

Approved: 03 / 31 / 93  
Date

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 2:08 p.m. on March 23, 1993 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Scott Rothe, Legislative Research Department  
Diane Duffey, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Jerry Cole, Committee Secretary  
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee:

Others attending: See attached list

Chairman Chronister addressed the committee on evaluating the Senate recommendations for the Systemwide Recommendations on Regents' Universities. (See Attachment 1 & 1a). Recommendations 1-4 were accepted. Rep. Blumenthal made a motion to add 14 positions (\$920,000) to recommendation #5. Rep. Hochhauser seconded the motion which failed on a vote of 6-12. Rep. Teagarden moved to make an increase in recommendation #6, faculty retirement (TIAA-CREF), for the monies recommended in the substitute for HB 2211 and that .5% of the money come from the State General Fund and .5% from the individual faculty member. Rep. Pottorff seconded the motion and it carried. Recommendations 7 & 8 were accepted with no changes from the senate recommendations. Rep. Helgersen made a motion, seconded by Rep. Mead, to accept the agency's request for a reduction in the .25% shrinkage rate (cost = \$1.3 million) in recommendation #9 and refer the matter to the respective subcommittees. (See Attachment 1b). Rep. Blumenthal made a substitute motion to simply send the issue to the subcommittees for further review. Rep. Kline seconded the motion which failed 12-10. Rep. Charlton moved to delete all references of shrinkage and refer to the subcommittees (cost = \$1.3 million). Rep. Hochhauser seconded the motion and it failed. The Helgersen motion carried. Recommendations 10-13 were accepted. Chairman Chronister requested a Governor's budget amendment for omnibus consideration in recommendation #14. With regard to recommendation #15, Rep. Charlton moved the General Fee fund expenditure mentioned instead be allocated as a State General Fund expenditure. The motion failed with Rep. Dean seconding. Chairman Chronister requested a Governor's budget amendment for omnibus consideration in recommendation #6. She adjourned the meeting at 3:03 p.m.

The next meeting is scheduled for March 24, 1993.

# GUEST LIST

	NAME (Please print)	ADDRESS	COMPANY/ORGANIZATION
1	Tim Carpenter	Larrance	Journal - World
2	Bud Chrey	Topeka	KAPE
3	TED D. AYRES	TOPEKA	REGENTS STAFF
4	Ray A. Hawke	Topeka	Regents Staff
5	Marvin Burris	Topeka	Regents Staff
6	Kevin Darter	Topeka	Dept. of Admin
7	Linda Kasmussen	Topeka	Dept of Admin
8	B. Mariani	"	"
9	Mike Bohnhoff	Topeka	Div. of the Budget
10	Martin Rem	Larve	Ku
11	Sue Petersen	Manhattan	Kansas State
12	Bill Hollenbeck	Pittsburg	PSU
13	Carol Spiker	Topeka	SRS
14	E. Sexton	Wichita	WSU
15	John Foster	Emporia	ESU
16	Jon JOSEFRANO	LAURENCE	KU
17	Ron Pflum	Lans	FHSM
18	Jennifer Hankin	Emporia	Intern
19	Tim Nime	Topeka	ASK
20	Roger Traxler	"	Ks Gov Consulting
21	Russ Frey	Topeka	KVMA
22	Redney Van Kamp	Topeka	KNEA
23	John S. Monical	Topeka	Washburn
24	Bob Wunsch	Lawrence	KUMC
25	Sally Morford	TOPEKA	AP

**Regents Institutions – Systemwide Summary**

Expenditure	Agency Est. FY 93	Gov. Rec. FY 93*	Senate Adj. FY 93	Senate Rec. FY 93	House Rec. FY 93	Agency Req. FY 94	Gov. Rec. FY 94	Senate Adj. FY 94	Senate Rec. FY 94	House Rec. FY 94
Operating Expenditures:										
State General Fund	\$ 403,693,408	\$ 401,675,062	\$ (634)	\$ 401,674,428	\$	\$ 436,491,442	\$ 419,025,741	\$ (5,775,628)	\$ 413,250,113	\$
General Fees Fund	139,847,156	140,472,668	320,250	140,792,918		148,626,515	152,479,369	1,012,812	153,492,181	
Hospital Revenue Funds	112,471,785	112,684,598	—	112,684,598		117,802,576	116,700,904	(445,014)	116,255,890	
Federal Land Grant Funds	7,034,890	7,034,890	(12,672)	7,022,218		7,485,230	7,485,230	(18,304)	7,466,926	
Other Funds	2,551,750	2,551,750	—	2,551,750		673,000	1,873,000	175,000	2,048,000	
Subtotal General Use	\$ 665,598,989	\$ 664,418,968	\$ 306,944	\$ 664,725,912	\$	\$ 711,078,763	\$ 697,564,244	\$ (5,051,134)	\$ 692,513,110	\$
Other Funds	317,716,960	318,859,826	244,822	319,104,648		332,978,980	333,505,609	453,300	333,958,909	
<b>TOTAL – Oper. Expend.</b>	<b>\$ 983,315,949</b>	<b>\$ 983,278,794</b>	<b>\$ 551,766</b>	<b>\$ 983,830,560</b>	<b>\$</b>	<b>\$ 1,044,057,743</b>	<b>\$ 1,031,069,853</b>	<b>\$ (4,597,834)</b>	<b>\$ 1,026,472,019</b>	<b>\$</b>
Percentage Change:										
General Use Fund	4.3	4.1	—	4.2		6.8	5.0	—	4.2	
State General Fund	3.5	3.0	—	3.0		8.1	4.3	—	2.9	
FTE Positions:										
Classified	7,966.2	7,966.2	—	7,966.2		7,977.4	7,977.6	10.0	7,987.6	
Unclassified	9,578.9	9,614.0	—	9,614.0		9,704.9	9,672.3	15.0	9,687.3	
<b>TOTAL</b>	<b>17,454.1</b>	<b>17,580.3</b>	<b>—</b>	<b>17,580.3</b>		<b>17,682.3</b>	<b>17,649.9</b>	<b>25.0</b>	<b>17,674.9</b>	

\* Includes Budget Amendment No. 1 which decreases \$186,945 from restricted use funds at KUMC in FY 1993; and increases \$122,297 (SGF) and decreases \$282,855 from the Hospital Revenue Fund in FY 1994 to accurately reflect the Governor's intent.

Kansas Legislative Research Department  
March 22, 1993

93-5460/dd

ATTACHMENT 1

ATTACHMENT 1

**Regents General Use Systemwide Budgetary Priorities, Governor's Recommendations, Senate Recommendations**  
(In Millions)

Item	Regents Request	Governor's Rec.	Notes	Senate Rec.	Notes	House Rec.	Notes
<b>INSTITUTIONAL OPERATING BUDGETS</b> (Systemwide Issues include items 1-5)							
1. Salaries and Compensation							
a. Annualization of FY 93 Salary Increases	\$ 2.5	\$ 2.5	Concur	\$ 2.5	Concur		
b. Unclassified Salaries (4.5%)	17.2	11.3	3% merit pool	9.4	2.5% merit pool		
c. Classified Salaries (step + longevity)	3.1	3.1	Concur	3.1	Concur		
d. Recruitment of Minority Faculty	1.8	0.0	Does not recommend	0.0	Does not recommend		
e. Increase of 1% Retirement	2.9	2.7	Concur, dollars less due to different bases	0.0	Does not recommend pending passage of legislation		
f. Student Wages (5%)	0.4	0.4	Concur	0.2	2.5% increase		
g. Fringe Benefit Adjustments	6.1	6.1	Concur, uses most recent rates	6.1	Concur		
h. Shrinkage Rate Adjustment	1.3	0.0	Does not recommend	0.0	Does not recommend; except FHSU, KSU-Salina, KSU- ESARP		
2. Other Operating Expenditures (6%)	6.0	4.0	4% increase	3.4	3.5% increase		
3. Enrollment Adjustment	1.8	1.8	Concurs	2.0	Concurs, except for \$0.2 for ESU		
4. Servicing New Buildings	0.2	0.2	Concurs	0.2	Concurs except for \$900 reduc- tion at KSU-Football Stadium press box		
5. Library Enhancement	3.5	0.0	Does not recommend	0.0	Does not recommend		
6. Other Enhancements	0.0	1.0	KU (Law School), KUMC (nurse practitioner and faculty locum tenens programs), KSU (labor center)	1.2	KU (law school), KUMC (nurse pract., locum tenens); KSU (for- est inventory)		
<b>TOTAL - FY 94</b>	<b>\$ 46.8</b>	<b>\$ 33.1</b>		<b>\$ 28.1</b>			
<b>Fee Release (FY 93)</b>	<b>0.3</b>	<b>0.0</b>	Does not recommend	<b>0.3</b>	<b>Recommends</b>		
Financing of FY 1994 Increase:							
State General Fund	35.2	17.3		11.6			
General Fees Fund	7.5	12.0		13.0			
Hospital Revenue	5.5	4.0		3.6			
Land Grant	0.5	0.5		0.4			
Other	(1.9)	(0.7)		(0.5)			
<b>Total - FY 1994</b>	<b><u>46.8</u></b>	<b><u>33.1</u></b>		<b><u>28.1</u></b>			

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Senate Recommendation

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Systemwide Memo Page No.

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House Committee Recommendation

1. **Systemwide Recommendation – FY 1993 Supplemental Request for Fringe Benefits.** The Senate concurs with the Governor and does not recommend the requested supplemental appropriation from the State General Fund of \$1.5 million to finance increased health insurance and worker's compensation rates.
2. **Systemwide Recommendation – Annualization of FY 1993 Salary Increases.** The Senate concurs with the Governor's recommendation and the Regents request for \$2.5 million (general use) to fund the annualized cost of the 1.0 percent mid-year salary increase authorized by the 1992 Legislature.
3. **Systemwide Recommendation – Unclassified Salaries.** The Senate deleted \$1,916,561 (general use) for Regents unclassified faculty and staff salaries. The Senate recommends a salary increase of 2.5 percent or \$9.4 million in FY 1994 compared to the Governor's recommendation of 3.0 percent and the Regents request of 4.5 percent. Pending further consideration of the Governor's entire salary and benefit package, the Senate recommends a systemwide salary increase of 2.5 percent for unclassified, classified, and student employees (H.B. 2192).
4. **Systemwide Recommendation – Classified Salaries.** The Senate concurs with the Governor's recommendation and the Regents request for \$3.1 million (general use) to finance pay plan step movement and longevity bonuses for eligible classified employees in FY 1994.
5. **Systemwide Recommendation – Minority Faculty Recruitment Enhancement.** The Senate concurs with the Governor's recommendation to not recommend the \$1,839,000 (general use)

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Pages 32, 33

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Senate Recommendation

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Systemwide Memo Page No.

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House Committee Recommendation

and 28.7 FTE positions requested by the Regents universities for a salary reserve for the recruitment of minority faculty.

6. **Systemwide Recommendation -- Regents Unclassified Retirement Rate Increase.** The Senate deleted \$2,754,253 (general use) for the 1.0 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Senate's recommendation is made pending passage of legislation (Sub. for H.B. 2211).
7. **Systemwide Recommendation -- Student Salaries.** The Senate deleted \$211,169 (general use) for student salaries. The Senate recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5.0 percent.
8. **Systemwide Recommendation -- FY 1994 Fringe Benefit Rate Adjustments (Excluding Regents Retirement).** The Senate concurs with the Governor's recommendation of \$6.1 million (general use) for changes in the operating base resulting from adjustments to other fringe benefit rates.
9. **Systemwide Recommendation -- Shrinkage Rate Adjustments.** The Senate systemwide recommendation concurs with the shrinkage rates recommended by the Governor. The Regents requested a systemwide 0.25 percent reduction in the salary shrinkage rate at each institution. The Governor did not recommend the requested reduction. The Senate further addressed the shrinkage rates of the individual institutions and made the following adjustments for FHSU, KSU-Salina, and KSU-Extension. For FY 1994, the Senate recommends changed

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Senate Recommendation

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House Committee Recommendation

rates for FHSU (a decrease of 0.25 percent from 2.31 percent to 2.06 percent); KSU-Salina (an increase of 1.0 percent from 1.13 percent to 2.13 percent); and KSU-Extension (an increase of 0.10 percent from 2.8 percent to 2.9 percent). For FY 1993, the Senate Committee recommends an increase in the shrinkage rate of KSU-Extension from 3.05 percent to 3.10 percent. (The recommended increased shrinkage for KSU-Extension in FY 1993 (\$29,470) and FY 1994 (\$42,568) is to be applied to county extension agent salaries only.)

10. **Systemwide Recommendation – Other Operating Expenditures.** The Senate deleted \$496,006 (general use) for other operating expenditures. The Senate recommends a 3.5 percent increase in other operating expenditures. The Regents requested a 6.0 percent increase and the Governor recommended a 4.0 percent increase.

Pages 27, 28

11. **Systemwide Recommendation – Enrollment Adjustments.** The Senate concurs with the Governor's recommendation and the Regents request of \$1,751,418 (general use) and 49.2 FTE new positions for an enrollment adjustment increase. The Senate also recommends an additional \$197,657 (general use) in enrollment adjustment funding for ESU to address previous funding inequities.

Pages 29, 30

12. **Systemwide Recommendation – Servicing New Buildings.** The Senate concurs with the Governor's recommendation of \$194,657 and a 0.9 FTE position as requested for the cost of servicing new buildings with one adjustment -- the Senate deleted \$908 in utilities at KSU for the Football Stadium Press Box.

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Senate Recommendation	Systemwide Memo Page No.	House Committee Recommendation
13. <b>Systemwide Recommendation -- Library Enhancements.</b> The Senate concurs with the Governor and does not recommend funding for library enhancements. The Regents universities requested \$3.5 million and 31.0 FTE positions in FY 1994 for library enhancements.	Page 32	11
14. <b>Systemwide Recommendation -- Utilities.</b> The Senate concurs with the Governor's recommendation for utility expenditures of \$22,596,734 in FY 1993 and \$22,654,850 in FY 1994; however, the Senate recommended that the House Committee on Appropriations review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.	Page 31	
15. <b>Systemwide Recommendation -- FY 1994 Tuition Rate Increase.</b> The Senate recommended an increase in expenditures from the General Fees Fund by \$1,012,812 and a reduction in expenditures from the State General Fund by the same amount. The Senate concurs with the Board's recommended tuition rates for FY 1994, except for the rate increase for non-resident undergraduates. The Regents authorized a rate increase for nonresident undergraduates of 8 percent at KU, KSU, and WSU, and 6 percent at ESU, FHSU, and PSU. The Senate recommends a 10 percent increase at the research universities and an 8 percent increase at the regional universities for nonresident undergraduates.	Pages 5-13	
16. <b>Systemwide Recommendation -- General Fees Fund Adjustment.</b> Based on actual enrollments for Fall 1992 and Spring 1993, the institutions have revised their general fee estimates for FY 1993 and FY 1994. For FY 1993, the institutions project a systemwide surplus of \$702,940	Pages 14, 15	

Senate RecommendationSystemwide Memo Page No.House Committee Recommendation

and for FY 1994, a systemwide deficit of \$810,918 is projected, resulting in a net deficit of \$107,978 when the two years are combined. Within those amounts are individual institution surpluses and deficits. According to the Board Office, if the individual deficits are not offset by appropriations from the State General Fund, the current year budgets will be underfunded by the amount of the deficit. For FY 1993 the Board of Regents requests a supplemental appropriation from the State General Fund totaling \$539,767 above the amount included in the Governor's recommendation. Based on actual Spring 1993 enrollments, KU requests \$165,016 and KSU requests \$374,751 from the State General Fund above the Governor's recommendation for FY 1993.

93-5593

**Kansas Legislative Research Department**

**FISCAL YEAR 1994  
BUDGET ANALYSIS  
for the  
REGENTS' INSTITUTIONS**

including the

**MEMORANDUM ON  
REGENTS' SYSTEMWIDE ISSUES**

**Submitted to the 1993 Legislature**

**(Revised March 8, 1993 to include  
Senate Committee Action)**

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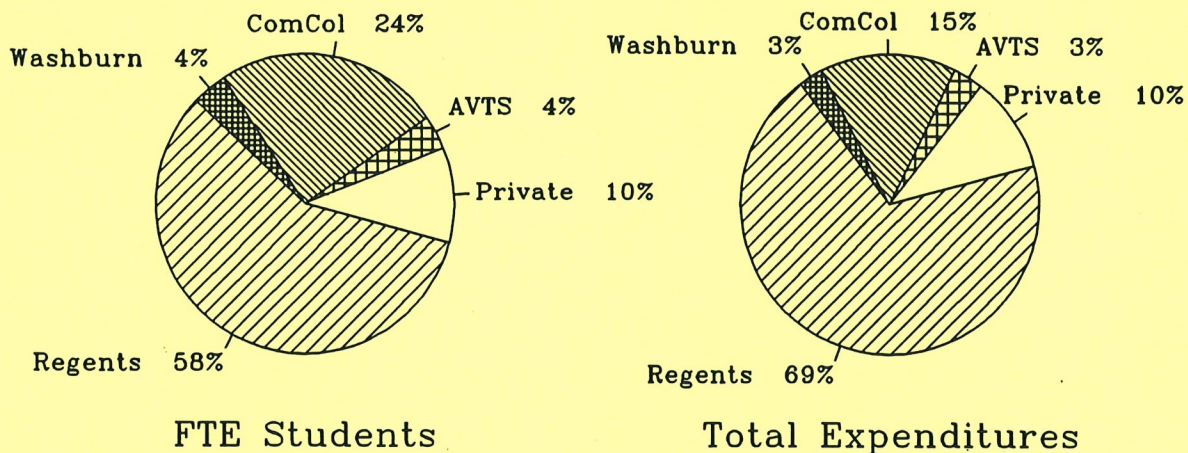
# REGENTS SYSTEMWIDE

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## I. Background

Postsecondary education is comprised of several educational sectors including public state universities, community colleges, vocational institutions, a municipal university, and private colleges and universities, all of which provide educational opportunities beyond the high school level and receive some level of state support, either directly or indirectly, such as in the form of student assistance. The diagrams indicates the proportion of students (FTE) by sector and the proportion of total expenditures by sector. Of the total postsecondary enrollment for FY 1991, the Regents institutions account for 58 percent of the FTE students. The Kansas Regents institutions spent 69 percent of total postsecondary expenditures in FY 1991.

**Kansas Postsecondary Education  
Proportion of Spending and Students by Sector  
FY 1991**



Ks. Legislative Research Dept.  
1/20/93 91expend

The *Kansas Constitution* provides for two state boards which deal with postsecondary education. The Kansas Board of Regents is charged with the control and supervision of public institutions of higher education, thus the reference to "Regents institutions." The Board is responsible for the following institutions: University of Kansas (including the KU Medical Center); Kansas State University (including KSU Veterinary Medical Center, KSU Extension Systems and Agriculture Research Programs, and KSU Salina, College of Technology); Wichita State University; Emporia State University; Pittsburg State University; and Fort Hays State University.

The Board of Regents performs many functions, among which are: (1) appointing a chief executive officer to administer each institution; (2) reviewing mission, role, and curriculum for each institution; (3) fixing tuition, fees and charges assessed students at each institution; (4) approving annual budget requests to the Governor and Legislature for each institution and the central Board office; (5) administering grant and scholarship programs (in some cases, for students other than those enrolled at Regents institutions); (6) administering state aid to Washburn University; (7) determining eligibility of private postsecondary institutions in Kansas to confer academic or honorary degrees; and (8) registering courses offered in Kansas by any postsecondary institution located outside the state.

## **Mission Study 1992 – 2000**

The Kansas Board of Regents began a planning process in 1991 that involved the development of broad planning themes and a re-examination of institutional roles and missions, including a comprehensive review of all programs in an effort to eliminate or consolidate weak or duplicative programs and to enhance institutional strengths. This long-term effort which will require up to three years for complete implementation is intended to result in a reallocation of resources to increase support for programs which are considered central to the institutional missions. It is important to note that, in accordance with campus procedures on program discontinuance, students enrolled in existing degree programs will be able to complete their current degree program and generally continue with their education or academic interests at their current Regents institution. In December, 1992 the Board reviewed and approved the individual mission and role statements developed by the institutions and lifted the existing moratorium on new degree requests. Pending requests are scheduled to be considered at the March, 1993 Board meeting. Attachment 1 is a summary of the approved mission and role statements. The current timetable for Board action on the mission study, Attachment 2, anticipates Board action on implementation of program recommendations, including reviewing a fiscal summary of the program review and approving the initiation of program discontinuance procedures in February, 1993. The Board anticipates completion of the process in November, 1993.

## Selected Demographic Information

The following table of selected demographic data for each institution and the system as a whole is intended to give a snapshot to describe the customers of the Regents system.

### SELECTED DEMOGRAPHIC INFORMATION – REGENTS INSTITUTIONS

Fall, 1992 (Unless Noted)

Characteristic	Doctoral Institutions			Regional Institutions			Special Purpose		Total
	KU	KSU*	WSU	ESU	PSU	FHSU	KUMC	KSU-VMC	Systemwide
Student Headcount	26,465	20,864	15,120	6,006	6,516	5,603	2,696	360	83,630
Student FTE	23,927	18,291	10,577	5,122	5,629	4,628	n/a	589	68,763
Student Credit Hours	324,911	259,791	143,785	70,893	78,852	64,744	n/a	7,073	950,049
On-Campus FTE	22,978	17,851	10,529	4,870	5,401	4,330	n/a	589	66,548
Off-Campus FTE	949	440	48	252	228	298	n/a	n/a	2,215
Resident (headcount)	17,584	17,032	13,180	5,617	5,494	5,107	1,853	192	66,059
Nonresident	8,881	3,830	1,940	389	1,022	496	843	168	17,569
Full-Time (headcount)	20,731	16,551	7,525	4,306	4,765	3,966	2,196	356	60,396
Part-time	6,094	4,313	7,595	1,700	1,751	1,637	500	4	23,594
Student Age:									
19-24	18,499	15,488	7,652	3,861	3,932	3,541	776	200	53,949
25-39	6,242	4,207	5,500	1,427	1,768	1,369	1,636	157	22,306
40+	1,721	1,165	1,968	700	808	672	284	3	7,321
Unknown	3	4	0	18	8	21	0	0	54
Avg. ACT Score (1991-92)	23.2	22.6	20.6	20.3	20.3	20.8	n/a	n/a	21.1
Degrees Granted (1991-92)									
Associate	--	23	148	10	4	44	--	--	229
Bachelor's	3,395	2,678	1,626	659	850	642	241	--	10,091
Master's/Specialist	1,079	582	543	331	334	237	80	--	3,186
Doctoral	211	136	13	--	--	--	11	--	371
First Professional	184	--	--	--	--	--	187	86	457

\* Figures include KSU-Salina, College of Technology

## Financing of University Budgets

Traditionally, the Legislature makes many of its decisions regarding financing of higher education on a systemwide basis, applying them to each institution under the jurisdiction of the Kansas Board of Regents. Additionally, the Legislature reviews each of the institutions' individual budget. This section contains information concerning issues of interest to more than one institution. Those requests which are unique to only one campus are discussed as a part of the individual agency analyses.

The table below reflects systemwide expenditures for Regents institutions by financing source and major category of expenditures. The table provides a systemwide comparison between actual FY 1992 expenditures, the Regents' revised FY 1993 estimate, the Governor's revised FY 1993 recommendation, the Regents' FY 1994 request, and the Governor's FY 1994 recommendation.

### Regents Institutions -- Systemwide Summary

Expenditure	Actual FY 92	Agency Est. FY 93	Gov.Rec. FY 93	Agency Req. FY 94	Gov. Rec. FY 94
<b>Operating Expenditures:</b>					
State General Fund	\$ 390,004,411	\$ 403,693,408	\$ 401,675,062	\$ 436,491,442	\$ 418,903,444
General Fees Fund	128,006,165	139,847,156	140,472,668	148,626,515	152,479,369
Hospital Revenue Funds	92,734,934	98,042,080	98,254,893	103,372,871	102,345,886
Federal Land Grant Funds	21,976,331	21,464,595	21,464,595	21,914,935	22,123,103
Other Funds	<u>5,500,237</u>	<u>2,551,750</u>	<u>2,551,750</u>	<u>673,000</u>	<u>1,873,000</u>
Subtotal General Use	\$ 638,222,078	\$ 665,598,989	\$ 664,418,968	\$ 711,078,763	\$ 697,724,802
Other Funds	<u>332,601,596</u>	<u>317,716,960</u>	<u>319,046,771</u>	<u>332,978,980</u>	<u>333,505,609</u>
TOTAL -- Operating Expend.	<u>\$ 970,823,674</u>	<u>\$ 983,315,949</u>	<u>\$ 983,465,739</u>	<u>\$ 1,044,057,743</u>	<u>\$ 1,031,230,411</u>
<b>Capital Improvements:</b>					
State General Fund	\$ 218,943	\$ 189,050	\$ 189,050	\$ 4,714,050	\$ 189,050
Hospital Revenue Fund	1,360,000	2,730,000	2,730,000	1,600,000	1,600,000
Educational Building Fund	15,735,504	22,954,102	22,970,727	6,433,571	6,114,871
Special Capital Improvements Fund	—	6,215,295	6,215,295	19,075,000	19,075,000
Other Funds	<u>18,720,099</u>	<u>47,566,389</u>	<u>47,809,979</u>	<u>31,098,421</u>	<u>33,364,421</u>
TOTAL -- Capital Improvements	<u>\$ 36,034,546</u>	<u>\$ 79,654,836</u>	<u>\$ 79,915,051</u>	<u>\$ 62,921,042</u>	<u>\$ 60,343,342</u>
<b>GRAND TOTAL</b>	<b>\$ 1,006,858,220</b>	<b>\$ 1,062,970,785</b>	<b>\$ 1,063,380,790</b>	<b>\$ 1,106,978,785</b>	<b>\$ 1,091,573,753</b>
<b>Operating Exp. Percentage Change:</b>					
All Funds	6.6%	1.3%	1.3%	6.2%	4.9%
General Use Funds	2.5	4.3	4.1	6.8	5.0
State General Fund	(1.1)	3.5	3.0	8.1	4.3
<b>FTE Positions:</b>					
Classified	7,963.0	7,966.2	7,966.2	7,977.4	7,977.6
Unclassified	<u>9,409.3</u>	<u>9,578.9</u>	<u>9,614.0</u>	<u>9,704.9</u>	<u>9,672.3</u>
TOTAL	<u>17,372.3</u>	<u>17,545.1</u>	<u>17,580.3</u>	<u>17,682.3</u>	<u>17,649.9</u>

The term "general use" is central to discussion of the financing of institutional operating budgets. This term refers to those funds that can be used to provide general financial support for campus operations. General use funds include State General Fund appropriations, General Fees Fund revenues (primarily tuition income), and interest on certain investments. For Kansas State University, they also include federal land grant funds and for the University of Kansas Medical Center and Kansas State University Veterinary Medical Center, general use funds include revenues from hospital and laboratory operations.

In contrast, "restricted use" refers to funds that must be used in a manner consistent with the conditions attached to the receipt of the funds. While subject to appropriation by the Legislature, the majority of restricted use

funds is treated as "no limit" appropriation accounts, *i.e.*, the institution has the authority to make expenditures from the fund subject to the limitation of available resources. Certain restricted use funds, such as Sponsored Research Overhead Funds, are subject to expenditure limitations and the institutions cannot expend resources in excess of the limitations without legislative approval. Other examples of restricted use funds include parking fees, student union fees, federal research grants, and income generated by campus revenue producing activities. In general, the primary concern of the Legislature in the financing of Regents budgets is with general use funds.

## II. Regents Institutions Financing

The remaining sections of this memorandum describe individual aspects of financing Regents institutions. They are:

1. student tuition and fees;
2. general fees fund financing;
3. restricted use funds; and
4. FY 1993 and FY 1994 general use operating budgets and capital improvements (Regents request, Governor's recommendation, and Senate Committee recommendation).

### Student Tuition

K.S.A. 76-619 grants the Board of Regents authority to set student tuition at the institutions under its control. Although the Legislature has granted this direct authority to the Board, the Legislature reviews tuition rates and revenues. In addition, tuition receipts are credited to the General Fees Fund of the university where the tuition is collected. Tuition receipts credited to the General Fees Fund are considered general use moneys, and are budgeted as an offset to amounts appropriated from the State General Fund. The Legislature appropriates the General Fees Fund for each university and sets an expenditure limitation on the Fund.

The Board has announced FY 1994 tuition increases which will become effective in the fall of 1993. The table on page 7 compares the FY 1993 tuition rates with those approved for FY 1994. As the table indicates, the tuition at the three doctoral universities will increase by 8 percent for all students (residents, nonresidents, graduate and undergraduate), 6 percent for students at the regional institutions, and 5 percent for medical students at KUMC.

The increases will generate additional revenue of approximately \$10.6 million in FY 1994. The Regents' request would dedicate 2 percent or \$2.8 million of the increase to fund student financial aid programs in FY 1994 (\$2.3 million for the proposed Regents Supplemental Grant Program and \$0.5 million to expand the State Scholarship Program). The remaining \$7.8 million would be used to fund the FY 1994 operating budgets of the Regents institutions. In addition, the Regents propose two new Tuition Waiver Programs which would reduce tuition receipts by a total of \$416,076 in FY 1994.

- **Regents Supplemental Grant Program.** The Board of Regents requests \$2.3 million from the State General Fund in the Board office budget to support a new grant program to provide need-based financial aid to Kansas residents attending Regents institutions. The program would be similar to the Kansas Tuition Grant Program for private colleges and universities. The maximum grant would be one-half the average Regents tuition and fees, based on a 15-credit hour load. As proposed by the Regents, the Supplemental Grant would be the last component of the student's financial aid package, after parental resources and other financial aids are taken into account.

The Governor concurs with the Board's request.

The Senate Committee concurs.

- **Modifications to the State Scholarship Program.** The Board of Regents requests an additional \$500,000 from the State General Fund in the Board office budget to include completion of the Regents Preparatory Curriculum as a criteria by which one could become eligible for the State Scholarship Program. Presently, a student must qualify on the basis of a high ACT score.

The Governor does not recommend the modifications.

The Senate Committee concurs with the Governor and does not recommend additional funding of \$500,000 (SGF) for this program.

- **New Fee Waiver Programs.** As indicated in the table below, the budget of each Regents institution includes two new tuition waiver programs: one for talented non-resident students which waives the differential between resident and non-resident tuition; and one for National Merit and National Achievement Scholars which waives 50 percent of the tuition for Kansas residents and waives the differential between resident and nonresident tuition for scholars from out of state.

The Governor does not recommend the two new tuition waiver programs.

The Senate Committee concurs with the Governor.

#### Regents Institutions New Fee Waivers

Institution	Talented Nonresident Waivers				Scholar Waivers			
	Athletic		Nonathletic		Resident		Nonresident	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
KU	6	\$27,036	13	\$58,578	40	\$31,440	15	\$67,590
KSU	6	27,036	13	58,578	25	19,650		--
WSU	3	13,518	7	31,542	10	7,860		--
ESU	3	9,156	5	15,260		--		--
PSU	3	9,156	5	15,260		--		--
FHSU	3	9,156	5	15,260		--		--
TOTAL	24	<u>\$ 95,058</u>	48	<u>\$ 194,478</u>	75	<u>\$ 58,950</u>	15	<u>\$ 67,590</u>

**FY 1994 Tuition Rates Approved by the Kansas Board of Regents  
and Senate Committee Recommendation**

		Fulltime, Per Semester				
		Approved FY 1993 Tuition	Approved FY 1994 Tuition	FY 1994 Percent Increase	Senate Rec. FY 94 Tuition	Percent Increase
KU, KSU, WSU	Resident Undergraduate	\$ 728	\$ 786	8%	786	8%
	Resident Graduate	917	990	8%	990	8%
	Non-Resident Undergraduate	\$ 2,814	3,039	8%	3,095	10%
	Non-Resident Graduate	3,027	3,269	8%	3,269	8%
ESU, PSU, FHSU	Resident Undergraduate	\$ 611	\$ 648	6%	648	6%
	Resident Graduate	765	811	6%	811	6%
	Non-Resident Undergraduate	\$ 2,051	\$ 2,174	6%	2,215	8%
	Non-Resident Graduate	2,229	2,363	6%	2,229	6%
KSU-SCT	Resident	\$ 529	\$ 571	8%	581	8%
	Non-Resident	1,879	2,029	8%	2,029	10%
KUMC - School of Medicine	Resident	\$ 3,633	\$ 3,815	5%	3,815	5%
	Non-Resident	8,174	8,583	5%	8,583	5%
KSUVMC	Resident	\$ 1,793	\$ 1,936	8%	1,936	8%
	Non-Resident	5,858	6,327	8%	6,327	8%

▶▶▶ The Senate Committee reviewed the Board's recommended FY 1994 tuition rates and believes that tuition rates at Kansas institutions are generally a "bargain" for out-of-state students. The Committee recognizes that the Board has increased tuition rates in recent years for residents and nonresidents, but believes that a more aggressive increase for nonresident undergraduates is warranted for FY 1994. Therefore, the Committee recommends a 10 percent increase at the doctoral institutions and 8 percent increase at the regional institutions in undergraduate nonresident tuition.

The effect of the Committee's recommendation is to increase expenditures from the General Fees Fund at each institution for a total of \$1,012,812 and offset expenditures from the State General Fund.

The following table is a summary of 1 percent of estimated tuition revenue for FY 1994 based on estimates of tuition for fall, 1992, by category of students:

**1 Percent of Estimated Tuition Revenue – FY 1994**  
Based on Fall, 1992 Estimates

	<u>Resident Undergrad.</u>	<u>Resident Graduate</u>	<u>Total Resident</u>	<u>Nonresident Undergrad.</u>	<u>Nonresident Graduate</u>	<u>Total Nonresident</u>	<u>Grand Total</u>
KU	\$ 194,508	\$ 50,218	\$ 244,725	\$ 304,227	\$ 44,897	\$ 349,124	\$ 593,850
KSU	234,887	8,857	243,744	88,215	22,320	110,535	354,278
WSU	<u>117,691</u>	<u>14,339</u>	<u>132,030</u>	<u>67,693</u>	<u>8,691</u>	<u>76,383</u>	<u>208,413</u>
Subtotal	<u>\$ 547,086</u>	<u>\$ 73,414</u>	<u>\$ 620,499</u>	<u>\$ 460,135</u>	<u>\$ 75,908</u>	<u>\$ 536,042</u>	<u>\$ 1,156,541</u>
ESU	\$ 52,510	\$ 9,929	\$ 62,439	\$ 6,090	\$ 5,645	\$ 11,735	\$ 74,174
PSU	50,359	7,148	57,507	22,391	11,239	33,631	91,138
FHSU	<u>46,542</u>	<u>6,706</u>	<u>53,248</u>	<u>11,853</u>	<u>3,376</u>	<u>15,229</u>	<u>68,476</u>
Subtotal	<u>\$ 149,411</u>	<u>\$ 23,783</u>	<u>\$ 173,194</u>	<u>\$ 40,334</u>	<u>\$ 20,260</u>	<u>\$ 60,595</u>	<u>\$ 233,788</u>
TOTAL UNIVERSITIES	<u>\$ 696,497</u>	<u>\$ 97,197</u>	<u>\$ 793,693</u>	<u>\$ 500,469</u>	<u>\$ 96,168</u>	<u>\$ 596,637</u>	<u>\$ 1,390,329</u>
KSUSCT	\$ 5,724	\$ 0	\$ 5,724	\$ 615	\$ 0	\$ 615	\$ 6,339
KSUVMC	0	7,740	7,740	0	9,811	9,811	17,551
KUMC	<u>7,473</u>	<u>53,791</u>	<u>61,264</u>	<u>5,322</u>	<u>17,425</u>	<u>22,747</u>	<u>84,011</u>
GRAND TOTAL	<u>\$ 709,694</u>	<u>\$ 158,728</u>	<u>\$ 868,421</u>	<u>\$ 506,406</u>	<u>\$ 123,404</u>	<u>\$ 629,810</u>	<u>\$ 1,498,230</u>

SOURCE: Kansas Board of Regents.

### Legislative Tuition Policy

In terms of legislative policy regarding student tuition, it appears that the only official legislative recommendation was issued in 1966 which stated that:

Resident and nonresident basic fees (tuition) be fixed at a level so that basic fee income will provide on the average, 25 percent of the cost of the general education program (excluding the cost of organized research, extension service, auxiliary enterprises, and capital improvements. The general education program is composed of general use expenditures for education, institutional support, and physical plant).

The Legislature has typically reviewed the percentage actual tuition receipts and the percentage of those receipts which represent total educational costs. The following table displays the ratio of tuition revenues to educational costs at each institution and for the system overall (also referred to as the "fee cost ratio").

### Ratio of Gross Tuition Revenues to Educational Costs

<u>Institution</u>	<u>FY 1983 Actual</u>	<u>FY 1992 Actual</u>	<u>FY 1993 Estimate</u>	<u>FY 1993 Gov.Rec.</u>	<u>FY 1994 Request</u>	<u>FY 1994 Gov.Rec.</u>
KU	23.4	37.6	38.7	38.9	38.7	39.8
KSU	23.1	31.2	32.8	33.1	32.5	33.6
WSU	22.8	27.8	29.1	29.2	29.4	30.1
(Average Doctoral)	23.2	33.4	34.7	34.9	34.7	35.7
ESU	15.8	24.2	25.0	25.0	24.5	25.1
PSU	16.3	26.4	28.5	28.5	27.6	28.2
FHSU	15.8	22.6	23.8	23.8	23.1	23.6
(Average Regional)	16.0	24.5	25.9	25.9	25.5	25.7
Systemwide	27.2	31.5	32.8	33.0	32.6	33.5

<u>Resident and Nonresident (FY 1993 est.)</u>	<u>Resident</u>	<u>Nonresident</u>
KU, KSU, ESU	24.6	66.1
ESU, PSU, FHSU	21.4	64.4
Systemwide	23.8	65.9

In addition, the ratio of posted tuition to general use education and physical plant expenditures per semester is illustrated in the next table.

### Ratio of Posted Tuition to General Use Education and Physical Plant Expenditures Per Semester FY 1992

	<u>KU</u>	<u>KSU</u>	<u>WSU</u>	<u>ESU</u>	<u>PSU</u>	<u>FHSU</u>	<u>System</u>
Lower Div. Residents	31.6	34.0	27.9	25.4	24.6	22.5	30.7
Lower Div. Non-Resident	119.5	128.5	105.6	81.8	79.4	72.6	116.1
Upper Div. Residents	20.8	24.2	20.5	20.8	19.4	18.2	22.1
Upper Div. Non-Resident	78.7	91.3	77.5	66.8	62.6	58.7	83.4
All Resident Undergrad.	25.8	28.4	24.3	23.1	22.1	20.3	26.2
Non-Resident Undergrad.	97.5	107.3	91.9	74.5	71.1	65.5	98.8
Graduate 1 Resident	31.8	26.9	31.5	32.3	33.0	30.9	31.9
Graduate 1 Non-Resident	102.7	86.7	101.6	90.3	92.4	86.4	102.9
Graduate 2 Resident	13.0	12.3	9.4	--	--	--	12.4
Graduate 2 Non-Resident	42.1	39.8	30.2	--	--	--	40.1
All Resident Graduate	25.4	21.4	29.1	32.3	33.0	30.9	26.5
All Non-Resident Graduate	81.8	68.9	93.9	90.3	92.4	86.4	85.5

Source: Kansas Board of Regents.

In addition to the tuition/cost ratio, the Kansas Board of Regents reviews actual tuition charged in Kansas by other educational sectors including the community colleges and private colleges and universities; comparisons of Regents institutions tuition with CPI inflation and per capita income in Kansas; student financial need at the Regents institutions; and peer comparisons.

The next two tables provide a comparison of Regents institutions tuition and required fees with peer and national averages.

**FY 1993 and FY 1992 Undergraduate Tuition and Required Fees**  
**Regents Universities and Peers**  
**(Fulltime, Per Semester)**

	<u>FY 1993</u> <u>Resident</u>	<u>FY 1993</u> <u>Non-Resident</u>	<u>FY 1992</u> <u>Resident</u>	<u>FY 1992</u> <u>Non-Resident</u>
<b>University of Kansas</b>	\$ 899	\$ 2,985	\$ 831	\$ 2,670
University of Colorado	1,270	5,666	1,212	5,176
University of Iowa	1,114	3,596	976	3,235
University of North Carolina -- Chapel Hill	631	3,923	624	3,558
University of Oklahoma	892	2,487	875	2,471
University of Oregon	1,361	3,926	1,299	3,504
Peer Average	1,053	3,919	997	3,589
<b>Kansas State University</b>	\$ 920	\$ 3,006	\$ 849	\$ 2,688
Colorado State University	1,255	3,838	1,181	3,533
Iowa State University	1,114	3,498	976	3,203
North Carolina State University	651	3,943	627	3,561
Oklahoma State University	901	2,497	879	2,475
Oregon State University	1,346	3,486	1,253	3,258
Peer Average	1,053	3,452	983	3,206
<b>Wichita State University</b>	\$ 951	\$ 3,037	\$ 883	\$ 2,722
University of Akron	1,421	3,604	1,328	3,247
Portland State University	1,329	3,470	1,269	3,275
Virginia Commonwealth University	1,765	4,813	1,535	4,140
University of North Carolina -- Greensboro	770	4,062	746	3,680
University of Wisconsin -- Milwaukee	1,196	3,839	1,115	3,549
Western Michigan University	1,365	3,210	1,285	3,020
Peer Average	1,308	3,833	1,213	3,485
<b>Emporia State University</b>	\$ 792	\$ 2,232	\$ 745	\$ 2,002
<b>Pittsburg State University</b>	782	2,222	725	1,982
<b>Fort Hays State University</b>	819	2,259	774	2,031
Northern Arizona University	\$ 795	\$ 3,121	\$ 795	\$ 3,121
Murray State University	800	2,140	705	2,005
Eastern New Mexico University	678	2,457	639	2,256
Western Carolina University	688	3,524	667	3,194
University of Central Oklahoma	685	1,699	648	1,608
Eastern Washington University	893	3,149	849	2,985
Peer Average	756	2,681	717	2,528

**Source:** The Chronicle of Higher Education, 10/21/92

**Prepared by:** Kansas Board of Regents

**FY 1993 and FY 1992 Graduate Tuition and Required Fees**  
**Regents Universities and Peers**  
**(Fulltime, Per Semester)**

	<u>FY 1993</u>	<u>FY 1993</u>	<u>FY 1992</u>	<u>FY 1992</u>
	<u>Resident</u>	<u>Non-Resident</u>	<u>Resident</u>	<u>Non-Resident</u>
<b>University of Kansas</b>	\$ 1,088	\$ 3,198	\$ 1,003	\$ 2,860
University of Colorado	1,608	5,523	1,497	5,043
University of Iowa	1,309	3,745	1,218	3,432
University of North Carolina -- Chapel Hill	640	3,932	621	3,555
University of Oklahoma	909	2,568	909	2,568
University of Oregon	1,848	3,356	1,757	2,970
Peer Average	1,263	3,825	1,200	3,514
<b>Kansas State University</b>	\$ 1,109	\$ 3,219	\$ 1,021	\$ 2,878
Colorado State University	1,407	3,993	1,323	3,673
Iowa State University	1,309	3,644	1,218	3,400
North Carolina State University	662	3,954	630	3,564
Oklahoma State University	924	2,583	920	2,579
Oregon State University	1,833	2,916	1,710	2,724
Peer Average	1,227	3,418	1,160	3,188
<b>Wichita State University</b>	\$ 1,140	\$ 3,250	\$ 1,055	\$ 2,912
University of Akron	1,985	3,500	1,780	3,145
Portland State University	1,817	2,900	1,727	2,741
Virginia Commonwealth University	2,009	4,806	1,743	4,133
University of North Carolina -- Greensboro	770	4,062	746	3,680
University of Wisconsin -- Milwaukee	1,643	4,936	1,534	4,565
Western Michigan University	1,541	3,515	1,377	3,102
Peer Average	1,627	3,953	1,484	3,561
<b>Emporia State University</b>	\$ 946	\$ 2,410	\$ 887	\$ 2,160
<b>Pittsburg State University</b>	936	2,400	867	2,140
<b>Fort Hays State University</b>	973	2,437	916	2,189
Northern Arizona University	\$ 795	\$ 3,121	\$ 795	\$ 3,121
Murray State University	870	2,350	775	2,215
Eastern New Mexico University	756	2,532	711	2,325
Western Carolina University	656	3,492	635	3,162
University of Central Oklahoma	690	1,683	666	1,659
Eastern Washington University	1,422	4,320	1,350	4,094
Peer Average	865	2,916	822	2,763

Source: AASCU/NASULGC Survey of Student Charges at Public Institutions, 1992-93

Prepared by: Kansas Board of Regents

**Comparisons of Undergraduate Tuition and Required Fees  
Regents Institutions, Peer Institutions, and National Averages  
(Fulltime, Per Semester)**

	<u>FY 1993 Resident</u>	<u>Increase Over FY 1992</u>	<u>FY 1993 Non- Resident</u>	<u>Increase Over FY 1992</u>
<b>University of Kansas</b>	\$ 899	8.2%	\$ 2,985	11.8%
KU Peer Average	\$ 1,053	5.6%	\$ 3,919	9.2%
KU as % of Peer Average	85.4%	--	76.2%	--
National Average (NASULGC Inst.)	\$ 1,268	10.7%	\$ 3,438	9.3%
KU as % of National Average	70.9%	--	86.8%	--
<b>Kansas State University</b>	\$ 920	8.4%	\$ 3,006	11.8%
KSU Peer Average	\$ 1,053	7.1%	\$ 3,452	7.7%
KSU as % of Peer Average	87.4%	--	87.1%	--
National Average (NASULGC Inst.)	\$ 1,268	10.7%	\$ 3,438	9.3%
KSU as % of National Average	72.6%	--	87.4%	--
<b>Wichita State University</b>	\$ 951	7.7%	\$ 3,037	11.6%
WSU Peer Average	\$ 1,308	7.8%	\$ 3,833	10.0%
WSU as % of Peer Average	72.7%	--	79.2%	--
National Average (NASULGC Inst.)	\$ 1,268	10.7%	\$ 3,438	9.3%
WSU as % of National Average	75.0%	--	88.3%	--
<b>Emporia State University</b>	\$ 792	6.3%	\$ 2,232	11.5%
ESU Peer Average	\$ 756	5.5%	\$ 2,681	6.1%
ESU as % of Peer Average	104.8%	--	83.3%	--
National Average (AASCU Inst.)	\$ 1,063	10.2%	\$ 2,747	10.5%
ESU as % of National Average	74.5%	--	81.3%	--
<b>Pittsburg State University</b>	\$ 782	7.9%	\$ 2,222	12.1%
PSU Peer Average	\$ 756	5.5%	\$ 2,681	6.1%
PSU as % of Peer Average	103.4%	--	82.9%	--
National Average (AASCU Inst.)	\$ 1,063	10.2%	\$ 2,747	10.5%
PSU as % of National Average	73.6%	--	80.9%	--
<b>Fort Hays State University</b>	\$ 819	5.8%	\$ 2,259	11.2%
FHSU Peer Average	\$ 756	5.5%	\$ 2,681	6.1%
FHSU as % of Peer Average	108.3%	--	84.3%	--
National Average (AASCU Inst.)	\$ 1,063	10.2%	\$ 2,747	10.5%
FHSU as % of National Average	77.1%	--	82.2%	--

Prepared by: Kansas Board of Regents

**Comparisons of Graduate Tuition and Required Fees  
Regents Institutions, Peer Institutions, and National Averages  
(Fulltime, Per Semester)**

	<u>FY 1993 Resident</u>	<u>Increase Over FY 1992</u>	<u>FY 1993 Non- Resident</u>	<u>Increase Over FY 1992</u>
<b>University of Kansas</b>	\$ 1,088	8.5%	\$ 3,198	11.8%
KU Peer Average	\$ 1,263	5.2%	\$ 3,825	8.9%
KU as % of Peer Average	86.1%	--	83.6%	--
National Average (NASULGC Inst.)	\$ 1,511	11.8%	\$ 3,572	10.1%
KU as % of National Average	72.0%	--	89.5%	--
<b>Kansas State University</b>	\$ 1,109	8.6%	\$ 3,219	11.8%
KSU Peer Average	\$ 1,227	5.8%	\$ 3,418	7.2%
KSU as % of Peer Average	90.4%	--	94.2%	--
National Average (NASULGC Inst.)	\$ 1,511	11.8%	\$ 3,572	10.1%
KSU as % of National Average	73.4%	--	90.1%	--
<b>Wichita State University</b>	\$ 1,140	8.1%	\$ 3,250	11.6%
WSU Peer Average	\$ 1,627	9.6%	\$ 3,953	11.0%
WSU as % of Peer Average	70.1%	--	82.2%	--
National Average (NASULGC Inst.)	\$ 1,511	11.8%	\$ 3,572	10.1%
WSU as % of National Average	75.5%	--	91.0%	--
<b>Emporia State University</b>	\$ 946	6.7%	\$ 2,410	11.6%
ESU Peer Average	\$ 865	5.2%	\$ 2,916	5.6%
ESU as % of Peer Average	109.4%	--	82.6%	--
National Average (AASCU Inst.)	\$ 1,204	11.8%	\$ 2,810	10.7%
ESU as % of National Average	78.6%	--	85.8%	--
<b>Pittsburg State University</b>	\$ 936	8.0%	\$ 2,400	12.1%
PSU Peer Average	\$ 865	5.2%	\$ 2,916	5.6%
PSU as % of Peer Average	108.2%	--	82.3%	--
National Average (AASCU Inst.)	\$ 1,204	11.8%	\$ 2,810	10.7%
PSU as % of National Average	77.8%	--	85.4%	--
<b>Fort Hays State University</b>	\$ 973	6.2%	\$ 2,437	11.3%
FHSU Peer Average	\$ 865	5.2%	\$ 2,916	5.6%
FHSU as % of Peer Average	112.5%	--	83.6%	--
National Average (AASCU Inst.)	\$ 1,204	11.8%	\$ 2,810	10.7%
FHSU as % of National Average	80.8%	--	86.7%	--

Prepared by: Kansas Board of Regents

## General Fees Financing

Tuition receipts are credited to the General Fees Fund of the university where the tuition is collected. Tuition receipts are considered general use moneys and General Fees Fund receipts are budgeted as an offset to amounts appropriated from the State General Fund. An expenditure limitation has traditionally been placed on the General Fees Funds.

**FY 1993 General Fees Expenditures.** To avoid shortfalls in university operating budgets, the Legislature has been relatively consistent in appropriating supplemental funding from the State General Fund when tuition collections have fallen below estimates. Disposition of collections when they exceeded estimates has also been consistent. The Legislature has approved the release of 75 percent of the unanticipated fees in the current year. At issue, however, is whether to release revenues collected which are above projected levels during the fiscal year in which collected or to retain them as an offset to State General Fund appropriations in the subsequent year.

The issue of supplementation of fee shortfalls or release of unanticipated fee collections arises as a result of variances between actual collections and previous estimates. Three components generally comprise the General Fees Fund estimate. First, the number of students must be projected. Second, the average fee collection per student must be estimated. Finally, the Fees Fund balance at the beginning of the fiscal year must be estimated. Obviously, the potential for variance exists in any of the three and those variances can be offsetting. For example, if more students enroll than projected, but they enroll on a part-time basis rather than full-time, the student count can increase while the average fee collection per student decreases. Similarly, shifts in the institutions' mix of resident and nonresident students can impact the average collections per student.

The Board of Regents has defined increased enrollment for purpose of fee release as the difference between actual fall enrollment and the enrollments of the previous fall. This avoids the double financing which would occur if an institution experienced an enrollment increase having originally projected a decrease. It should be noted that fee releases are not permanent additions to the universities' base budgets and that no fee releases were approved between FY 1982 and FY 1986. The following table reviews the fee releases for FY 1988 through FY 1992.

Fee Releases -- FY 1988-FY 1992

<u>Institution</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>
KU	\$ 466,382	\$ --	\$ 351,716	\$ 149,500	\$ --
KSU	299,112	1,094,478	752,635	308,087	52,328
WSU	109,096	119,970	90,744	--	--
ESU	125,289	134,127	142,785	36,671	--
PSU	--	106,518	249,035	--	197,383
FHSU	--	--	--	282,450	67,620
Total	<u>\$ 999,879</u>	<u>\$ 1,455,093</u>	<u>\$ 1,586,915</u>	<u>\$ 776,708</u>	<u>\$ 317,331</u>

Although several institutions generated income estimated to exceed FY 1993 estimates, only PSU met the criteria to seek a fee release. PSU's current year fee release request totals \$320,250. The requested adjustments are based upon actual fall enrollments, and estimated spring and summer enrollments. The Board also requests supplemental State General Fund support for KU (\$907,546) and KSU (\$390,470) based on a shortfall in anticipated general fees.

# FY 1993 General Fees Adjustments

Institution	Approved Expenditure Limitation FY 1993	General Fees Fund Requested Adjustment*	SGF Supplemental Request*	Governor's Fee Release/ Supplemental Rec.*	Sen. Comm. Fee Release Supplemental Rec.*	Revised SGF Supplemental Request**
KU	\$ 56,061,185	\$ (907,546)	\$ 907,546	\$ 568,202	\$ 568,202	\$ 733,218
KUMC	7,777,674	-	-	-	-	-
KSU	32,376,176	(390,470)	390,470	104,302	104,302	479,053
KSU-Salina	581,985	-	-	-	-	-
KSU-Vet. Med.	3,535,822	-	-	-	-	-
WSU	19,290,071	-	-	-	-	-
ESU	6,956,446	-	-	-	-	-
FHSU	6,317,674	-	-	-	-	-
PSU	8,248,139	320,250	-	-	320,250	-
Total	<u>\$ 141,145,172</u>	<u>\$ (977,766)</u>	<u>\$ 1,298,016</u>	<u>\$ 672,504</u>	<u>\$ 992,754</u>	<u>\$ 1,212,271</u>

\* Figures are based on 1992 Fall enrollment.

\*\* Revised request based on actual Fall and Spring enrollments.

The Governor does not recommend the release of any fees resulting from larger than expected enrollment during the current fiscal year and utilizes additional estimated tuition revenues to reduce the demand on the State General Fund in FY 1994. The Governor does not recommend the requested fee release at PSU. The Governor recommends supplemental State General Fund financing for the University of Kansas (\$568,202) and Kansas State University (\$104,302).

The Senate Committee recommends the FY 1993 General Fee Release of \$320,250 at Pittsburg State University. The Senate Committee notes that since FY 1987 the Legislature has released 75 percent of the additional unanticipated general fees to the institutions to meet expenses associated with additional students. The Senate Committee also notes that the fee release is a one-time expenditure and is not built into the base budget of the institutions.

The Senate Committee concurs with the Governor's recommendation for supplemental financing from the State General Fund for the University of Kansas (\$568,202) and Kansas State University (\$104,302) due to projected fee shortfalls. Supplemental funding from the State General Fund may be necessary to fund the estimate made by the 1992 Legislature. The Senate Committee notes that the second house will review the need for a supplemental based upon the Spring enrollment when a more accurate estimate may be made.

According to the Board office, based upon the Spring enrollment, the estimated General Fee Fund shortfall in the current year is estimated to be \$733,218 at KU (\$165,016 above the Governor's recommendation) and \$479,053 at KSU (\$374,751 above the Governor's recommendation).

**FY 1994 General Fees Adjustment.** According to the Board of Regents office, based upon revised FY 1993 and FY 1994 receipt estimates, systemwide financing from the General Fees Funds appears to be \$107,978 less than the amount estimated by the Governor. Based on the Senate Committee's recommendation to approve additional expenditures of \$320,250 (fee release) for PSU the General Fees Funds systemwide would be \$427,978 less than the amount estimated by the Governor.

## Restricted Use Fees

The Regents are also charged with setting fees. They approve required and special fees that are assessed students for restricted use purposes. Over the years many special fees have been imposed at the Regents institutions. The following table illustrates the significance of fees to the total costs for students.

**Tuition and Fees for 15 Undergraduate  
Student Credit Hours  
Regents, Fall 1992**

	<u>KU</u>	<u>KSU</u>	<u>WSU</u>	<u>ESU</u>	<u>PSU</u>	<u>FHSU</u>
Tuition	\$ 728	\$ 728	\$ 728	\$ 611	\$ 611	\$ 611
Fees	<u>171</u>	<u>192</u>	<u>223</u>	<u>181</u>	<u>171</u>	<u>208</u>
Total	<u>\$ 899</u>	<u>\$ 920</u>	<u>\$ 951</u>	<u>\$ 792</u>	<u>\$ 782</u>	<u>\$ 819</u>

Source: Kansas Board of Regents

## Budget Request – General Use

The following sections contain information about the FY 1993 and FY 1994 general use operating budgets and capital improvements (Regents request, Governor's recommendation, and Senate Committee recommendation).

<b>Regents Institutions – Systemwide Summary</b>						
<u>Expenditure</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93*</u>	<u>Senate Committee Adj. FY 93</u>	<u>Agency Request FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Senate Committee Adj. FY 94</u>
Operating Expenditures:						
State General Fund	\$ 403,693,408	\$ 401,675,062	\$ (634)	\$ 436,491,442	\$ 419,025,741	\$ (5,775,628)
General Fees Fund	139,847,156	140,472,668	320,250	148,626,515	152,479,369	1,012,812
Hospital Revenue Funds	112,471,785	112,497,653	—	117,802,576	116,700,904	(445,014)
Federal Land Grant Funds	7,034,890	7,034,890	(12,672)	7,485,230	7,485,230	(18,304)
Other Funds	<u>2,551,750</u>	<u>2,551,750</u>	<u>—</u>	<u>673,000</u>	<u>1,873,000</u>	<u>175,000</u>
Subtotal General Use	665,598,989	664,232,023	306,944	711,078,763	697,564,244	(5,051,134)
Other Funds	<u>317,716,960</u>	<u>319,046,771</u>	<u>244,822</u>	<u>332,978,980</u>	<u>333,505,609</u>	<u>453,300</u>
TOTAL – Oper. Expend.	<u>\$ 983,315,949</u>	<u>\$ 983,278,794</u>	<u>\$ 551,766</u>	<u>\$ 1,044,057,743</u>	<u>\$ 1,031,069,853</u>	<u>\$ (4,597,834)</u>
FTE Positions:						
Classified	7,966.2	7,966.2	—	7,977.4	7,977.6	10.0
Unclassified	<u>9,578.9</u>	<u>9,614.0</u>	<u>—</u>	<u>9,704.9</u>	<u>9,672.3</u>	<u>15.0</u>
TOTAL	<u>17,454.1</u>	<u>17,580.3</u>	<u>—</u>	<u>17,682.3</u>	<u>17,649.9</u>	<u>25.0</u>
* Includes Budget Amendment No. 1 which decreases \$186,945 from the KUMC Hospital Revenue Fund in FY 1993; and increases \$122,297 (SGF) and decreases \$282,855 from the Hospital Revenue Fund in FY 1994 to accurately reflect the Governor's intent.						

►►► **FY 1993 Supplemental Request – Fringe Benefits.** The Regents request a total of \$1.5 million for a State General Fund supplemental appropriation to fund changes in fringe benefit rates in the current year. Employer health insurance rates and workers' compensation rates were revised upward from the amounts contained in the approved FY 1993 budget. The following table displays the employer health insurance costs for employees and dependents and the workers' compensation rate included in the approved budgets of all state agencies and the revised rates contained in the Division of Budget instructions for FY 1993.

Revised Fringe Benefit Rates			
<u>Revised Benefits</u>	<u>Approved FY 1993</u>	<u>Budget Instruct. FY 1993</u>	<u>Percent Change</u>
Group Health Insurance:			
Single	\$ 2,276	\$ 2,300	(1.0)%
Dependent	1,716	1,760	(2.5)
Workers' Compensation	1.3	1.5	(13.3)

The Governor does not recommend the requested State General Fund supplemental appropriation to finance current year changes in group health insurance and workers compensation rates. Increased expenditures to cover these increased rates are offset by increasing the agency's shrinkage rate in the current year.

The Senate Committee concurs with the Governor and does not recommend the requested State General Fund supplemental appropriation.

**Summary of Operating Budget Changes  
FY 93 (Base Budget) - FY 94**

EXPENDITURES	Agency Request			Governor's Recommendation		
	General Use Funds	Restricted Use Funds	All Funds	General Use Funds	Restricted Use Funds	All Funds
<b>FY 1993 Base Budget</b>	\$ 664,063,370	\$ 316,449,550	\$ 980,512,920	\$ 664,063,371	\$ 316,449,550	\$ 980,512,921
<b>FY 1994 Requested Increases</b>						
<b>Adjustments to the Base:</b>						
Annualization of FY 93 Salaries	\$ 2,516,810	\$ 243,259	\$ 2,760,069	\$ 2,530,710	\$ 243,259	\$ 2,773,969
Increase of 1% Retirement	2,844,844	299,029	3,143,873	2,461,163	299,029	2,760,192
Fringe Benefit Adjustments	6,185,785	1,008,253	7,194,038	6,611,139	1,016,396	7,627,535
Shrinkage Rate Adjustment	1,264,155	8,143	1,272,298	—	—	—
Other	86,577	660,714	747,291	9,225	1,719,419	1,728,644
Subtotal	\$ 12,898,171	\$ 2,219,398	\$ 15,117,569	\$ 11,612,237	\$ 3,278,103	\$ 14,890,340
<b>Maintenance Adjustments:</b>						
Classified Salaries	\$ 3,077,874	\$ 754,055	\$ 3,831,929	\$ 3,225,208	\$ 754,055	\$ 3,979,263
Unclassified Salaries	15,625,226	2,780,654	18,405,880	10,149,481	2,780,654	12,930,135
House Staff Salaries	412,915	45,440	458,355	271,653	45,440	317,093
Health Care Worker Salaries	1,297,379	8,339	1,305,718	812,512	8,339	820,851
Subtotal – Unclassified	\$ 17,335,520	\$ 2,834,433	\$ 20,169,953	\$ 11,233,646	\$ 2,834,433	\$ 14,068,079
Student Salaries	426,529	607,874	1,034,403	424,483	607,874	1,032,357
Other Operating Expenditures	6,012,412	9,173,336	15,185,748	3,938,109	9,880,567	13,818,676
Other	(20,203)	640,334	620,131	65,332	(194,373)	(129,041)
Subtotal	\$ 26,832,132	\$ 14,010,032	\$ 40,842,164	\$ 18,886,778	\$ 13,882,556	\$ 32,769,334
<b>Mission Related Enhancements:</b>						
Library	\$ 3,500,008	\$ —	\$ 3,500,008	\$ —	\$ —	\$ —
Minority Faculty Recruitment	1,839,008	—	1,839,008	—	—	—
Other	—	300,000	300,000	1,214,454	(104,600)	1,109,854
Subtotal	\$ 5,339,016	\$ 300,000	\$ 5,639,016	\$ 1,214,454	\$ (104,600)	\$ 1,109,854
<b>Enrollment Adjustment</b>	\$ 1,751,418	\$ —	\$ 1,751,418	\$ 1,751,418	\$ —	\$ 1,751,418
Servicing New Buildings	\$ 194,657	\$ —	\$ 194,657	\$ 196,544	\$ —	\$ 196,544
<b>TOTAL INCREASES</b>	\$ 47,015,394	\$ 16,529,430	\$ 63,544,824	\$ 33,661,431	\$ 17,056,059	\$ 50,717,490
<b>TOTAL FY 1994 REQUEST</b>	\$ 711,078,764	\$ 332,978,980	\$ 1,044,057,744	\$ 697,724,802	\$ 333,505,609	\$ 1,031,230,411

FINANCING	Total FY 93 Base	Total FY 94 Request	Requested Increases	Percentage Change	Total FY 94 Gov.Rec.	Gov.Rec. Increases	Percentage Change
<b>General Use Funds:</b>							
State General Fund	\$ 401,066,750	\$ 436,490,719	\$ 35,423,969	8.8%	\$ 418,903,444	\$ 17,836,694	4.4%
General Fees Fund	141,145,172	148,626,515	7,481,343	5.3	152,479,369	11,334,197	8.0
Hospital Revenue	112,264,800	117,802,576	5,537,776	4.9	116,983,759	4,718,959	4.2
Land Grant	7,034,890	7,485,230	450,340	6.4	7,485,230	450,340	6.4
Other	2,551,750	673,000	(1,878,750)	(73.6)	1,873,000	(678,750)	(26.6)
Subtotal – General Use	\$ 664,063,362	\$ 711,078,040	\$ 47,014,678	7.1	\$ 697,724,802	\$ 33,661,440	5.1
<b>Restricted Use Funds</b>	316,449,550	332,978,979	16,529,429	5.2	333,505,609	17,056,059	5.4
<b>TOTAL – ALL FUNDS</b>	\$ 980,512,912	\$ 1,044,057,019	\$ 63,544,107	6.5	\$ 1,031,230,411	\$ 50,717,499	5.2

**A. Adjustments to the FY 1993 Base Budget.** During each budget cycle, adjustments are requested to the base budget. These adjustments typically include rate changes to fringe benefits.

▶▶▶ **1. Annualization of FY 1993 Salary Increases.** The Regents request \$2.5 million to fund the annualized cost of the 1.0 percent mid-year salary increase authorized by the 1992 Legislature.

The Governor concurs with the request.

The Senate Committee concurs.

▶▶▶ **2. Regents Retirement Increase.** The requested increase of \$2.9 million would provide an increase in the Regents employers' retirement contribution from 8 percent to 9 percent. Regents basic retirement plan providers are TIAA-CREF, AETNA, Lincoln National, UNUM, and Security Benefit Life Insurance Company. Any company certified by the Board of Regents may be utilized for voluntary tax sheltered annuities. Contributions for both basic and voluntary annuities are sheltered from state and federal taxes. For basic annuities, the employee contributes 5 percent of gross compensation and the state contributes 8 percent of gross compensation. Voluntary contributions may be made up to the maximum allowed by the IRS. Faculty and administrative personnel holding positions 50 percent time or more are eligible; however, there is a one year waiting period unless the employee was a prior participant for at least one year at a higher education institution. Legislation would be required to make this requested change (K.S.A. 74-4925e). The state contribution for faculty retirement was increased from 5 percent to 6 percent in FY 1986, to 7 percent in FY 1987, and to 8 percent in FY 1988. Attachment 3 is a survey conducted by the Board office which provides a comparison of the Regents' retirement plan with retirement plans at peer institutions.

The Governor concurs with the Board's request, but the amount is less due to different bases.

The Senate Committee recommends the deletion of \$2,754,253 from general use funds associated with the Governor's recommendation to increase the Regents employers' retirement contribution from 8 percent to 9 percent. Because legislation would be required to make this requested change (K.S.A. 74-4925e), the Committee's recommendation is made pending passage of legislation. The following table reflects the request and recommendation.

Retirement Rate Increase			
Institution	FY 1994 Requested Increase	FY 1994 Gov. Rec.	Senate Committee Rec.
KU	\$ 791,285	\$ 799,936	\$ (799,936)
KUMC	455,796	472,155	(472,155)
KSU	662,334	484,784	(484,784)
KSU-Salina	20,172	20,798	(20,798)
KSU-Vet. Med.	52,630	54,286	(54,286)
KSU-Extension	129,976	139,615	(139,615)
WSU	303,602	299,756	(299,756)
ESU	134,247	144,492	(144,492)
FHSU	138,758	159,557	(159,557)
PSU	156,044	178,874	(178,874)
<b>Total</b>	<b>\$ 2,844,844</b>	<b>\$ 2,754,253</b>	<b>\$ (2,754,253)</b>

▶▶▶ **2. Shrinkage Rate Adjustment.** The Regents' request of \$1.3 million would provide a .25 percent reduction in the salary and wage shrinkage rate at each institution.

The Governor does not recommend the reduction in the shrinkage rate.

The Senate Committee concurs with the shrinkage rates recommended by the Governor, except for FHSU, KSU-Salina, and KSU-ESARP. For FY 1994, the Senate Committee recommends changed rates for FHSU (a decrease of 0.25 percent from 2.31 percent to 2.06 percent); KSU-Salina (an increase of 1.0 percent from 1.13 percent to 2.13 percent); and KSU-ESARP (an increase of 0.10 percent from 2.8 percent to 2.9 percent). For FY 1993, the Senate Committee recommends an increase in the shrinkage rate of KSU-ESARP from 3.05 percent to 3.10 percent. (The recommended increased shrinkage for KSU-ESARP in FY 1993 (\$29,470) and FY 1994 (\$42,568) is to be applied to county extension agent salaries only.)

**Regents Institutions – Shrinkage Rates (FY 1990 – FY 1994)**

<u>Institution</u>	<u>FY 1990 Actual</u>	<u>FY 1991 Actual</u>	<u>FY 1992 Budgeted</u>	<u>FY 1992 Actual</u>	<u>FY 1993 Approved</u>	<u>FY 1993 Gov. Rec.</u>	<u>FY 1994 Request</u>	<u>FY 1994 Gov. Rec.</u>
KU	2.56	2.80	2.29	2.46	2.42	2.69	2.17	2.42
KSU	2.23	2.28	2.56	2.67	2.80	3.05	2.55	2.80
WSU	4.60	3.36	2.66	3.11	2.94	3.23	2.69	2.94
ESU	2.21	1.48	1.30	3.21	1.46	1.70	1.21	1.46
PSU	1.19	0.48	1.34	1.58	1.48	1.77	1.23	1.50
FHSU	3.64	2.80	2.18	3.30	2.31	2.64	2.06	2.31
KUMC – Educ.	2.13	4.97	3.33	4.04	3.44	3.72	3.17	3.44
KUMC – Hosp.	6.18	3.68	2.94	3.77	2.94	2.95	2.78	2.95

▶▶▶ **3. Fringe Benefit Rate Adjustments (Excluding Regents Retirement).** The Regents request a total of \$6.1 million for changes in the operating base resulting from adjustments to other fringe benefit rates.

In general, the Governor concurs with the request and recommends the most recent fringe benefit rates.

The Senate Committee concurs with the Governor's recommendation of \$6.6 million for changes in the operating base resulting from adjustments to other fringe benefit rates.

**B. Percentage Adjustments.** The Regents' request increases for unclassified, classified, and student salaries as well as other operating expenditures.

▶▶▶ **1. Unclassified Salaries.** The Regents' request of \$17.3 million would provide an average 4.5 percent salary increase to unclassified faculty and staff. The request is computed as a percentage increase to the overall salary base; however, actual salary increases are granted based upon individual merit.

The Governor recommends 3.0 percent for a merit pool for unclassified personnel.

The Senate Committee recommends a salary increase of 2.5 percent for Regents unclassified faculty and staff in FY 1994. The Senate Committee recommendation of \$9.4 million is a reduction of \$1.9 million from the Governor's recommendation. Pending further consideration of the Governor's entire salary and benefit package (which will include a 1.5 percent salary adjustment for all classified employees and implementation of two of the final four phases of the Comprehensive Classification and Job Rate Study), the Senate Committee recommends a systemwide salary increase of 2.5 percent for classified, Regents unclassified and student employees. It is the Senate Committee's intent that generally all state employees be treated the same regarding the total compensation package for FY 1994, including retirement benefits.

<b>Unclassified Salary Percentage Increases (Includes Fringe Benefits and Shrinkage)</b>				
<u>Institution</u>	<u>FY 1993 Base</u>	<u>FY 1994 Req. Increase (4.5%)</u>	<u>FY 1994 Gov. Rec. (3.0%)</u>	<u>Senate Comm. Rec. (2.5%)</u>
KU	\$ 98,623,861	\$ 4,469,652	\$ 2,953,078	\$ 2,460,898
KUMC	95,326,562	4,169,122	2,668,369	2,227,041
KSU	63,861,431	2,823,576	1,876,995	1,552,397
KSU-Salina	2,714,180	117,924	78,153	64,623
KSU-Vet. Med.	6,749,449	298,371	198,999	164,515
KSU-Extension	28,090,766	1,215,000	809,048	670,941
WSU	41,641,440	1,798,307	1,202,965	997,101
ESU	17,017,554	860,582	497,369	411,089
FHSU	16,470,535	767,691	487,621	402,604
PSU	18,706,734	815,295	545,554	450,381
<b>Total</b>	<b>\$ 389,202,512</b>	<b>\$ 17,335,520</b>	<b>\$ 11,318,151</b>	<b>\$ 9,401,590</b>

(a) **Institutional Unclassified Salary Policies.** Institutions may distribute salary increases in varying percentages rather than on a uniform percentage basis. This procedure permits the use of merit as a criterion for determining unclassified salary increases and provides flexibility for the recruiting and retention of unclassified personnel. The following table displays the distribution of unclassified salary increases for FY 1993.

**Summary of Budgeted Salary Increases for Full-Time Continuing Unclassified Persons\***  
**FY 1993 Over FY 1992**

% of Salary Increase Over Previous Year	Number of Full-Time Continuing Persons									
	KU	KUMC	KSU	KSU-SCT	KSUVMC	WSU	ESU	PSU	FHSU	SYSTEM
0	19	123	18	2	0	21	1	1	1	185
.1 to 2.99	183	173	648	33	27	332	32	92	103	1,531
3.0 to 4.99	1,115	894	372	15	43	228	195	177	140	3,002
5.0 to 6.99	164	89	109	7	12	52	32	22	19	484
7.0 to 8.99	41	14	71	0	2	26	13	4	2	169
9.0 to 11.99	28	13	52	0	0	14	1	2	1	109
12.0 to 14.99	8	6	11	0	0	15	0	1	0	40
15.0 to 19.99	3	3	11	0	0	3	1	0	0	21
20.0 and Over	2	10	7	0	0	8	0	0	1	28
Total No. of Persons	1,563	1,325	1,299	57	84	699	275	299	267	5,569
Avg. Dollar Increase	\$1,722	\$1,438	\$1,674	\$966	\$2,141	\$1,408	\$1,592	1,328	\$1,376	\$1,403
Avg. Percent Increase	4.01%	3.61%	3.82%	2.94%	3.61%	3.69%	4.19%	3.33%	3.54%	3.82%

\* Includes all full-time, continuing unclassified faculty and nonfaculty personnel; excludes health care workers at KUMC

Source: Kansas Board of Regents

(b) **Average Unclassified Faculty Salaries.** The table below displays the average faculty salary by rank for each institution. The average faculty salary at each rank is higher at the larger institutions than at the smaller institutions. One factor that impacts the average is the number of faculty at each rank. Thus while the average salaries at the two highest ranks for WSU are relatively close to those at KU, the heavy distribution of faculty in the lower paid ranks results in a significantly lower overall average.

**Average Faculty Salaries by Academic Rank  
Combined 9 and 12-Month Appointments – FY 1993  
(With 12-Month Salaries Converted to 9-Month Salaries)  
Instructional, Research, and Public Service Faculty**

	<u>KU</u>	<u>KSU</u>	<u>KSU-SCT</u>	<u>KSUVMC</u>	<u>WSU</u>	<u>ESU</u>	<u>PSU</u>	<u>FHSU</u>	<u>SYSTEM</u>
Professors	470	403	11	30	104	61	99	84	1,163
Average Salary	\$55,946	\$52,024	\$38,261	\$60,084	\$54,011	\$42,847	\$43,475	\$43,333	\$52,755
Assoc. Prof.	275	309	9	17	150	70	70	49	879
Average Salary	\$41,784	\$39,735	\$35,200	\$49,117	\$40,800	\$38,385	\$37,420	\$37,010	\$40,433
Assist. Prof.	197	295	6	37	184	79	77	65	863
Average Salary	\$35,886	\$35,232	\$33,342	\$41,650	\$34,684	\$32,541	\$31,933	\$31,563	\$35,004
Instructors	12	89	10	3	29	25	4	21	189
Average Salary	\$26,294	\$27,178	\$29,469	\$26,097	\$23,338	\$24,833	\$27,262	\$27,869	\$26,403
Total All Ranks	954	1,096	36	87	467	235	250	219	3,094
Average Salary	\$47,348	\$42,022	\$34,234	\$48,929	\$40,248	\$36,137	\$37,915	\$36,942	\$42,693

Source: Kansas Board of Regents.

The following table compares average faculty salaries at Kansas universities to their peer institutions.

**Average Salary Instructional Faculty,  
Compared to Peer Institutions FY 1992**

<u>Institution</u>	<u>Avg. Salary Kansas</u>	<u>Avg. Salary Peers</u>	<u>Relative Funding</u>
KU	\$45,872	\$52,128	88.0%
KSU	41,515	46,026	90.2%
WSU	39,250	43,505	90.2%
ESU	35,053	38,817	90.3%
PSU	36,960	40,508	91.2%
FHSU	36,123	39,787	90.8%

Source: Kansas Board of Regents.

(c) **Unclassified Salary Increases.** The table below shows unclassified salary increases in relation to the *Consumer Price Index* for all Urban Consumers. During most of the 20 years, the same percentage of unclassified increase has been authorized for the universities. A major exception to this has been Fort Hays State University where a differential adjustment was authorized for five years to finance salary upgrades. In addition, for the three years of the Margin of Excellence unclassified salary increases were based on the universities' relationship to their peers.

### Percent Increases Authorized for Unclassified Salary Adjustments

Fiscal Year	KU	KSU	WSU	ESU	FHSU	PSU	CPI-U
1974	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	8.9%
1975	10.0	11.0	10.0	11.0	11.0	11.0	11.1
1976	10.0	10.0	10.0	10.0	10.0	10.0	7.1
1977	8.0	8.0	8.0	8.0	9.0	8.0	5.8
1978	6.0	6.0	6.0	6.0	7.0	6.0	6.7
1979	7.0	7.0	7.0	7.0	7.0	7.0	9.4
1980	6.5	6.5	6.5	6.5	6.5	6.5	13.3
1981	9.0	9.0	9.0	9.0	9.0	9.0	11.6
1982	7.0	7.0	7.0	7.0	9.0	7.0	8.6
1983	7.5	7.5	7.5	7.5	10.2	7.5	4.3
1984	4.5	4.5	4.5	4.5	4.5	4.5	3.7
1985	7.0	7.0	7.0	7.0	7.0	7.0	3.9
1986	5.0	5.0	5.0	5.0	5.0	5.0	2.9
1987	2.5	2.5	2.5	2.5	2.5	2.5	2.2
1988	3.0	3.0	3.0	3.0	3.0	3.0	4.1
1989	7.3	7.4	7.4	7.2	9.2	8.1	4.6
1990	7.5	7.7	8.7	7.5	10.5	8.3	4.8
1991	2.0	2.3	2.0	2.8	2.3	2.4	5.4
1992	2.5	2.5	2.5	2.5	2.5	2.5	3.2
1993	3.0	3.0	3.0	3.0	3.0	3.0	NA

**Notes:**

1. The percentages listed above for FY 1983 exclude allocation of a \$900,000 special appropriation salary enrichment, which equated systemwide to an approximate 0.7 percent base increase. Further the authorized increase for FY 1984 and FY 1989 is the annualized percent increase rather than the increase in expenditures, 2.25 percent and 1.5 percent, respectively.

2. CPI-U -- Consumer Price Index for All Urban Consumers (U.S. City Average) -- the percentage displayed for this measure represent the percent change in the 12-month average index from one fiscal year to the next.

As mentioned previously, the institutions have considerable flexibility in allocation of salary increases. Typically, the actual average increase exceeds the percentages appropriated due, in part, to the fact that the universities may have savings from personnel turnover that can be used to supplement appropriated increases to the salary base. The following table reflects the degree to which this has actually occurred between FY 1974 and FY 1993. It lists average percent increases in those years and compares the increase to the inflation indicator. The table reflects the fact that often the actual salary increases have exceeded the base increases appropriated. In contrast to the appropriated increases, the table also indicates that actual salaries have exceeded the inflationary measure, although the margin by which the increases have exceeded the CPI-U is relatively narrow at some of the universities.

**Average Percent Increase for Full-Time  
Continuing Unclassified Staff**

Fiscal Year	KU	KSU	WSU	ESU	FHSU	PSU	CPI-U
1974	6.4%	6.4%	6.4%	6.0%	5.6%	5.9%	8.9%
1975	10.5	11.2	10.3	11.4	10.9	11.3	11.1
1976	10.5	10.2	9.1	10.4	11.0	10.0	7.1
1977	8.5	8.2	7.9	8.0	10.4	8.3	5.8
1978	6.4	6.3	6.0	6.0	7.7	6.1	6.7
1979	7.4	7.4	7.3	7.1	8.0	7.3	9.4
1980	6.9	6.8	6.7	6.5	6.7	6.9	13.3
1981	9.6	9.5	9.5	10.2	8.8	9.0	11.6
1982	8.0	7.7	7.6	7.8	9.0	7.5	8.6
1983	8.9	9.1	8.5	8.7	10.8	8.3	4.3
1984	4.6	5.0	5.0	4.9	5.1	4.5	3.7
1985	7.5	7.2	8.5	7.2	7.2	7.9	3.9
1986	5.6	5.3	5.3	5.1	5.4	5.9	2.9
1987	3.3	2.8	2.9	2.5	3.2	3.1	2.2
1988	1.6	1.6	1.9	1.7	1.6	2.5	4.1
1989	8.7	8.1	7.7	7.6	9.4	9.1	4.6
1990	8.4	9.6	8.2	8.1	10.2	9.0	4.8
1991	3.0	3.3	2.8	2.9	2.3	3.6	5.4
1992	2.6	2.7	2.9	2.5	2.7	2.5	3.2
1993	4.1	3.8	3.3	4.2	3.3	3.3	

►►► **2. Classified Salaries.** The Regents request \$3.1 million for financing in FY 1994 for pay plan step movement and longevity bonuses for eligible classified employees.

The Governor concurs with the request for classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees. In addition, the Governor recommends a base salary adjustment of 1.5 percent for all classified employees and implementation of two of the final four phases of the Comprehensive Classification and Job Rate Study. Funding for these increases is not included within the budget recommendations of individual agencies, but is contained in separate legislation.

The Senate Committee concurs with the Governor's recommendation of \$3,042,424 from general use funds in FY 1994 for pay plan step movement and longevity bonuses (approximately 2.5 percent) for eligible classified employees. The following table reflects the request and recommendations.

<b>Classified Salary Increases (Includes Fringe Benefits and Shrinkage)</b>					
Institution	FY 1993 Base	FY 1994 Req. Increase	FY 1994 Gov. Rec.	Senate Comm. Rec.	
KU	\$ 30,819,905	\$ 702,065	\$ 703,484	\$ 703,484	
KUMC	44,704,874	911,057	865,285	865,285	
KSU	21,780,977	481,175	483,622	483,622	
KSU-Salina	803,130	17,630	17,427	17,427	
KSU-Vet. Med.	3,396,249	75,694	75,326	75,326	
KSU-Extension	7,654,195	165,830	163,488	163,488	
WSU	13,348,900	295,194	294,406	294,406	
ESU	6,017,901	173,604	171,860	171,860	
FHSU	5,653,372	140,089	112,389	112,389	
PSU	6,262,445	115,536	155,137	155,137	
<b>Total</b>	<b>\$ 140,441,948</b>	<b>\$ 3,077,874</b>	<b>\$ 3,042,424</b>	<b>\$ 3,042,424</b>	

▶▶▶ **3. Student Salaries.** The Regents request \$426,529 for a 5 percent increase in student salaries in FY 1994. Student salaries serve two purposes, providing students with a source of income and providing the institution with a source of relatively low-cost labor. General Use support of salaries typically represents less than one-half of the total institutional expenditures for students salaries. Other sources of support are the federal College Work Study Program, restricted use sources such as research grants, and auxiliary enterprises such as student unions and dormitories.

The Governor concurs with the request.

The Senate Committee recommends a total of \$211,169 from general use funds in FY 1994 for a 2.5 percent student salary increase. The recommendation is \$211,169 below the Governor's recommendation of \$422,338 for a 5.0 percent salary increase. The Senate Committee urges the universities to strike a balance between increasing the number of student employees and increasing average wages. The following table reflects the request and recommendations.

<b>Student Salary Percentage Increases</b> <b>(Includes Fringe Benefits and Shrinkage)</b>				
<u>Institution</u>	<u>FY 1993 Base</u>	<u>Requested Increase FY 94 (5.0%)</u>	<u>Gov. Rec. (5.0%)</u>	<u>Senate Comm. Rec. (2.5%)</u>
KU	\$ 1,779,186	\$ 89,988	\$ 89,477	\$ 44,738
KUMC	856,739	43,456	43,035	21,518
KSU	1,443,442	73,433	72,624	36,312
KSU-Salina	46,829	2,381	2,356	1,178
KSU-Vet. Med.	114,877	5,860	5,781	2,891
KSU-Extension	267,715	14,613	13,462	6,731
WSU	1,317,675	66,771	66,610	33,305
ESU	850,815	42,902	42,987	21,493
FHSU	953,597	49,199	48,224	24,112
PSU	747,669	37,926	37,782	18,891
<b>Total</b>	<b>\$ 8,378,544</b>	<b>\$ 426,529</b>	<b>\$ 422,338</b>	<b>\$ 211,169</b>

(a) **Graduate Teaching Assistants Tuition Waiver.** The Board request in FY 1994 includes a reduction to General Fees receipts to reflect a 100 percent tuition waiver for graduate teaching assistants. The GTA tuition waiver policy in FY 1992 was 75 percent.

The Governor recommends continuation of the 100 percent GTA fee waiver policy established by the 1992 Legislature.

The Senate Committee concurs with the 100 percent GTA fee waiver policy.

►►► **4. Other Operating Expenditures (excluding utilities).** The Regents request \$6.0 million to provide a 6 percent base increase for other operating expenditures. Other operating expenditures (OOE) are used to purchase all commodities, equipment, goods, and services, other than utilities, used or acquired by the institutions. Expenditures from OOE budgets can include everything from pieces of scientific equipment to library books to faculty travel.

The Governor recommends a 4 percent increase in other operating expenditures.

The Senate Committee recommends a 3.5 percent increase in other operating expenditures in FY 1994 (excluding utilities) above the FY 1993 estimate. The Committee's recommendation is a reduction of \$496,006 from the Governor's recommendation, as indicated in the following table.

Other Operating Expenditure Percentage Increases (Excluding Utilities)				
Institution	FY 1993 Base	FY 1994 Requested Increase (6.0%)	FY 1994 Gov. Rec. (4.0%)	Senate Committee Rec. (3.5%)
KU	\$ 19,062,157	\$ 1,142,719	\$ 762,486	\$ 667,175
KUMC	41,090,500	2,439,416	1,556,511	1,351,084
KSU	11,302,599	678,159	452,104	395,591
KSU-Salina	1,003,322	60,200	40,133	35,116
KSU-Vet. Med.	2,832,568	159,881	105,165	99,140
KSU-Extension	6,300,336	378,021	252,013	220,512
WSU	8,790,138	351,606	351,606	307,655
ESU	3,479,611	208,776	139,184	121,786
FHSU	3,374,836	201,959	134,993	118,119
PSU	3,597,862	215,872	143,914	125,925
<b>Total</b>	<b>\$ 100,833,929</b>	<b>\$ 5,836,609</b>	<b>\$ 3,938,109</b>	<b>\$ 3,442,103</b>
* Agency request contains 5 percent increase for Wichita residents contracts in KUMC budget; Governor recommends 3 percent.				

**(a) Budgetary Shifting Between Salaries and OOE.** As a result of legislative concerns regarding shifting of expenditures that were budgeted for salaries to other operating expenditures, particularly over a period when the Regents were shifting significantly large sums on a consistent basis, the Board of Regents adopted the following policy:

During any year in which general use expenditures for either salaries or other operating expenditures deviate from the budget for that purpose by more than 0.5 percent of the institution's total general use operating budget the institution shall (1) adjust the appropriate budgetary bases requested for the succeeding fiscal year by not less than the amount by which the deviation exceeds 0.5 percent of the operating budget; or (2) obtain Board approval for an exception to the adjustment specified in item No. 1. Requests for exception to the adjustment shall be accompanied by a description of reason for the budgetary deviation and why such deviation is not likely to occur during the succeeding years.

**Summary of Budgetary Shifting Among Objects of Expenditure – FY 1992**

<u>FY 1992</u>	<u>Total Salaries</u>	<u>Utilities</u>	<u>OOE</u>	<u>Grand Total</u>	<u>0.5% Threshold for Budget Adjustment</u>
<b>University of Kansas</b>					
Revised FY 92 Budget	\$ 127,442,882	\$ 5,438,348	\$ 17,663,171	\$ 150,544,401	\$ 752,722
Minus Actual Expenditure	127,232,050	5,449,359	17,039,441	149,720,850	
Difference/Shift	210,832	(11,011)	623,730	823,551	
<b>Kansas State University</b>					
Revised FY 92 Budget	\$ 83,832,177	\$ 4,889,250	\$ 10,915,658	\$ 99,637,085	\$ 498,185
Minus Actual Expenditure	83,829,080	4,634,403	10,915,210	99,378,693	
Difference/Shift	3,097	254,847	448	258,392	
<b>KSU Ext. &amp; Ag. Research</b>					
Revised FY 92 Budget	\$ 35,368,014	\$ 708,095	\$ 5,837,016	\$ 41,913,125	\$ 209,566
Minus Actual Expenditure	35,392,951	708,095	5,810,544	41,911,590	
Difference/Shift	(24,937)	0	26,472	1,535	
<b>Wichita State University</b>					
Revised FY 92 Budget	\$ 54,239,398	\$ 3,134,378	\$ 8,417,542	\$ 65,791,318	\$ 328,957
Minus Actual Expenditure	54,073,498	3,086,468	8,576,421	65,736,387	
Difference/Shift	165,900	47,910	(158,879)	54,931	
<b>Emporia State University</b>					
Revised FY 92 Budget	\$ 23,067,660	\$ 748,728	\$ 3,193,026	\$ 27,009,414	\$ 135,047
Minus Actual Expenditure	22,627,324	748,726	3,469,515	26,845,565	
Difference/Shift	440,336	2	(276,489)	163,849	
<b>Pittsburg State University</b>					
Revised FY 92 Budget	\$ 24,941,063	\$ 1,047,557	\$ 3,613,232	\$ 29,601,852	\$ 148,009
Minus Actual Expenditure	24,887,016	1,047,547	3,476,319	29,410,882	
Difference/Shift	54,047	10	136,913	190,970	
<b>Fort Hays State University</b>					
Revised FY 92 Budget	\$ 22,221,332	\$ 839,878	\$ 3,011,382	\$ 26,072,592	\$ 130,363
Minus Actual Expenditure	21,966,228	831,558	3,259,351	26,057,137	
Difference/Shift	255,104	8,320	(247,969)	15,455	

**Note:** Totals in brackets represent deficits compared to the budget.

**Source:** Kansas Board of Regents

An analysis of shifting between salaries and other operating expenditures conducted by the Board office, reflects that five institutions were within the 0.5 percent threshold for salaries and thus their budgets require no adjustment. ESU and FHSU had shifts in excess of the 0.5 percent threshold. (No institution exceeded the threshold for other operating expenditures.) In the case of ESU and FHSU, the salary savings resulted from reductions in the FY 1992 summer school budget in preparation for a projected 2.5 percent statewide budget recision. The actual recision was 1 percent, leaving unallocated funds which could not be used for salaries. Both universities used these funds for initiatives approved through the strategic planning process. The summer school salary budget was restored, and the universities, for the most part, considered the shift a one-time occurrence. (ESU did shift a portion to the OOE base permanently.)

**(b) Transfers to the Equipment Reserve Fund.** Regents institutions appropriations have generally provided authority to the presidents or chancellor to transfer unexpended General Fees Fund balances within the authorized expenditure level from the General Fees Fund to the Equipment Reserve Fund. The reason is to allow universities to accumulate funds to purchase major equipment items and to be able to purchase equipment at the

beginning of the next fiscal year in order to avoid rushed purchases at the end of the current year. At the end of FY 1992, the institutions transferred a total of \$858,650 into their Equipment Reserve Funds.

<u>Institution</u>	<u>Transfer to Equip. Reserve</u>
KU	\$ 516,103
KSU	--
WSU	--
ESU	163,768
PSU	173,069
FHSU	5,710
<b>TOTAL</b>	<b>\$ 858,650</b>

**5. FY 1994 Enrollment Adjustment.** The enrollment adjustment originated in the 1981 Legislature and has been modified a number of times prior to the current formula established in 1992. The 1981 formula contained several important concepts. It was based upon actual changes in enrollment related to the actual cost of programs in which the enrollment was generated. There are 24 academic disciplines (mathematics, agriculture, history, etc.) and four levels of instruction (lower division, upper division, graduate 1, and graduate 2). Credit hour changes are related to the discipline and instructional level in which they occurred for purposes of producing the instructional component of an enrollment adjustment. These procedures were developed to more accurately relate enrollment changes to costs, a feature not present in previous formulas. The formula also includes adjustments for student services components (libraries, audiovisual services, campus security, guidance and enrollment services, etc.), which theoretically do not vary by type of student.

The 1992 Legislature approved the current enrollment adjustment formula to reduce the impact of substantial enrollment declines and to eliminate the incentive for uncontrolled growth, particularly that in excess of 3.0 percent. The following tables display the modified enrollment adjustment process.

**Increase Adjustments as a Percentage of  
Average Cost**

<u>Percentage of Educational Budget</u>	<u>Increase Adjustment</u>
Less than 0.5 Percent	0%
0.5 to 1.0 Percent	100%
1.1 to 2.0 Percent	75%
2.1 to 3.0 Percent	50%
Over 3.0 Percent	25%

**Decrease Adjustments as a Percentage  
of Average Cost**

<u>Percentage of Educational Budget</u>	<u>Decrease Adjustment</u>
Less than 2.5 Percent	0%
2.5 to 3.0 Percent	100%
3.1 to 4.0 Percent	75%
4.1 to 5.0 Percent	50%
More than 5.0 Percent	25%

The following table shows actual appropriations made for enrollment adjustments for FY 1984 -- FY 1993. (It should be noted that, for the period shown the enrollment adjustment formula was modified several times.)

#### Enrollment Adjustments FY 1984 -- FY 1993

Institution	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
KU	\$ (577,476)	\$ --	\$ --	\$ --	\$ --	\$ 1,761,362	\$ 1,772,467	\$ --	--	\$ 1,149,254
KSU	560,158	--	(1,460,960)	(288,191)	(342,145)	692,252	96,981	2,508,950	--	1,692,776
WSU	1,172,280	772,201	(120,989)	(269,401)	--	(367,949)	480,423	693,779	--	188,576
ESU	(34,475)	(157,888)	(1,119,823)	(160,883)	25,790	166,815	386,079	379,615	--	393,313
PSU	187,422	--	--	(527,184)	433,253	937,092	214,779	493,064	--	188,569
FHSU	(149,819)	--	(149,557)	(264,656)	--	83,100	--	--	--	460,061
Total	\$ 1,158,090	\$ 614,313	\$ (2,851,329)	\$ (1,510,315)	\$ 116,898	\$ 3,272,672	\$ 2,950,729	\$ 4,075,408	--*	\$ 4,072,549
Enroll. Adj.										

\* The FY 1993 enrollment adjustment reflects a two-year average of the requested FY 1992 and FY 1993 enrollment adjustment and does not reflect the 1 percent lapse imposed by the 1992 Legislature.

►►► **Request.** The FY 1994 budget request from the universities includes a total enrollment adjustment increase of \$1,751,418 due to actual changes in student credit hour volume when FY 1992 is compared to FY 1991. The following table indicates the FY 1994 enrollment adjustment request for each of the institutions and the number of associated new FTE positions. The Governor concurs with the request.

The Senate Committee concurs with the Governor's recommendation of \$1,751,418 from general use funds and 49.2 FTE new positions as requested for an enrollment adjustment increase. Financing is requested due to actual changes in student credit hour volume when FY 1992 is compared to FY 1991. The request and recommendations are reflected in the following table.

The Senate Committee discussed the current enrollment adjustment formula approved by the 1992 Legislature which was created to reduce the impact of substantial enrollment declines and to eliminate the incentive for uncontrolled growth, particularly that in excess of 3.0 percent. The Committee learned that a Regents Task Force is evaluating current and alternative formulas to determine the most appropriate method to reflect altered expenditures associated with credit hour changes. The evaluation will also address the time lag in the current formula. For example, the FY 1994 enrollment adjustment is based on changes in student credit hour volume when Fall 1991 is compared with Fall 1990. The Senate Committee recommends an additional \$197,657 in enrollment adjustment funding for ESU to address previous funding inequities.

FY 1994 Enrollment Adjustment Request				
Institution	Req. FTE Positions	Req. Enroll. Adjustment	Governor's Rec.	Senate Comm. Rec.
KU	5.0	\$ 264,114	\$ 264,114	\$ 264,114
KSU	--	--	--	--
WSU	--	--	--	--
ESU	6.5	260,947	260,947	458,604
PSU	25.7	774,933	774,933	774,933
FHSU	12.0	451,424	451,424	451,424
Total Enrollment Adj.	49.2	\$ 1,751,418	\$ 1,751,418	\$ 1,949,075
Total Change in FTEs from Previous Fall (FY 91-FY 92)		+ 170	+ 170	

▶▶▶ **6. Servicing New Buildings.** The Regents' FY 1994 request for the servicing of new buildings totals \$194,657. The request is outlined below.

The Governor concurs with the request.

The Senate Committee concurs with the request and Governor's recommendation for servicing new buildings, except for a reduction of \$908 in utilities at KSU for the Football Stadium Press Box.

Regents Institutions – Servicing New Buildings									
Institution	Staffing		OOE	Utilities	Total Request	Gov. Rec.		Senate Rec.	
	Salaries	FTE				Amount	FTE	Amount	FTE
<b>KU</b>									
Lied Perf. Arts Center	\$ 48,750	0.0	\$ 15,863	\$ 59,063	\$ 123,676	\$ 123,676	0.0	\$ 123,676	0.0
<b>KSU</b>									
Football Stad. Press Box	–	0.0	–	6,800	6,800	6,800	0.0	5,892	0.0
Indoor Practice Facility	13,000	0.7	4,067	30,000	47,067	47,067	0.7	47,067	0.7
<b>KSU-Salina</b>									
Paint Booth	–	0.0	–	9,000	9,000	9,000	0.0	9,000	0.0
<b>WSU</b>									
Coleman Tennis Complex	3,900	0.2	934	3,280	8,114	8,114	0.2	8,114	0.2
<b>Total</b>	<u>\$ 65,650</u>	<u>0.9</u>	<u>\$ 20,864</u>	<u>\$ 108,143</u>	<u>\$ 194,657</u>	<u>\$ 194,657</u>	<u>0.9</u>	<u>\$ 193,749</u>	<u>0.9</u>

▶▶▶ **a. Utilities.** The current legislative practice is to provide a separate line item appropriation to each university for utilities and to review utility expenditures during the current year to make any necessary adjustment to the approved budget as well as the utility budget for the budget year. The Legislature typically reviews utility expenditures and the potential for savings or supplementation in March. The legislative policy is based on the following rationale: a separate line item for utilities permits close monitoring of appropriations and expenditures; utility costs should be fully funded and the institutions should not be required to shift funds from other purposes to finance utilities; and legislative budget review should focus on usage to assure that campuses are making efforts to conserve.

The Senate Committee recommends that utility expenditures and the potential for savings or supplementation be reviewed during second house review.

According to the Board office, based on revised utility expenditure through February, 1993, a net addition of \$389,953 is requested to fund the current year utility budgets. The Regents' revised request is \$292,462 more than the amount included in the Governor's recommendation.

Regents Institutions – Utilities							
Institution	FY 1992 Actual	FY 1993 Gov. Rec.	FY 1993 Rev. Req.	Difference	FY 1994 Request	FY 1994 Gov. Rec.	FY 1994 Rev. Req.
KU	\$ 5,449,359	\$ 5,428,564	\$ 5,483,824	\$ (55,260)	\$ 5,487,627	\$ 5,478,585	\$ 5,444,449
KSU	6,119,516	6,157,371	6,282,626	(125,255)	6,187,731	6,191,763	6,282,626
WSU	3,086,468	3,287,462	3,327,504	(40,042)	3,281,211	3,281,211	3,327,504
ESU	748,726	700,340	810,166	(109,826)	700,340	700,340	810,166
PSU	1,047,557	1,021,274	1,021,274	–	1,021,274	1,021,274	1,021,274
FHSU	831,516	876,217	935,787	(59,570)	876,217	876,217	935,787
KUMC	5,044,010	4,955,672	4,955,672	–	4,955,672	4,926,626	4,955,672
KSU-Salina	163,115	169,834	169,834	–	178,834	178,834	169,834
<b>TOTAL</b>	<u>\$ 22,490,267</u>	<u>\$ 22,596,734</u>	<u>\$ 22,986,687</u>	<u>\$ (389,953)</u>	<u>\$ 22,688,906</u>	<u>\$ 22,654,850</u>	<u>\$ 22,947,312</u>

## Mission Related Enhancements

▶▶▶ **1. Library Enhancements.** The purpose of the systemwide \$3.5 million library enhancement request is to integrate computer-based information resources into the Regents system to improve services to students and faculty through resource sharing and to manage the continuing inflationary pressures on libraries. The proposal incorporates the concept of electronically connecting the Regents libraries so that their combined resources are available to the faculty, students, and staff at any campus with minimal difficulty caused by time and distance.

The proposal includes four programs. Electronic databases would provide faculty, staff and students with use of powerful computer-based resources for education and research. Document delivery would improve the capability of each campus to use the resources of the others. Computer catalog records would enable the Regents libraries to complete the job of putting all of their current collections into their computer catalogs. Systemwide connectivity would provide a systemwide network for using computer-based databases and catalogs.

The Governor's recommendation for FY 1994 does not include financing or new FTE positions for the library enhancement proposal. The Senate Committee concurs with the Governor and does not recommend funding for library enhancements. The following table details the request for each institution.

Systemwide Library Enhancements - FY 1994										
Institution	Electronic Databases		Document Delivery		Computer Cataloging		Connectivity		TOTAL	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
KU	2.0	\$ 304,375	4.0	\$ 194,880	6.0	\$ 533,895	--	\$ 489,350	12.0	\$1,522,500
KSU	1.0	270,600	1.0	75,000	4.0	457,160	--	51,240	6.0	854,000
WSU	2.0	83,750	1.0	28,800	1.5	143,450	--	108,000	4.5	364,000
ESU	1.0	100,075	1.0	36,700	--	8,340	--	33,385	2.0	178,500
PSU	--	87,540	1.0	31,410	--	26,000	--	16,050	1.0	161,000
FHSU	1.0	76,625	1.0	50,000	1.0	23,000	--	7,875	3.0	157,500
KUMC	1.0	123,500	0.5	18,000	--	37,000	1.0	70,000	2.5	248,500
KSU-Salina	--	14,000	--	--	--	--	--	--	0.0	14,000
Total	8.0	\$ 1,060,465	9.5	\$ 434,790	12.5	\$ 1,228,845	1.0	\$ 775,900	31.0	\$3,500,000

▶▶▶ **2. Minority Faculty Recruitment Enhancement.** The Board of Regents requests a total of \$1.8 million from the State General Fund in FY 1994 for a salary reserve for the recruitment of minority faculty and \$320,000 for graduate minority students. According to the universities, minority faculty and graduate students play an important function as role models for undergraduate minority students. Often these students are at risk of becoming drop-outs because they come to college underprepared and from first generation, low-income families. Attracting qualified minority faculty and graduate assistants is difficult, especially if a university is located in a relatively small community without a large minority population. A systemwide request of \$1,839,000 would be used to enhance selected faculty salaries, making the salary more competitive with that available elsewhere to qualified minority faculty candidates. A request of \$320,000, which is contained in the Board office budget, would be used to create a number of minority graduate student fellowships. The request is detailed in the following table.

The Governor does not recommend the minority faculty recruitment reserve, but does recommend \$200,000 for the proposed Graduate Minority Fellowship Program.

The Senate Committee reviewed the Regents systemwide request for recruitment of minority faculty. The Committee concurs with the Governor's recommendation not to recommend the minority faculty recruitment reserve. The Committee does not recommend funding for the Graduate Minority Fellowship Program.

### Regents Institutions -- Minority Faculty Recruitment Request

<u>Institution</u>	<u>FY 1994 Request</u>	<u>Requested FTE</u>	<u>Gov. Rec.</u>	<u>Senate Comm. Rec.</u>
KU	\$ 594,000	13.0	--	--
KSU	388,000	6.2	--	--
WSU	239,000	6.0	--	--
ESU	93,000	1.0	--	--
PSU	93,000	2.5	--	--
FHSU	93,000	--	--	--
KUMC	163,000	--	--	--
KSU-Extension	134,000	--	--	--
KSU-Vet.Med.	30,000	--	--	--
KSU-Salina	12,000	--	--	--
Subtotal-Faculty	\$ 1,839,000	28.7	--	--
Board Office (Graduate Minority Fellowships)	320,000	--	200,000	--
<b>TOTAL</b>	<b>\$ 2,159,000</b>	<b>28.7</b>	<b>\$ 200,000</b>	<b>\$ --</b>

The table below compares the racial and ethnic composition of faculty and students at Regents universities with the Kansas population.

### Regents Institutions -- Racial and Ethnic Classifications for University Faculty

<u>Racial Ethnic Category</u>	<u>Kansas Pop.</u>		<u>Faculty</u>		<u>Students</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
White	2,190,522	88.41%	3,641	91.53%	68,455	87.48%
African American	140,761	5.68	48	1.21	2,640	3.37
Hispanic American	93,670	3.78	50	1.26	1,619	2.07
Asian American	30,814	1.24	231	5.81	1,860	2.38
American Indian	20,363	0.82	8	0.20	577	0.74
Other/Unknown	1,442	0.06	0	0.00	3,097	3.96
<b>Total</b>	<b>2,477,572</b>	<b>100.0%</b>	<b>3,978</b>	<b>100.0%</b>	<b>78,248*</b>	<b>100.0%</b>

\* Does not include 5,382 non-resident aliens attending Regents institutions.

**Notes:**

1. Kansas population is based on 1991 Census data.
2. Faculty reflects fulltime faculty reported in Institutional Reports to Equal Employment Opportunity Commission.
3. Students are headcount reported in Fall, 1992.

## Capital Improvements

Capital improvement recommendations are considered in the individual institutional budgets with the exception of a Regents' request for a systemwide rehabilitation and repair account. Funds are allocated to each institution by a nonweighted square footage formula. The 1991 Legislature approved a multi-year appropriation from the Kansas Educational Building Fund (EBF) for rehabilitation and repair projects at the institutions as follows: FY 1991 -- \$8,000,000; FY 1992 -- \$9,000,000; FY 1993 -- \$10,000,000; FY 1994 -- \$10,000,000; FY 1995 -- \$10,000,000. The Regents request that the Legislature extend the multi-year appropriation to FY 1996 (\$8,000,000) and FY 1997 (\$12,000,000).

At this time, the Governor does not recommend extending the multi-year appropriation to FY 1996 and FY 1997.

The Senate Committee recommends extending the multiyear appropriation for FY 1996 (\$10 million) and FY 1997 (\$10 million), as recommended by the Joint Committee on State Building Construction.

## Other Information

**1. Peer Comparisons.** The peer comparisons are based on the concept comparing Regents institutions to a set of selected similar institutions. Peer institutions were first selected by a Regents' task force in 1976 from states whose ability to support public education, higher education patterns, and populations were determined to be relatively similar to that of Kansas. The major basis for comparison was similarity in program responsibilities. Comparison institutions were to be similar in enrollment measures and broad "missions." In addition, the institutions had to be publicly controlled and comparable with regard to image, expenditures, emphasis, headcount, enrollment, and doctoral enrollment. Institutions were not to be from either heavily or sparsely populated states, and no peer group was to be larger than five institutions. Each Regents university conducts a comprehensive cost study on each of its peer institutions using definitions and procedures developed by the Regents Task Force. The studies include data on faculty salaries and fringe benefits, classified salaries and benefits, student wages, computing support, and other operating expenditures. The institutions collect information on general use funds. Approximately 85 percent of the total operating budget of the peer institution is examined; however, activities such as public services, athletics, and utilities are excluded. The study makes it possible to compare costs between each Regents institution and its peers. The peer institutions designated by the Board of Regents are listed in the table below:

### Regents Designated Peers

Regents Institution	Peer Institution
University of Kansas	University of Colorado University of Iowa University of N. Carolina -- Chapel Hill University of Oklahoma University of Oregon
Kansas State University	Colorado State University Iowa State University North Carolina State Univ. Oklahoma State University Oregon State University
Wichita State University	University of Akron Portland State University Virginia Commonwealth Univ. University of North Carolina -- Greensboro University of Wisconsin -- Milwaukee Western Michigan University
Emporia State University Fort Hays State University Pittsburg State University	Eastern New Mexico University Murray State University Western Carolina University Central Oklahoma University Eastern Washington University Northern Arizona University

**a. Relative Funding for Regents Institutions.** The following tables display each university's funding relative to its peers, including a comparison of instructional faculty salaries.

#### Comparison of Funding at Regents Institutions to Average of Designated Peers Overall Relative Funding

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	Revised FY 1991
KU	85.9%	82.7%	82.6%	84.0%	87.2%	80.8%
KSU	85.8	79.4	81.6	82.0	80.5	80.0
WSU	86.3	85.2	80.0	79.9	80.7	84.3
ESU	93.2	88.1	90.8	93.2	91.5	84.9
PSU	89.1	81.0	77.7	84.4	87.0	89.5
FHSU	82.9	80.9	84.2	87.7	93.2	91.3
Systemwide	86.4%	82.2%	82.0%	83.5%	84.6%	82.4%

**Source:** Kansas Board of Regents, Compiled from Institutional Peer visit, using Kansas Cost Study

**Relative Funding of Instructional Faculty Salaries, FY 1987-1992**

	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>
KU	92.1%	88.6%	90.9%	92.1%	88.8%	88.0%
KSU	91.8	87.4	89.6	91.6	90.5	90.2
WSU	89.2	88.2	89.7	90.3	89.3	90.2
ESU	89.5	87.2	90.0	92.8	90.4	90.3
PSU	89.9	89.4	92.6	92.6	91.8	91.2
FHSU	86.7	84.8	90.6	94.4	91.8	90.8
System Total	90.9%	87.9%	90.4%	92.3%	89.9%	89.5%

**Source:** Kansas Board of Regents.

**2. Cost Per Student.** The methodology developed for the cost study can also be used to compare costs per student among the Regents universities for various educational levels. The cost study data are the basis for the next table which describes actual education and physical plant expenditures per FTE student per semester at each of the institutions.

**Total General Use Expenditures (Education  
and Physical Plant) Per FTE Student Per Semester – FY 1992**

	<u>KU</u>	<u>KSU</u>	<u>WSU</u>	<u>ESU</u>	<u>PSU</u>	<u>FHSU</u>	<u>System</u>
Lower Division	\$ 2,093	\$ 1,947	\$ 2,369	\$ 2,227	\$ 2,296	\$ 2,511	\$ 2,154
Upper Division	3,177	2,738	3,227	2,727	2,912	3,105	2,997
Combined Undergrad.	2,566	2,330	2,722	2,447	2,563	2,783	2,531
Graduate 1	2,620	3,103	2,648	2,193	2,143	2,293	2,615
Graduate 2	6,398	6,758	8,904	—	—	—	6,713
Combined Graduate	3,289	3,905	2,866	2,193	2,143	2,293	3,147
Gross Avg. Per FTE	2,748	2,604	2,744	2,392	2,481	2,691	2,656

**Source:** Kansas Board of Regents

93-5185

## **SUMMARY OF MISSION AND ROLE, 1992-2000**

**(Compiled by Staff of the Board of Regents)**

### **University of Kansas**

#### **Primary Institutional Descriptors:**

1. major comprehensive research and teaching university
2. membership in Association of American Universities
3. fosters a multicultural environment
4. center for learning, scholarship, creative endeavor
5. balances quality undergraduate and professional programs with advanced graduate programs

#### **Primary Service Area:**

1. first Kansas, then the nation and the world
2. programs offered throughout the state, particularly Lawrence, Kansas City, Wichita, Topeka, Parsons
3. international dimension is critical part of mission

#### **Range and Level of Degree Programs:**

1. undergraduate and graduate

#### **Areas of Unique or Special Responsibility:**

1. offers a broad array of advanced graduate programs
2. international distinction enriches undergraduate experience

## **University of Kansas Medical Center**

### **Primary Institutional Descriptors:**

1. research, education, patient care, and community service involving multiple constituencies at state and national level
2. leadership in the discovery of new knowledge and the development of programs in research, education, patient care
3. maintain recognized research programs to advance health sciences; educate health care professionals; provide high quality patient-centered health care and health related services

### **Primary Service Area:**

1. nationally and internationally recognized research programs primarily serving Kansas
2. health care services for Kansas, the region, and the nation

### **Range and Level of Degree Programs:**

1. undergraduate through graduate

### **Areas of Unique or Special Responsibility:**

1. primary responsibility for education of health care professionals in the state
2. medical care through the University hospital

## **Kansas State University**

### **Primary Institutional Descriptors:**

1. comprehensive
2. research
3. land grant, including extension
4. quality within a changing world and diverse society

### **Primary Service Area:**

1. first Kansas, then nation and world

**Range and Level of Degree Programs:**

1. undergraduate and graduate
2. masters and doctoral level

**Areas of Unique or Special Responsibility:**

1. coordinated teaching, research, and extension services fulfills land grant mandate

**Wichita State University**

**Primary Institutional Descriptors:**

1. strives to be a comprehensive, metropolitan university of national stature
2. programs in arts and sciences, business, engineering, education, fine arts, health professions
3. encompasses teaching and learning; scholarship, including research, creative activity, artistic performance; public and community service
4. scholarship in support of instruction and community service, and to contribute to knowledge and understanding

**Primary Service Area:**

1. city of Wichita and south central Kansas
2. statewide and national audiences for service activities

**Range and Level of Degree Programs:**

1. associate through doctoral degrees

**Areas of Unique or Special Responsibility:**

1. offers non-degree programs designed to meet the specialized educational and training needs of individuals and organizations in South Central Kansas
2. public service addressed to artistic and cultural agencies; business and industry; community, education, government, health, and labor organizations

**Emporia State University**

**Primary Institutional Descriptors:**

1. comprehensive Regents university

2. student centered, central mission is to develop life-long learning skills, impart society's cultural heritage, and education and prepare for professions and advanced study
3. research focuses primarily on the scholarship of integration, application and teaching
4. programs of national distinction in Education and Library Information Management

**Primary Service Area:**

1. primarily serving residents of Kansas
2. graduate programs serve needs and provide leadership in the region, the state and the Great Plains area
3. service in support of educational advancement, economic development and cultural enrichment for the region and state

**Range and Level of Degree Programs**

1. baccalaureate to education specialist
2. Ph.D. in Library Information Management will be referenced if it is approved by the Board in March, 1993

**Areas of Unique or Special Responsibility**

1. Education and Library Information Management

**Fort Hays State University**

**Primary Institutional Descriptors:**

1. regional university
2. instruction in computerized environment
3. undergraduate liberal education including the humanities, fine arts, social/behavioral sciences and natural/physical sciences

**Primary Service Area:**

1. principally western Kansas
2. public service to community, region, state

**Range and Level of Degree Programs:**

1. pre-professional

2. professional
3. masters
4. education specialist degrees

**Areas of Unique or Special Responsibility:**

1. undergraduate liberal education
2. integration of computers and telecommunications
3. scholarship links teachers and students, teaching and learning, theory with practice
4. cultural center of western Kansas

**Pittsburg State University**

**Primary Institutional Descriptors:**

1. comprehensive, regional university
2. programs in arts, sciences, business, education and technology and applied sciences
3. scholarship and creativity to add vitality to teaching
4. promotes broad and interactive international perspective

**Primary Service Area:**

1. southeast Kansas
2. statewide in technology and economic development
3. national and international in technology

**Range and Level of Degree Programs:**

1. undergraduate and graduate programs

**Areas of Unique or Special Responsibility:**

1. statewide mission in technology and economic development through partnerships with secondary and postsecondary educational institutions, businesses and industry
2. preserves heritage of the region
3. programs of professional and community services primarily to citizens of southeast Kansas

# ORGANIZATION AND TIMETABLE FOR BOARD ACTION ON THE 1992 MISSION STUDY

*DECEMBER,  
1992*

Universities Present Plans for:

1. MISSION
2. ROLE
3. ASPIRATION
4. PROGRAM REVIEW

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Staff Provides Analysis of Institutional Recommendations on Mission and Role

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Board Acts on Statements of Mission and Role

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Board Lifts Moratorium on New Degree Requests; Action on New and Pending Degree Requests in March, 1993

*DECEMBER,  
1992  
JANUARY, 1993*

Staff and COCAO to Review

1. Gaps and Overlaps in Aspiration Statements
2. Unmet Program Needs Caused by Proposed Program Discontinuance
3. Remaining Program Duplication

*FEBRUARY, 1993*

Board Acts on Statements of Aspiration

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Staff Analysis to Include Fiscal Summary of Program Review

-----

Board Authorizes the Institutions to Implement Program Recommendations

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Institutions Initiate Program Discontinuance Procedures and Report to the Board at the Completion of Campus Actions

*MARCH, 1993*

Board of Regents Considers New and Pending Degree Requests

*NOVEMBER,  
1993*

Regents Universities Report to the Board on Progress Toward Mission, Including Responses to Strategic Initiatives

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Board Considers and Acts Upon Institutional Recommendations on Strategic Initiatives

**FY 1993 Faculty Retirement Contribution Rates  
Comparison of Kansas Board of Regents Retirement  
Plan with Retirement Plans at Peer Institutions**

	University/ System Defined Contrib. Plan	State Defined Benefit Plan	Contribution Rate		Comments
			Employer	Employee	
Kansas Regents Universities	X		8.00%	5.00%	
<b>KU Peers</b>					
Univ. of Colorado	X		8.00	6.00	
Univ. of Iowa	X		6.67	3.33	Prior to 5 yrs. service/1st \$4,800
			10.00	5.00	Prior to 5 yrs. service/bal. of salary
			10.00	5.00	After 5 yrs. service/total salary
Univ. of North Carolina		X	8.35	6.00	
	X		6.46	6.00	Faculty may choose either plan
Univ. of Oklahoma		X	2.00	6.00	First \$25,000 of salary (mandatory)
			2.00	11.00	Next \$25,000-\$40,000 salary (optional)
	X		15.00	0.00	Applicable to salary beyond \$9,000
					Faculty participate in both plans
Univ. of Oregon		X	16.83	0.00	
<b>KSU Peers</b>					
Colorado State Univ.		X	11.60	8.00	
Iowa State Univ.	X		6.67	3.33	Prior to 5 yrs. service/1st \$4,800
			10.00	5.00	Prior to 5 yrs. service/bal. of salary
			10.00	5.00	After 5 yrs. service/total salary
North Carolina State Univ.		X	8.35	6.00	
	X		6.46	6.00	Faculty may choose either plan
Oklahoma State Univ.		X	2.00	6.00	First \$25,000 of salary (mandatory)
			2.00	11.00	Next \$25,000-\$40,000 salary (optional)
	X		10.00	5.00	Applicable to salary beyond \$7,800
					Faculty participate in both plans
Oregon State Univ.		X	16.83	0.00	
<b>WSU Peers</b>					
Univ. of Akron		X	14.00	9.25	
Portland State Univ.		X	16.83	0.00	
Virginia Commonwealth Univ.	X		10.40	0.00	Faculty may choose either plan
		X	10.12	0.00	
Univ. of N.C. - Greensboro		X	8.35	6.00	
	X		6.46	6.00	Faculty may choose either plan
Univ. of Wisconsin-Milwaukee		X	14.10	0.10	
Western Michigan Univ.	X		11.00	0.00	
<b>ESU, PSU, FHSU Peers</b>					
Univ. of Northern Arizona	X		7.00	7.00	Faculty may choose either plan
		X	3.59	3.59	
Murray State Univ.		X	13.84	6.16	
Eastern New Mexico Univ.	X		7.60	7.60	Faculty may choose either plan
		X	7.60	7.60	
Western Carolina Univ.		X	8.35	6.00	
	X		6.46	6.00	Faculty may choose either plan
Central Oklahoma Univ.		X	2.00	6.00	First \$25,000 of salary (mandatory)
			2.00	11.00	Next \$25,000-\$40,000 salary (optional)
	X		4.00	0.00	Faculty participate in both plans
Eastern Washington Univ.	X		5.00	5.00	If employee under age 35
			7.50	7.50	If employee age 35 to 50
			10.00	10.00	If employee over age 50 (optional)

## Regents Institutions -- Shrinkage Rate Request

<u>Institution</u>	<u>FY 1994 Rate Request</u>	<u>FY 1994 Rate Gov. Rec.</u>	<u>FY 1994 Total GU Salaries Gov. Rec.</u>	<u>FY 1994 Shrinkage Amt. Gov. Rec.</u>	<u>0.25 Percent</u>
KU	2.17	2.42	\$ 141,701,534	\$ (3,429,178)	\$ 354,254
KSU	2.55	2.80	94,215,606	(2,638,036)	235,539
WSU	2.69	2.94	60,873,390	(1,789,678)	152,183
ESU	1.21	1.46	25,681,398	(374,948)	64,203
PSU	1.23	1.50	28,045,900	(420,688)	70,115
FHSU	2.06	2.31	25,371,803	(586,090)	63,430
KSU-Extension	2.55	2.80	38,759,879	(1,085,278)	96,900
KSU-Salina	0.88	1.18	3,780,435	(44,611)	9,451
KSU-Vet. Med. Ctr.	2.35	2.61	11,024,101	(287,729)	27,563
KUMC -- Education	3.17	3.44	82,647,305	(2,843,067)	206,618
KUMC -- Hospital	2.78	2.95	72,779,331	(2,146,989)	181,948

93-5704/dd

ATTACHMENT 1b