

Approved: 03/25/93
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 12:25 p.m. on March 19, 1993 in Room 514-S of the Capitol.

All members were present except: Rep. Wanda Fuller (excused absence)
Rep. Henry Helgersen (excused absence)

Committee staff present: Debra Duncan, Legislative Research Department
Timothy Colton, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee:

Diane Duffey, Legislative Research Department
Ray Hauke, Board of Regents'

Others attending: See attached list

Rep. Edlund made a motion to introduce SB 421. Rep. Teagarden seconded the motion and it carried.

Diane Duffey, Legislative Research Department, briefed the committee on spreadsheet revisions for the Board of Regents' funding plan. (See Attachment 1).

Chairman Chronister opened the hearing on HB 2533. Ray Hauke, Board of Regents', testified to the committee on the bill for Regent John Montgomery. (See Attachment 2). Shortly before adjournment Chairman Chronister turned the chair over to Rep. Pottorff. Chairman Pottorff adjourned the meeting at 1:03 p. m.

The next meeting is scheduled for March 22, 1993.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: MAR. 19, 1993

[illegible]

REGENTS FUNDING PLAN (Revision I)
1 Percent State General Fund Increase and 10 Percent Tuition Increase (millions)
(FY 1995-FY 1997)

Operating Expenditures	Base Gov. Rec. FY 1994			FY 1995				FY 1996				FY 1997			
	SGF	Tuition	Total	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.
KU	104.156	59.565	163.721	105.198	65.522	170.719	4.27%	106.250	72.074	178.323	4.45%	107.312	79.281	186.593	4.64%
Less 20% -- Board					(1.191)				(2.502)				(3.943)		
Net Gain to Institution					64.330	169.528	3.55%		69.572	175.821	3.71%		75.338	182.650	3.88%
KSU	74.615	34.830	109.445	75.361	38.313	113.674	3.86%	76.115	42.144	118.259	4.03%	76.876	46.359	123.235	4.21%
Less 20% -- Board					(0.697)				(1.463)				(2.306)		
Net Gain to Institution					37.616	112.978	3.23%		40.681	116.796	3.38%		44.053	120.929	3.54%
KSU-S	4.313	0.645	4.958	4.356	0.710	5.066	2.17%	4.400	0.780	5.180	2.26%	4.444	0.858	5.302	2.36%
Less 20% -- Board					(0.013)				(0.027)				(0.043)		
Net Gain to Institution					0.697	5.053	1.91%		0.753	5.153	1.99%		0.816	5.259	2.07%
WSU	50.735	20.773	71.508	51.242	22.850	74.093	3.61%	51.755	25.135	76.890	3.78%	52.272	27.649	79.921	3.94%
Less 20% -- Board					(0.415)				(0.872)				(1.375)		
Net Gain to Institution					22.435	73.677	3.03%		24.263	76.018	3.18%		26.274	78.546	3.33%
ESU	22.047	7.666	29.713	22.267	8.433	30.700	3.32%	22.490	9.276	31.766	3.47%	22.715	10.203	32.918	3.63%
Less 20% -- Board					(0.153)				(0.322)				(0.507)		
Net Gain to Institution					8.279	30.547	2.81%		8.954	31.444	2.94%		9.696	32.411	3.08%
PSU	22.915	9.691	32.606	23.144	10.660	33.804	3.67%	23.376	11.726	35.102	3.84%	23.609	12.899	36.508	4.01%
Less 20% -- Board					(0.194)				(0.407)				(0.642)		
Net Gain to Institution					10.466	33.610	3.08%		11.319	34.695	3.23%		12.257	35.867	3.38%
FHSU	22.363	6.842	29.205	22.587	7.526	30.113	3.11%	22.812	8.279	31.091	3.25%	23.041	9.107	32.147	3.40%
Less 20% -- Board					(0.137)				(0.287)				(0.453)		
Net Gain to Institution					7.389	29.976	2.64%		7.991	30.804	2.76%		8.654	31.694	2.89%
Total	301.144	140.012	441.156	304.155	154.013	458.169	3.86%	307.197	169.415	476.612	4.03%	310.269	186.356	496.625	4.20%
Total to Board				0.000	(2.800)	(2.800)		0.000	(5.881)	(5.881)		0.000	(9.269)	(9.269)	
Total to Institutions				304.155	151.213	455.368	3.22%	307.197	163.534	470.731	3.37%	310.269	177.087	487.356	3.53%
Systemwide Percent Change				0.01	0.10			0.01	0.10			0.01	0.10		

Assumptions:

1. FY 1994 Base reflects the Governor's recommendation for FY 1994.
2. 1% Increase in SGF; 10% increase in Tuition with 20% allocated to Board office for distribution back to institutions to achieve 95 percent of peers for faculty salaries
3. Totals may not add due to rounding
4. Plan does not apply to KUMC, KSU-VMC, KSU-Ext.

REGENTS FUNDING PLAN (Revision I)
1 Percent State General Fund Increase and 10 Percent Tuition Increase (millions)
(FY 1995-FY 1999)

Operating Expenditures	Base Gov. Rec. FY 1994			FY 1995				FY 1996				FY 1997				FY 1998				FY 1999			
	SGF	Tuition	Total	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.
KU	104.156	59.565	163.721	105.198	65.522	170.719	4.27%	106.250	72.074	178.323	4.45%	107.312	79.281	186.593	4.64%	108.385	87.209	195.594	4.82%	109.469	95.930	205.399	5.01%
Less 20 % -- Board					(1.191)				(2.502)				(3.943)				(5.529)				(7.273)		
Net Gain to Institution					64.330	169.528	3.55%		69.572	175.821	3.71%		75.338	182.650	3.88%		81.680	190.065	4.06%		88.657	198.126	4.24%
KSU	74.615	34.830	109.445	75.361	38.313	113.674	3.86%	76.115	42.144	118.259	4.03%	76.876	46.359	123.235	4.21%	77.645	50.995	128.639	4.39%	78.421	56.094	134.515	4.57%
Less 20% -- Board					(0.697)				(1.463)				(2.306)				(3.233)				(4.253)		
Net Gain to Institution					37.616	112.978	3.23%		40.681	116.796	3.38%		44.053	120.929	3.54%		47.762	125.406	3.70%		51.841	130.262	3.87%
KSU-S	4.313	0.645	4.958	4.356	0.710	5.066	2.17%	4.400	0.780	5.180	2.26%	4.444	0.858	5.302	2.36%	4.488	0.944	5.432	2.46%	4.533	1.039	5.572	2.56%
Less 20% -- Board					(0.013)				(0.027)				(0.043)				(0.060)				(0.079)		
Net Gain to Institution					0.697	5.053	1.91%		0.753	5.153	1.99%		0.816	5.259	2.07%		0.884	5.373	2.15%		0.960	5.493	2.24%
WSU	50.735	20.773	71.508	51.242	22.850	74.093	3.61%	51.755	25.135	76.890	3.78%	52.272	27.649	79.921	3.94%	52.795	30.414	83.209	4.11%	53.323	33.455	86.778	4.29%
Less 20% -- Board					(0.415)				(0.872)				(1.375)				(1.928)				(2.536)		
Net Gain to Institution					22.435	73.677	3.03%		24.263	76.018	3.18%		26.274	78.546	3.33%		28.486	81.281	3.48%		30.919	84.242	3.64%
ESU	22.047	7.666	29.713	22.267	8.433	30.700	3.32%	22.490	9.276	31.766	3.47%	22.715	10.203	32.918	3.63%	22.942	11.224	34.166	3.79%	23.172	12.346	35.518	3.96%
Less 20% -- Board					(0.153)				(0.322)				(0.507)				(0.712)				(0.936)		
Net Gain to Institution					8.279	30.547	2.81%		8.954	31.444	2.94%		9.696	32.411	3.08%		10.512	33.454	3.22%		11.410	34.582	3.37%
PSU	22.915	9.691	32.606	23.144	10.660	33.804	3.67%	23.376	11.726	35.102	3.84%	23.609	12.899	36.508	4.01%	23.845	14.189	38.034	4.18%	24.084	15.607	39.691	4.36%
Less 20% -- Board					(0.194)				(0.407)				(0.642)				(0.900)				(1.183)		
Net Gain to Institution					10.466	33.610	3.08%		11.319	34.695	3.23%		12.257	35.867	3.38%		13.289	37.135	3.54%		14.424	38.508	3.70%
FHSU	22.363	6.842	29.205	22.587	7.526	30.113	3.11%	22.812	8.279	31.091	3.25%	23.041	9.107	32.147	3.40%	23.271	10.017	33.288	3.55%	23.504	11.019	34.523	3.71%
Less 20% -- Board					(0.137)				(0.287)				(0.453)				(0.635)				(0.835)		
Net Gain to Institution					7.389	29.976	2.64%		7.991	30.804	2.76%		8.654	31.694	2.89%		9.382	32.653	3.03%		10.184	33.687	3.17%
Total	301.144	140.012	441.156	304.155	154.013	458.169	3.86%	307.197	169.415	476.612	4.03%	310.269	186.356	496.625	4.20%	313.372	204.992	518.363	4.38%	316.505	225.491	541.996	4.56%
Total to Board				0.000	(2.800)	(2.800)		0.000	(5.881)	(5.881)		0.000	(9.269)	(9.269)		0.000	(12.996)	(12.996)		0.000	(17.096)	(17.096)	
Total to Institutions				304.155	151.213	455.368	3.22%	307.197	163.534	470.731	3.37%	310.269	177.087	487.356	3.53%	313.372	191.996	505.367	3.70%	316.505	208.395	524.900	3.87%
Systemwide % Change				0.01	0.10			0.01	0.10			0.01	0.10			0.01	0.10			0.01	0.10		

Assumptions:

1. FY 1994 Base reflects the Governor's recommendation for FY 1994.
2. 1% Increase in SGF; 10% increase in Tuition with 20% allocated to Board office for distribution back to institutions to achieve 95 percent of peers for faculty salaries.
3. Totals may not add due to rounding.
4. Plan does not apply to KUMC, KSU-VMC, KSU-Ext.

Kansas Legislative Research Department
March 19, 1993

REGENTS FUNDING PLAN (Revision I)
2 Percent State General Fund Increase and 10 Percent Tuition Increase (millions)
(FY 1995-FY 1997)

Operating Expenditures	Base Gov. Rec. FY 1994			FY 1995				FY 1996				FY 1997			
	SGF	Tuition	Total	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.
KU	104.156	59.565	163.721	106.239	65.522	171.761	4.91%	108.364	72.074	180.438	5.05%	110.531	79.281	189.812	5.20%
Less 20% -- Board					(1.191)				(2.502)				(3.943)		
Net Gain to Institution					64.330	170.569	4.18%		69.572	177.936	4.32%		75.338	185.869	4.46%
KSU	74.615	34.830	109.445	76.107	38.313	114.420	4.55%	77.629	42.144	119.774	4.68%	79.182	46.359	125.541	4.81%
Less 20% -- Board					(0.697)				(1.463)				(2.306)		
Net Gain to Institution					37.616	113.724	3.91%		40.681	118.311	4.03%		44.053	123.235	4.16%
KSU-S	4.313	0.645	4.958	4.399	0.710	5.109	3.04%	4.487	0.780	5.268	3.11%	4.577	0.858	5.435	3.19%
Less 20% -- Board					(0.013)				(0.027)				(0.043)		
Net Gain to Institution					0.697	5.096	2.78%		0.753	5.241	2.84%		0.816	5.393	2.90%
WSU	50.735	20.773	71.508	51.750	22.850	74.600	4.32%	52.785	25.135	77.920	4.45%	53.840	27.649	81.489	4.58%
Less 20% -- Board					(0.415)				(0.872)				(1.375)		
Net Gain to Institution					22.435	74.185	3.74%		24.263	77.048	3.86%		26.274	80.114	3.98%
ESU	22.047	7.666	29.713	22.488	8.433	30.921	4.06%	22.938	9.276	32.214	4.18%	23.396	10.203	33.600	4.30%
Less 20% -- Board					(0.153)				(0.322)				(0.507)		
Net Gain to Institution					8.279	30.767	3.55%		8.954	31.892	3.65%		9.696	33.092	3.77%
PSU	22.915	9.691	32.606	23.373	10.660	34.033	4.38%	23.841	11.726	35.567	4.51%	24.318	12.899	37.216	4.64%
Less 20% -- Board					(0.194)				(0.407)				(0.642)		
Net Gain to Institution					10.466	33.840	3.78%		11.319	35.160	3.90%		12.257	36.575	4.02%
FHSU	22.363	6.842	29.205	22.810	7.526	30.336	3.87%	23.266	8.279	31.545	3.98%	23.732	9.107	32.838	4.10%
Less 20% -- Board					(0.137)				(0.287)				(0.453)		
Net Gain to Institution					7.389	30.200	3.41%		7.991	31.258	3.50%		8.654	32.386	3.61%
Total	301.144	140.012	441.156	307.167	154.013	461.180	4.54%	313.310	169.415	482.725	4.67%	319.576	186.356	505.932	4.81%
Total to Board				0.000	(2.800)	(2.800)		0.000	(5.881)	(5.881)		0.000	(9.269)	(9.269)	
Total to Institutions				307.167	151.213	458.380	3.90%	313.310	163.534	476.844	4.03%	319.576	177.087	496.664	4.16%
Systemwide Percent Change				0.02	0.10			0.02	0.10			0.02	0.10		

Assumptions:

1. FY 1994 Base reflects the Governor's recommendation for FY 1994.
2. 2% Increase in SGF; 10% increase in Tuition with 20% allocated to Board office for distribution back to institutions to achieve 95 percent of peers for faculty salaries.
3. Totals may not add due to rounding.
4. Plan does not apply to KUMC, KSU-VMC, KSU-Ext.

REGENTS FUNDING PLAN
2 Percent State General Fund Increase and 10 Percent Tuition Increase (millions)
(FY 1995-FY 1999)

Operating Expenditures	Base Gov. Rec. FY 1994			FY 1995				FY 1996				FY 1997				FY 1998				FY 1999			
	SGF	Tuition	Total	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.	SGF	Tuition	Total	% Incr.
KU	104.156	59.565	163.721	106.239	65.522	171.761	4.91%	108.364	72.074	180.438	5.05%	110.531	79.281	189.812	5.20%	112.742	87.209	199.951	5.34%	114.997	95.930	210.927	5.49%
Less 20 % -- Board					(1.191)				(2.502)				(3.943)				(5.529)				(7.273)		
Net Gain to Institution					64.330	170.569	4.18%		69.572	177.936	4.32%		75.338	185.869	4.46%		81.680	194.422	4.60%		88.657	203.654	4.75%
KSU	74.615	34.830	109.445	76.107	38.313	114.420	4.55%	77.629	42.144	119.774	4.68%	79.182	46.359	125.541	4.81%	80.766	50.995	131.760	4.95%	82.381	56.094	138.475	5.10%
Less 20% -- Board					(0.697)				(1.463)				(2.306)				(3.233)				(4.253)		
Net Gain to Institution					37.616	113.724	3.91%		40.681	118.311	4.03%		44.053	123.235	4.16%		47.762	128.527	4.29%		51.841	134.222	4.43%
KSU-S	4.313	0.645	4.958	4.399	0.710	5.109	3.04%	4.487	0.780	5.268	3.11%	4.577	0.858	5.435	3.19%	4.669	0.944	5.613	3.26%	4.762	1.039	5.801	3.35%
Less 20% -- Board					(0.013)				(0.027)				(0.043)				(0.060)				(0.079)		
Net Gain to Institution					0.697	5.096	2.78%		0.753	5.241	2.84%		0.816	5.393	2.90%		0.884	5.553	2.97%		0.960	5.722	3.04%
WSU	50.735	20.773	71.508	51.750	22.850	74.600	4.32%	52.785	25.135	77.920	4.45%	53.840	27.649	81.489	4.58%	54.917	30.414	85.331	4.71%	56.016	33.455	89.471	4.85%
Less 20% -- Board					(0.415)				(0.872)				(1.375)				(1.928)				(2.536)		
Net Gain to Institution					22.435	74.185	3.74%		24.263	77.048	3.86%		26.274	80.114	3.98%		28.486	83.403	4.11%		30.919	86.934	4.23%
ESU	22.047	7.666	29.713	22.488	8.433	30.921	4.06%	22.938	9.276	32.214	4.18%	23.396	10.203	33.600	4.30%	23.864	11.224	35.088	4.43%	24.342	12.346	36.688	4.56%
Less 20% -- Board					(0.153)				(0.322)				(0.507)				(0.712)				(0.936)		
Net Gain to Institution					8.279	30.767	3.55%		8.954	31.892	3.65%		9.696	33.092	3.77%		10.512	34.377	3.88%		11.410	35.752	4.00%
PSU	22.915	9.691	32.606	23.373	10.660	34.033	4.38%	23.841	11.726	35.567	4.51%	24.318	12.899	37.216	4.64%	24.804	14.189	38.993	4.77%	25.300	15.607	40.907	4.91%
Less 20% -- Board					(0.194)				(0.407)				(0.642)				(0.900)				(1.183)		
Net Gain to Institution					10.466	33.840	3.78%		11.319	35.160	3.90%		12.257	36.575	4.02%		13.289	38.093	4.15%		14.424	39.724	4.28%
FHSU	22.363	6.842	29.205	22.810	7.526	30.336	3.87%	23.266	8.279	31.545	3.98%	23.732	9.107	32.838	4.10%	24.206	10.017	34.224	4.22%	24.691	11.019	35.710	4.34%
Less 20% -- Board					(0.137)				(0.287)				(0.453)				(0.635)				(0.835)		
Net Gain to Institution					7.389	30.200	3.41%		7.991	31.258	3.50%		8.654	32.386	3.61%		9.382	33.589	3.72%		10.184	34.874	3.83%
Total	301.144	140.012	441.156	307.167	154.013	461.180	4.54%	313.310	169.415	482.725	4.67%	319.576	186.356	505.932	4.81%	325.968	204.992	530.960	4.95%	332.487	225.491	557.978	5.09%
Total to Board				0.000	(2.800)	(2.800)		0.000	(5.881)	(5.881)		0.000	(9.269)	(9.269)		0.000	(12.996)	(12.996)		0.000	(17.096)	(17.096)	
Total to Institutions				307.167	151.213	458.380	3.90%	313.310	163.534	476.844	4.03%	319.576	177.087	496.664	4.16%	325.968	191.996	517.964	4.29%	332.487	208.395	540.882	4.42%
Systemwide % Change				0.02	0.10			0.02	0.10			0.02	0.10			0.02	0.10			0.02	0.10		

Assumptions:

1. FY 1994 Base reflects the Governor's recommendation for FY 1994.
2. 2% Increase in SGF; 10% increase in Tuition with 20% allocated to Board office for distribution back to institutions to achieve 95 percent of peers for faculty salaries.
3. Totals may not add due to rounding
4. Plan does not apply to KUMC, KSU-VMC, KSU-Ext.

STATE GENERAL FUND OPERATING EXPENDITURES FY 1983-FY 1992
REGENTS UNIVERSITIES, WASHBURN UNIVERSITY, AND COMMUNITY COLLEGES

Institution	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992 (actual)	Cumulative Increase FY 1983-92
Kansas University	\$ 71,427,193	\$ 70,802,315	\$ 76,793,397	\$ 80,071,643	\$ 77,595,680	\$ 82,360,756	\$ 90,164,679	\$ 99,534,616	\$ 100,724,438	\$ 99,162,381	
Increase Over Prior Year	--	(624,878) (0.9)%	5,991,082 8.5%	3,278,246 4.3%	(2,475,963) (3.1)%	4,765,076 6.1%	7,803,923 9.5%	9,369,937 10.4%	1,189,822 1.2%	(1,562,057) (1.6)%	38.8%
Kansas State University*	\$ 64,512,249	\$ 67,162,944	\$ 74,155,202	\$ 77,884,470	\$ 77,287,105	\$ 82,621,548	\$ 92,659,251	\$ 100,286,984	\$ 104,024,132	\$103,609,894	
Increase Over Prior Year	--	2,650,695 4.1%	6,992,258 10.4%	3,729,268 5.0%	(597,365) (0.8)%	5,334,443 6.9%	10,037,703 12.1%	7,627,733 8.2%	3,737,148 3.7%	(414,238) (0.4)%	60.6%
Wichita State University	\$ 29,762,388	\$ 30,385,990	\$ 34,086,556	\$ 36,628,018	\$ 35,051,578	\$ 38,965,434	\$ 42,289,811	\$ 45,673,040	\$ 47,604,712	\$ 48,181,609	
Increase Over Prior Year	--	623,602 2.1%	3,700,566 12.2%	2,541,462 7.5%	(1,576,440) (4.3)%	3,913,856 11.2%	3,324,377 8.5%	3,383,229 8.0%	1,931,672 4.2%	576,897 1.2%	61.9%
Emporia State University	\$ 14,735,759	\$ 15,027,597	\$ 16,213,552	\$ 15,875,642	\$ 15,798,907	\$ 16,574,722	\$ 18,158,319	\$ 20,031,878	\$ 20,527,201	\$ 20,776,464	
Increase Over Prior Year	--	291,838 2.0%	1,185,955 7.9%	(337,910) (2.1)%	(76,735) (0.5)%	775,815 4.9%	1,583,597 9.6%	1,873,559 10.3%	495,323 2.5%	249,263 1.2%	41.0%
Fort Hays State University	\$ 13,527,560	\$ 13,867,662	\$ 14,941,960	\$ 15,498,623	\$ 15,210,926	\$ 16,267,834	\$ 18,428,500	\$ 19,813,459	\$ 20,582,835	\$ 20,365,585	
Increase Over Prior Year	--	340,102 2.5%	1,074,298 7.7%	556,663 3.7%	(287,697) (1.9)%	1,056,908 6.9%	2,160,666 13.3%	1,384,959 7.5%	769,376 3.9%	217,250 (1.1)%	50.5%
Pittsburg State University	\$ 14,386,579	\$ 14,557,218	\$ 15,688,365	\$ 16,393,200	\$ 15,567,781	\$ 17,016,703	\$ 19,003,162	\$ 20,822,647	\$ 21,834,916	\$ 22,041,972	
Increase Over Prior Year	--	170,639 1.2%	1,131,147 7.8%	704,835 4.5%	(825,419) (5.0)%	1,448,922 9.3%	1,986,459 11.7%	1,819,485 9.6%	1,012,269 4.9%	207,056 0.9%	53.2%
Washburn University	\$ 3,432,469	\$ 3,824,957	\$ 4,064,594	\$ 4,332,426	\$ 4,079,274	\$ 4,423,233	\$ 4,574,447	\$ 5,948,748	\$ 5,992,202	\$ 5,932,280	
Increase Over Prior Year	--	392,488 11.4%	239,637 6.3%	267,832 6.6%	(253,152) (5.8)%	343,959 8.4%	151,214 3.4%	1,374,301 30.0%	43,454 0.7%	(91,922) (1.0)%	72.8%
Community Colleges	\$ 21,660,605	\$ 23,276,771	\$ 24,240,996	\$ 26,590,522	\$ 27,729,587	\$ 30,144,494	\$ 35,612,256	\$ 42,034,261	\$ 43,971,540	\$ 44,866,616	
Increase Over Prior Year	--	1,616,166 7.5%	964,225 4.1%	2,349,526 9.7%	1,139,065 4.3%	2,414,907 8.7%	5,467,762 18.1%	6,422,005 18.0%	1,937,279 4.6%	895,076 2.0%	107.1%

* Includes KSU-Extension Systems and Agriculture Research Programs

**REMARKS OF
REGENT JOHN MONTGOMERY
TO
HOUSE APPROPRIATIONS COMMITTEE
REGARDING H.B. 2533**

March 19, 1993

On behalf of the Board of Regents, I want to express thanks to the Chairman and the Committee for the interest in higher education, reflected by H.B. 2533. The initiative and concern indicated by the authors of the bill is sincerely appreciated by the Regents and the institutions.

The concept of enhancing the Board's authority and discretion to control its expenditure of tuition revenue could be an effective management tool. We are particularly supportive of the effort to allocate tuition revenue for the purpose of addressing needs in the Regents system.

We believe additional time is necessary to consider the State General Fund component and the size of the annual adjustment. Additionally, we request consideration of certain items which should be in addition to the financing limitations contained in H.B. 2533. Three such issues which we believe should be reviewed are:

1. New Buildings Operating Support, particularly for those facilities already approved by the Legislature which will become operational during the three year period contained in the bill.
2. Classified Salary Increases, since those increases are determined on a statewide basis for all state agencies, not just the Regents.
3. Enrollment Growth, since the potential for considerable enrollment increase exists during the upcoming five year period.

We believe many of the concepts contained in H.B. 2533 could be beneficial to the Regents institutions. However, we believe we should withhold our full support of the bill until numerous simulations can be explored and a variety of options examined.

We would be pleased to assist in the exploration of alternatives. We again express our gratitude to the committee for consideration of H.B. 2533 and the confidence expressed in the Regents by this discussion.