate

The **agency's** revised estimate for operating expenditures in FY 2015 is $2.6 billion, including $790.4 million from the State General Fund. This is an increase of $144.8 million, or 5.6 percent, all from special revenue funds above the approved amount. The State General Fund estimate remains the same as the approved amount. The increase is mainly in salaries and wages ($62.8 million), other assistance ($12.5 million) and capital improvements ($42.8 million).

The postsecondary education systemwide revised estimate for capital improvements in FY 2015 is $140.4 million, including $7.3 million from the State General Fund. This is an increase of $42.8 million, or 43.9 percent, all funds and a decrease of $1.2 million, or 14.1 percent, State General Fund from the FY 2015 approved amount. The increase includes additional expenditures at Kansas State University Veterinary Medical Center for the equine performance testing facility and small animal clinic renovations ($1.5 million); Fort Hays State University Weist Hall ($11.7 million); Emporia State University Singular and Tresler Halls ($1.1 million); and other special revenue expenditures for projects at the universities.

Governor's Recommendation

The **Governor** recommends operating expenditures of $2.6 billion, including $792.3 million from the State General Fund. This is an increase of $146.6 million, or 5.7 percent, all funds and $2.9 million, or 0.4 percent, State General Fund above the approved amount. The State General Fund increase is for the Board of Regents Career Technical Education tuition program. The other funds increase is mainly due to increased expenditures for salaries and wages and other assistance.

The Governor recommends bonding authority for the KSU Student Union, KU Residence Hall and Dining, and KU Corbin Hall.

The Governor recommends capital improvements of $139.2 million, including $7.3 million from the State General Fund. This is a decrease of $1.2 million, all from special revenue funds, below the agency's revised estimate due to the Art and Education Building project at Fort Hays State, which is being revised and will be resubmitted in the future.

House Sub. for Senate Bill 4

House Sub. for SB 4 adopted the Governor's recommendation for FY 2015 with the following adjustments:

1. Delete language allowing $25.0 million in bonding authority for the student union expansion in FY 2015.

2. Delete language allowing $51.2 million in bonding authority for a new dorm and dinning hall in FY 2015.

3. Delete language allowing $14.5 million in bonding authority for Corbin Hall in FY 2015.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation as adjusted by House Sub. for SB 4 with the following further adjustments:

Board of Regents

1. Delete $222,618, all from the State General Fund, as part of the reappropriated funds in FY 2015.

2. Add $222,618, all from the State General Fund, to restore the allotment to the Municipal Operating grant for Washburn University in FY 2015.

3. Delete $29,141, all from the State General Fund, for capital outlay in FY 2015.

4. Add $29,141, all from the State General Fund, to restore the allotment for the Adult Education program in FY 2015.

5. Add $750,000, all from the State General Fund, to partially restore the allotment to the Incentive for Technical Education in FY 2015.

House Budget Committee Report

Agency: Postsecondary Education Systemwide **Bill No.** HB 2370 **Bill Sec.** --

Analyst: Morrow **Analysis Pg. No.** 1971 **Budget Page No.** 121

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	$ 835,676,156	$ 783,499,401	$ 1,500,000
Other Funds	1,790,758,388	1,783,339,876	0
Subtotal	$ 2,626,434,544	$ 2,566,839,277	$ 1,500,000
Capital Improvements:			
State General Fund	$ 7,515,903	$ 4,695,616	$ 0
Other Funds	148,192,977	108,192,977	0
Subtotal	$ 155,708,880	$ 112,888,593	$ 0
TOTAL	$ 2,782,143,424	$ 2,679,727,870	$ 1,500,000
FTE positions	17,969.7	17,969.7	0.0
Non FTE Uncl. Perm. Pos.	55.0	55.0	0.0
TOTAL	18,024.7	18,024.7	0.0

Agency Request

The **agency** requests operating expenditures of $2.6 billion, including $835.7 million from the State General Fund. This is an overall increase of $38.0 million, or 1.5 percent, all funds and $45.3 million, or 5.7 percent, from the State General Fund above the FY 2015 revised estimate. There is an enhancement request of $64.6 million, including $44.6 million from the State General Fund.

The budget is an overall increase of $6.5 million, or 0.4 percent, in salaries and wages, $5.6 million, or 17.3 percent, in debt service and $31.7 million, or 12.0 percent, in other assistance. This is offset with decreases of $11.8 million, or 3.2 percent, in contractual services and $3.1 million, or 3.0 percent, in commodities.

The postsecondary education systemwide requests $155.7 million, including $7.5 million from the State General Fund, in capital improvements for FY 2016. This is an increase of $15.3 million, or 10.9 percent, all funds and $ 214,659, or 2.9 percent, State General Fund above the FY 2015 revised request. The increase is mainly due to the budget for the Board of Regents showing the $35.0 million request for the Educational Building Fund and an additional $20.0 million enhancement for deferred maintenance. The increase in State General Fund expenditures is mainly due to increased debt service payments.

Governor's Recommendation

The **Governor** recommends operating expenditures of $2.6 billion, including $783.5 million from the State General Fund. This is a decrease of $22.4 million, or 0.9 percent, all funds and $8.8 million, or 1.1 percent, State General Fund below the FY 2015 recommendation.

The Governor recommends a reduction of $11.7 million, including $4.3 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of $1.5 million from the Incentive for Career Technical Education program.

The Governor recommends capital improvements of $112.9 million, including $4.7 million from the State General Fund. This is a decrease of $42.8 million, or 27.5 percent, all funds and $2.8 million, or 37.5 percent, State General Fund below the agency requests. The recommendation does not not include newly requested State General Fund debt service payments for the Fort Hays State Art and Education building project which has changed and will be resubmitted at a later date. The recommendation also includes a decrease of $6.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

House Budget Committee Recommendation

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

Board of Regents

1. Add $1.5 million, all from the State General Fund, for the Incentive for Technical Education program for FY 2016.

2. Add language allowing the agency to expend $20,000, all from existing resources, for the additional membership dues for the Midwest Higher Education Compact for FY 2016.

3. The Budget Committee wishes to draw the attention of the Committee to the enhancement requests by the Board of Regents and Regents Universities of $64.6 million, including $44.6 million from the State General Fund for FY 2016.

Kansas State University

1. Add language allowing $25.0 million in bonding authority for the student union expansion for FY 2016. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.

2. The Budget Committee notes the trend of increasing instructional costs at this University.

University of Kansas

1. Add language allowing $51.2 million in bonding authority for a new dorm and dinning hall for FY 2016. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.

2. Add language allowing $14.5 million in bonding authority for Corbin Hall for FY 2016. This action restores the agency to the Governor's recommendation prior to House Sub. for SB 4.

3. The Budget Committee notes the trend of increasing instructional costs at this University.

Wichita State University

1. Delete the $1.0 million Kansas Bioscience Authority transfer, to Wichita State University, for the Center of Innovation for Biomaterials in Orthopaedic research and allow the agency to use $1.0 million from the General Fees Fund for this expenditure for FY 2016.

House Committee Recommendation

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

Board of Regents

1. The Committee approved the Minority Report except for the last sentence which stated that the enhancement requests were well documented, appropriate, and should be considered at Omnibus.

Kansas State University

1. The Committee will discuss the bonding authority request for the College of Architecture and the use of Educational Building Fund for debt service of the bonds prior to the passing out of the appropriations bill.

Senate Subcommittee Report

Agency: Postsecondary Education Systemwide **Bill No.** SB 237 **Bill Sec.** --

Analyst: Morrow **Analysis Pg. No.** 1971 **Budget Page No.** 121

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 835,676,156	$ 783,499,401	$ 759,662
Other Funds	1,790,758,388	1,783,339,876	0
Subtotal	$ 2,626,434,544	$ 2,566,839,277	$ 759,662
Capital Improvements:			
State General Fund	$ 7,515,903	$ 4,695,616	$ 0
Other Funds	148,192,977	108,192,977	16,500,000
Subtotal	$ 155,708,880	$ 112,888,593	$ 16,500,000
TOTAL	$ 2,782,143,424	$ 2,679,727,870	$ 17,259,662
FTE positions	17,969.7	17,969.7	0.0
Non FTE Uncl. Perm. Pos.	55.0	55.0	0.0
TOTAL	18,024.7	18,024.7	0.0

Agency Request

The **agency** requests operating expenditures of $2.6 billion, including $835.7 million from the State General Fund. This is an overall increase of $38.0 million, or 1.5 percent, all funds and $45.3 million, or 5.7 percent, from the State General Fund above the FY 2015 revised estimate. There is an enhancement request of $64.6 million, including $44.6 million from the State General Fund.

The budget is an overall increase of $6.5 million, or 0.4 percent, in salaries and wages, $5.6 million, or 17.3 percent, in debt service and $31.7 million, or 12.0 percent, in other assistance. This is offset with decreases of $11.8 million, or 3.2 percent, in contractual services and $3.1 million, or 3.0 percent, in commodities.

The postsecondary education systemwide requests $155.7 million, including $7.5 million from the State General Fund, in capital improvements for FY 2016. This is an increase of $15.3 million, or 10.9 percent, all funds and $ 214,659, or 2.9 percent, State General Fund above the FY 2015 revised request. The increase is mainly due to the budget for the Board of Regents showing the $35.0 million request for the Educational Building Fund and an additional $20.0 million enhancement for deferred maintenance. The increase in State General Fund expenditures is mainly due to increased debt service payments.

Governor's Recommendation

The **Governor** recommends operating expenditures of $2.6 billion, including $783.5 million from the State General Fund. This is a decrease of $22.4 million, or 0.9 percent, all funds and $8.8 million, or 1.1 percent, State General Fund below the FY 2015 recommendation.

The Governor recommends a reduction of $11.7 million, including $4.3 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of $1.5 million from the Incentive for Career Technical Education program.

The Governor recommends capital improvements of $112.9 million, including $4.7 million from the State General Fund. This is a decrease of $42.8 million, or 27.5 percent, all funds and $2.8 million, or 37.5 percent, State General Fund below the agency requests. The recommendation does not not include newly requested State General Fund debt service payments for the Fort Hays State Art and Education building project which has changed and will be resubmitted at a later date. The recommendation also includes a decrease of $6.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

Board of Regents

1. Add language allowing the agency to expend $20,000, all from within existing resources, for the additional membership dues for the Midwest Higher Education Compact for FY 2016.

2. Add $1.0 million, all from the State General Fund, for the Incentive for Technical Education for FY 2016.

3. Add $2.0 million, all from the State General Fund, to the Kansas Comprehensive Grant program for FY 2016.

4. Add language that notwithstanding the statutes for the Kansas Comprehensive Grant program, the Board of Regents shall disburse not less than 75.0 percent or $13,318, 753 to the Independent and Private Colleges. In addition, the Kansas Independent College Association shall provide to the House Appropriations and Senate Ways and Means Committees at the beginning of the 2016 Session, a report on the total dollars dispersed to each college and how many students received scholarships, for FY 2016.

Fort Hays State University

1. Delete $2,664, all from the State General Fund, for the Master's-level nursing capacity for FY 2016.

2. Delete $5,245, all from the State General Fund, for the Kansas wetlands education center at Cheyenne bottoms for FY 2016.

3. Add $16.5 million all from special revenue funds, for the construction of a new Institute of Applied Technology and parking lot for FY 2016.

Kansas State University

1. Delete $2.1 million, all from the State General Fund, for operating expenditures for FY 2016.

2. Delete $2,597, all from the State General Fund, for the Midwest institute for comparative stem cell biology for FY 2016.

Kansas State University - ESARP

1. Delete $365,712, all from the State General Fund, for the cooperative extension service for FY 2016.

2. Delete $583,764, all from the State General Fund, for the agricultural experiment stations for FY 2016.

Kansas State University Veterinary Medical Center

1. Delete $96,258, all from the State General Fund, for operating expenditures for FY 2016.

2. Delete $50,012, all from the State General Fund, from the operating enhancement for FY 2016.

University of Kansas

1. Delete $4.6 million, all from the State General Fund, for operating expenditures for FY 2016.

2. Delete $117,865, all from the State General Fund, for the Geological Survey for FY 2016.

3. Delete $2,621, all from the State General Fund, for the Umbilical Cord Matrix project, for FY 2016.

University of Kansas Medical Center

1. Add 3.7 million, all from the State General Fund, for the Wichita expansion project for FY 2016.

2. Delete $15,088, all from the State General Fund, for Midwest stem cell therapy center for FY 2016.

3. Delete $1,400, all from the State General Fund, for Rural Health Bridging for FY 2016.

4. Add $1.0 million, all from the State General Fund, for the Medical Scholarships and Loans fund for FY 2016.

5. Add a proviso to the cancer center research appropriation for the $1 to $1 matching funds from the university and report to House Appropriations and Senate Ways and Means on the economic value and jobs created with this funding for FY 2016.

Pittsburg State University

1. Add $1.0 million, all from the State General Fund, for the School of Transportation for FY 2016.

Wichita State University

1. Add a proviso to the aviation research appropriation for the $1 to $1 matching funds from the university and report to House Appropriations and Senate Ways and Means on the economic value and jobs created with this funding for FY 2016.

House Budget Committee Report

Agency: Postsecondary Education Systemwide **Bill No.** HB 2370 **Bill Sec.** --

Analyst: Morrow **Analysis Pg. No.** 1971 **Budget Page No.** 121

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	$ 859,552,611	$ 798,076,176	$ 1,500,000
Other Funds	1,827,633,024	1,819,992,388	0
Subtotal	$ 2,687,185,635	$ 2,618,068,564	$ 1,500,000
Capital Improvements:			
State General Fund	$ 7,125,559	$ 4,305,272	$ 0
Other Funds	117,741,757	87,024,757	0
Subtotal	$ 124,867,316	$ 91,330,029	$ 0
TOTAL	$ 2,812,052,951	$ 2,709,398,593	$ 1,500,000
FTE positions	17,970.7	17,970.7	0.0
Non FTE Uncl. Perm. Pos.	55.0	55.0	0.0
TOTAL	18,025.7	18,025.7	0.0

Agency Request

The **agency** requests operating expenditures of $2.7 billion, including $859.6 million from the State General Fund. This is an overall increase of $60.8 million, or 2.3 percent, all funds and $23.9 million, or 2.9 percent, from the State General Fund. There is an enhancement request of $73.8 million, including $53.8 million from the State General Fund.

The budget includes increases of $43.9 million, or 2.8 percent, in salaries and wages and $7.8 million, or 2.2 percent, in contractual services. This is offset with a decrease of $1.1 million, or 2.8 percent, in debt service.

The postsecondary education systemwide requests $124.9 million, including $7.1 million from the State General Fund, in capital improvement for FY 2017. This is a decrease of $30.8 million, or 19.8 percent, all funds and $390,344, or 5.2 percent, below the FY 2016 request. The decrease is due to fewer capital improvement projects at most universities including the completion of the Weist Hall replacement project at Fort Hays State.

Governor's Recommendation

The **Governor** recommends operating expenditures of $2.6 billion, including $798.1 million from the State General Fund. This is an increase of $51.2 million, or 2.0 percent, all funds and $14.6 million, or 1.9 percent, above the FY 2016 recommendation. The increase is mainly attributable to the 27th pay period expenditure in this year.

The Governor recommends a reduction of $12.1 million, including $4.4 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of $1.5 million from the Incentive for Career Technical Education program.

The Governor recommends $91.3 million, including $4.3 million from the State General Fund for capital improvements. This is a decrease of $33.5 million, or 26.9 percent, all funds and $2.8 million, or 39.6 percent, State General Fund below the agency requests. The recommendation did not include newly requested State General Fund debt service payments or the Fort Hays State Art and Education building project which has changed and will be submitted at a later date. The recommendation also includes a decrease of $3.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

House Budget Committee Recommendation

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

Board of Regents

1. Add $1.5 million, all from the State General Fund, for the Incentive for Technical Education program for FY 2017.

2. Add language allowing the agency to expend $20,000, all from existing resources, for the additional membership dues for the Midwest Higher Education Compact for FY 2017.

3. The Budget Committee wishes to draw the attention of the Committee to the enhancement requests by the Board of Regents and Regents Universities of $73.8 million, including $53.8 million from the State General Fund for FY 2017.

Kansas State University

1. The Budget Committee notes the trend of increasing instructional costs at this University.

University of Kansas

1. The Budget Committee notes the trend of increasing instructional costs at this University.

Wichita State University

1. Delete the $1.0 million transfer from the Kansas Bioscience Authority, to Wichita State University, for the Center of Innovation for Biomaterials in Orthopaedic research and allow the agency to use $1.0 million from the General Fees Fund for this expenditure for FY 2017.

House Committee Recommendation

The **Committee** concurs with the Governor's recommendation with the following adjustments:

Board of Regents

1. The Committee approved the Minority Report except for the last sentence which stated that the enhancement requests were well documented, appropriate, and should be considered at Omnibus.

Kansas State University

1. The Committee will discuss the bonding authority request for the College of Architecture and the use of Educational Building Fund for debt service of the bonds prior to the passing out of the appropriations bill.

Senate Subcommittee Report

Agency: Postsecondary Education Systemwide **Bill No.** SB 237 **Bill Sec.** --

Analyst: Morrow **Analysis Pg. No.** 1971 **Budget Page No.** 121

Expenditure Summary	Agency Request FY 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	$ 859,552,611	$ 798,076,176	$ (1,240,338)
Other Funds	1,827,633,024	1,819,992,388	0
Subtotal	$ 2,687,185,635	$ 2,618,068,564	$ (1,240,338)
Capital Improvements:			
State General Fund	$ 7,125,559	$ 4,305,272	$ 0
Other Funds	117,741,757	87,024,757	15,430,000
Subtotal	$ 124,867,316	$ 91,330,029	$ 15,430,000
TOTAL	$ 2,812,052,951	$ 2,709,398,593	$ 14,189,662
FTE positions	17,970.7	17,970.7	0.0
Non FTE Uncl. Perm. Pos.	55.0	55.0	0.0
TOTAL	18,025.7	18,025.7	0.0

Agency Request

The **agency** requests operating expenditures of $2.7 billion, including $859.6 million from the State General Fund. This is an overall increase of $60.8 million, or 2.3 percent, all funds and $23.9 million, or 2.9 percent, from the State General Fund. There is an enhancement request of $73.8 million, including $53.8 million from the State General Fund.

The budget includes increases of $43.9 million, or 2.8 percent, in salaries and wages and $7.8 million, or 2.2 percent, in contractual services. This is offset with a decrease of $1.1 million, or 2.8 percent, in debt service.

The postsecondary education systemwide requests $124.9 million, including $7.1 million from the State General Fund, in capital improvement for FY 2017. This is a decrease of $30.8 million, or 19.8 percent, all funds and $390,344, or 5.2 percent, below the FY 2016 request. The decrease is due to fewer capital improvement projects at most universities including the completion of the Weist Hall replacement project at Fort Hays State.

Governor's Recommendation

The **Governor** recommends operating expenditures of $2.6 billion, including $798.1 million from the State General Fund. This is an increase of $51.2 million, or 2.0 percent, all funds and $14.6 million, or 1.9 percent, above the FY 2016 recommendation. The increase is mainly attributable to the 27th pay period expenditure in this year.

The Governor recommends a reduction of $12.1 million, including $4.4 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of $1.5 million from the Incentive for Career Technical Education program.

The Governor recommends $91.3 million, including $4.3 million from the State General Fund for capital improvements. This is a decrease of $33.5 million, or 26.9 percent, all funds and $2.8 million, or 39.6 percent, State General Fund below the agency requests. The recommendation did not include newly requested State General Fund debt service payments or the Fort Hays State Art and Education building project which has changed and will be submitted at a later date. The recommendation also includes a decrease of $3.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments:

Board of Regents

1. Add language allowing the agency to expend $20,000 all from within existing resources for the additional membership dues for the Midwest Higher Education Compact for FY 2017.

2. Add $1.0 million, all from State General Fund, for the Incentive for Technical Education for FY 2017.

Fort Hays State University

1. Delete $2,664, all from the State General Fund, for the Master's-level nursing capacity for FY 2017.

2. Delete $5,245, all from the State General Fund, for the Kansas wetlands education center at Cheyenne bottoms for FY 2017.

3. Add $13.85 million all from special revenue funds, for the construction of a new Department of Art building and parking lot for FY 2017.

4. Add $1.58 million, all from special revenue funds, to raze Wiest Hall "B" for FY 2017.

Kansas State University

1. Delete $2.1 million, all from the State General Fund, for operating expenditures for FY 2017.

2. Delete $2,597, all from the State General Fund, for the Midwest institute for comparative stem cell biology for FY 2017.

Kansas State University - ESARP

1. Delete $365,712, all from the State General Fund, for the cooperative extension service for FY 2017.

2. Delete $583,764, all from the State General Fund, for the agricultural experiment stations for FY 2017.

Kansas State University Veterinary Medical Center

1. Delete $96,258, all from the State General Fund, for operating expenditures for FY 2017.

2. Delete $50,012, all from the State General Fund, from the operating enhancement for FY 2017.

University of Kansas

1. Delete $4.6 million, all from the State General Fund, for operating expenditures for FY 2017.

2. Delete $117,865, all from the State General Fund, for the Geological Survey for FY 2017.

3. Delete $2,621, all from the State General Fund, for the Umbilical Cord Matrix project, for FY 2017.

University of Kansas Medical Center

1. Add 3.7 million, all from the State General Fund, for the Wichita expansion project for FY 2017.

2. Delete $15,088, all from the State General Fund, for Midwest stem cell therapy center for FY 2017.

3. Delete $1,400, all from the State General Fund, for Rural Health Bridging for FY 2017.

4. Add $1.0 million, all from the State General Fund, for the Medical Scholarships and Loans fund for FY 2017.

5. Add a proviso to the cancer center research appropriation fro the $1 to $1 matching funds from the university and report to House Appropriations and Senate Ways and Means on the economic value and jobs created with this funding for FY 2017.

Pittsburg State University

1. Add $1.0 million, all from the State General Fund, for the School of Transportation for FY 2017.

Wichita State University

1. Add a proviso to the aviation research appropriation for the $1 to $1 matching funds from the university and report to House Appropriations and Senate Ways and Means on the economic value and jobs created with this funding for FY 2017.