

Approved: March 10, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:45 a.m. on March 2, 1993 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

SB 43 - APPROPRIATIONS FOR FY94, STATE BOARD OF REGENTS AND HIGHER EDUCATION INSTITUTIONS

UNIVERSITY OF KANSAS MEDICAL CENTER (Attachment 1)

The FY94 subcommittee report was presented by Senator Morris. It was explained that under the terms of the Kansas Medical Residency Bridging Program, KUMC pays \$5,000 for each year of primary care residency training and the community, at a minimum, matches the \$5,000. Upon completion of the program, the student is paid a \$6,000 bonus by the state. The program's intent is that primary care physicians locate and practice in the communities that sponsor them.

In answer to a question regarding the recommended Faculty Locum Tenens Program and KUMC (recommendation 11, Attachment 1-5), it was explained that different faculty members could rotate to provide nearly year round relief for rural practitioners. It was noted that the faculty could generate revenue while performing this function.

Senator Morris told members that the Governor and Budget Director are meeting to address concerns regarding the Primary Care Nurse Practitioner Program (Recommendation 13, Attachment 1-6). Chairman Bogina noted that there is a grant in addition to the appropriation for this program, and it is the subcommittee's recommendation that the two be coordinated.

In answer to a question, it was stated that according to a Post Audit study, 46% of those students receiving medical scholarships fulfill the obligations of their contract.

Senator Kerr inquired whether the subcommittee's recommendations were in line with those of the various health care commissions so that the Committee could have some reassurance of an integrated strategy. Chairman Bogina answered that the recommendations regarding the Nurse Practitioner Program, the Locum Tenens Program and the Residency Bridging Program were discussed by the Joint Committee on Health Care Decisions for the 90's.

Senator Moran noted that the Interim Committee on Judiciary had studied Proposal 13 - Statewide Medical Examiners System and concluded that there is a need to upgrade the quality of forensic pathologist services in the state. Therefore, Senator Moran moved, Senator Rock seconded, that the FY94 report be conceptually amended by requesting that the second house consider adding a forensic pathologist position at KUMC to provide aid to local units. The motion carried on a voice vote.

Senator Salisbury expressed her concern about the ability to enhance primary care and noted that she believed

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:45 a.m. on March 2, 1993.

it would be appropriate to study how the medical department is supported and how revenues are dispersed within KUMC to motivate interest in primary care.

In answer to Senator Karr, Chairman Bogina identified two concerns the subcommittee had regarding the medical center, the decreasing amount of state support for the teaching faculty and the inordinately large number of poor served by KUMC.

It was moved by Senator Morris and seconded by Senator Moran that the FY94 report as amended be recommended favorable for passage. The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Moran that the Committee reconsider its action on the FY93 subcommittee report. The motion carried on a voice vote.

Senator Morris moved, Senator Moran seconded, that recommendation 3 of the FY93 subcommittee report for the University of Kansas Medical Center be amended to read increased expenditures of "\$223,000" rather than "\$233,000" from the Medical Loan Repayment Fund. The motion carried on a voice vote.

Senator Moran moved that the amended FY93 report be adopted. Senator Morris seconded the motion, which carried on a voice vote.

WICHITA STATE UNIVERSITY (Attachment 2)

The FY93 and FY94 subcommittee reports were reviewed by Senator Salisbury. There was committee discussion regarding the Physician Assistant Program at WSU (Recommendation 11, Attachment 2-6). For \$342,000, the size of the program could be increased by 50%. It was stated that there is a need to provide an overall strategy for and coordination of the programs. It was moved by Senator Salisbury and seconded by Senator Brady that the FY93 and FY94 reports be adopted. The motion carried on a voice vote.

KANSAS STATE UNIVERSITY (Attachment 3)

Senator Vancrum presented the FY93 subcommittee report. It was moved by Senator Vancrum and seconded by Senator Petty that the FY93 report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was ready by Senator Vancrum. Senator Kerr questioned whether the Kansas Labor Center at KSU was part of the overall strategy for economic development. Senator Kerr moved, Senator Salisbury seconded, that the FY94 subcommittee report be amended by striking the words "and add \$35,000 from the EDIF in a separate line item for the Center" from the first sentence of recommendation 8. The motion carried on a voice vote.

The Committee requested that staff determine whether there is a uniform policy regarding using state funds for the payment of utilities at residence halls, student centers and alumni centers.

Senator Vancrum moved, Senator Petty seconded that technical amendments be made to the FY94 report and that it be adopted as amended. The motion carried on a voice vote.

KSU--EXTENSION SYSTEMS AND AGRICULTURE RESEARCH PROGRAMS (Attachment 4)

Senator Vancrum reviewed the FY93 subcommittee report. Senator Morris expressed concern that the subcommittee's recommendation to delete salary savings (Recommendation 3, Attachment 4-2) was in violation of the intent of 1991 HB 2020. In answer to a question, Sue Peterson, Kansas State University, stated that there has been no consolidation of county agents to date and the FY93 salary savings are not the result of consolidation.

It was moved by Senator Vancrum and seconded by Senator Petty that the FY93 subcommittee report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was reviewed by Senator Vancrum. The Committee discussed the feasibility of the private sector providing the \$100,000 match for the statewide forest inventory in Kansas. Staff noted that the deadline for securing the money is July, 1993. Senator Moran moved, Senator Brady seconded, that the subcommittee report be amended by recommending an additional \$75,000 (for a total of \$175,000) as the state's contribution towards the \$200,000 necessary to provide the match for the federal grant of \$280,000 from the U.S. Forest Service to conduct a statewide forest inventory in Kansas. In answer to a question, it was stated that the subcommittee discussed the impact of this industry on the Kansas economy. Staff noted

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:45 a.m. on March 2, 1993.

that the survey was funded by a state appropriation in the past. The motion carried on a voice vote.

It was moved by Senator Vancrum and seconded by Senator Petty that the FY94 subcommittee report as amended by recommended favorable for passage. The motion carried on a voice vote.

KSU--SALINA, COLLEGE OF TECHNOLOGY (Attachment 5)

The FY93 and FY94 subcommittee reports were reviewed by Senator Vancrum. It was moved by Senator Vancrum and seconded by Senator Petty that the FY93 and FY94 reports be adopted. The motion carried on a voice vote.

KSU--VETERINARY MEDICAL CENTER (Attachment 6)

Senator Vancrum presented the FY93 and FY94 subcommittee reports. It was moved by Senator Vancrum that the FY93 and FY94 reports be adopted. Senator Petty seconded the motion, which carried on a voice vote.

Senator Karr moved, Senator Rock seconded, that SB 43 as amended be recommended favorable for passage. The motion carried on a roll call vote.

It was moved by Senator Salisbury and seconded by Senator Vancrum that SB 62 as amended be recommended favorable for passage. The motion carried on a roll call vote.

Senator Karr moved and Senator Moran seconded that the minutes of the February 24, 1993 meeting be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 1:25 P.M.

The next meeting is scheduled for March 3, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: March 2 1993

[illegible]

SUBCOMMITTEE REPORT

Agency: University of Kansas
Medical Center

Bill No. 43

Bill Sec. 10

Analyst: Duffy

Analysis Pg. No. 761

Budget Page No. 598

OVERALL SUMMARY (Education and Hospital)

Expenditure	Agency Req. FY 94	Governor's Rec. FY 94*	Senate Sub. Rec. FY 94
Operating Expenditures:			
State General Fund	\$ 76,704,623	\$ 73,295,497	\$ (695,413)
General Fees Fund	7,798,883	8,650,285	--
Hospital Revenue Fund	101,634,751	101,351,896	(445,014)
Hospital Overhead Reimbursement	14,429,705	14,637,873	--
Loan Repayment Fund	500,000	1,700,000	453,300
Subtotal General Use	\$ 201,067,962	\$ 199,635,551	\$ (687,127)
Other Funds -- Restricted Use	73,465,268	73,465,268	--
TOTAL -- Operating Expend.	<u>\$ 274,533,230</u>	<u>\$ 273,100,819</u>	<u>\$ (687,127)</u>
Capital Improvements:			
Hospital Revenue Fund	\$ 1,600,000	\$ 1,600,000	\$ --
Educational Building Fund	5,999,223	5,999,223	--
Other Funds	740,000	740,000	--
TOTAL -- Capital Improvements	<u>\$ 8,339,223</u>	<u>\$ 8,339,223</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 282,872,453</u></u>	<u><u>\$ 281,440,042</u></u>	<u><u>\$ (687,127)</u></u>
FTE Positions:			
Classified	2,328.6	2,334.1	--
Unclassified	2,430.9	2,473.4	--
TOTAL	<u><u>4,759.5</u></u>	<u><u>4,807.5</u></u>	<u><u>--</u></u>

* Includes Budget Amendment No. 1 which increases \$122,297 from the State General Fund and decreases \$282,855 from the Hospital Revenue Fund to accurately reflect the Governor's intent.

SWAM
March 2, 1993
Attachment 1

EDUCATION PROGRAM

Expenditure	Agency Req. FY 94	Governor's Rec. FY 94	Senate Sub. Rec. FY 94
Operating Expenditures:			
State General Fund	\$ 76,704,623	\$ 73,173,200	\$ (695,413)
General Fees Fund	7,798,883	8,650,285	--
Hospital Revenue Fund	--	--	--
Hospital Overhead Reimbursement	14,429,705	14,637,873	--
Other Funds	500,000	1,700,000	453,300
Subtotal General Use	\$ 99,433,211	\$ 98,161,358	\$ (242,113)
Other Funds -- Restricted Use	39,716,597	39,716,597	--
TOTAL -- Operating Expend.	\$ 139,149,808	\$ 137,877,955	\$ (242,113)
FTE Positions:			
Classified	1,272.5	1,278.0	--
Unclassified	1,347.8	1,390.3	--
TOTAL	2,620.3	2,668.3	--

HOSPITAL PROGRAM

Expenditure	Agency Req. FY 94	Governor's Rec. FY 94	Senate Sub. Rec. FY 94
Operating Expenditures:			
State General Fund	\$ --	\$ --	\$ --
General Fees Fund	--	--	--
Hospital Revenue Fund	101,634,751	100,332,072	(445,014)
Other Funds	--	--	--
Subtotal General Use	\$ 101,634,751	\$ 100,332,072	\$ (445,014)
Other Funds -- Restricted Use	33,748,671	33,748,671	--
TOTAL -- Operating Expend.	\$ 135,383,422	\$ 134,080,743	\$ (445,014)
FTE Positions:			
Classified	1,056.1	1,056.1	--
Unclassified	1,083.1	1,083.1	--
TOTAL	2,139.2	2,139.2	--

Agency Request/Governor's Recommendation

The Medical Center requests an overall increase of \$16,578,862 over the FY 1993 base budget. (The base budget does not include the requested State General Fund supplemental appropriation for fringe benefits.) The overall increase is composed of \$11,333,040 in general use funds. The requested general use increases include: (1) an increase in the Regents employers' retirement contribution from 8 percent to 9 percent; (2) a .27 percent reduction in the shrinkage rate; (3) a 4.5 percent increase in unclassified salaries, including hospital residents and health care workers; (4) a 5 percent increase for student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 6 percent increase in other

operating expenditures; and (7) mission related program enhancements targeted at library improvements and minority faculty recruitment.

For FY 1994, the Governor's recommendation reflects a net increase of \$14,004,330 over the Governor's recommended FY 1993 base budget. The overall increase is composed of general use expenditures of \$8,758,508 and \$5,245,822 of restricted use expenditures. The Governor's recommendation for general use expenditures includes the following: (1) concurs with the agency's request to increase the Regents employers' retirement contribution by approximately 1 percent; (2) a 3.0 percent increase in unclassified salaries, including hospital residents and health care workers; (3) a 5 percent increase in student salaries; (4) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (5) a 4 percent increase in other operating expenditures; (6) a 3 percent increase for the Wichita resident contract; (7) two new program enhancements, a Nurse Practitioner Initiative (\$400,000) and a Faculty Locum Tenens Programs (\$276,000). The Governor recommends the addition of 10.0 FTE positions to be funded from restricted use funds.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Unclassified Salaries.** Delete \$441,328 in general use funding (\$258,704 for Education and \$182,624 for Hospital) for Regents unclassified faculty and staff salaries, including health care workers and house staff. The Senate Subcommittee recommends a salary increase of 2.5 percent 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 (which includes 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 Subcommittee recommends a systemwide salary increase of 2.5 percent for classified, unclassified, and student employees.
2. **Systemwide Recommendation -- Regents Unclassified Retirement Rate Increase.** Delete \$472,155 in general use funding (\$363,462 for Education and \$108,693 for Hospital) for the 1 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Subcommittee's recommendations is made pending passage of legislation.
3. **Systemwide Recommendation -- Student Salaries.** Delete \$21,517 in general use funding (\$11,619 for Education and \$9,898 for Hospital) for student salaries. The Senate Subcommittee recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5 percent. The Subcommittee urges the University to strike a balance between increasing the number of student employees and increasing average wages.
4. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$205,427 in general use funding (\$61,628 for Education and \$143,799 for Hospital) for other operating expenditures. The Senate Subcommittee recommends a 3.5

percent increase in other operating expenditures. The Regents requested a 6 percent increase and the Governor recommended a 4 percent increase.

5. **Systemwide Recommendation – Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1994; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
6. Concur with Budget Amendment No. 1 to increase expenditures from the State General Fund by \$122,297 and decrease expenditures from the Hospital Revenue Fund by \$282,855 to accurately reflect the Governor's intent.
7. The Subcommittee recommends increased expenditures of \$453,300 from the Medical Loan Repayment Fund to provide 40 loans, an increase of ten over the number recommended by the Governor. Also, the Subcommittee's recommendation is based on a maximum annual award of \$22,665 (\$15,000 for stipend and \$7,665 for tuition and required fees), based on the most recent information provided by KUMC. The table below indicates the agency's amended request, Governor's recommendation, and Senate Subcommittee recommendation.

MEDICAL SCHOLARSHIP/LOAN REPAYMENT FUND						
	<u>Agency Est. FY 93*</u>	<u>Gov. Rec. FY 93</u>	<u>Sen. Sub. Rec. FY 93</u>	<u>Request FY 94*</u>	<u>Gov. Rec. FY 94</u>	<u>Sen. Sub. Rec. FY 94</u>
Beginning Balance	\$ 796,779	\$ 796,779	\$ 796,779	\$ 242,622	\$ 702,622	\$ 469,622
Receipts:						
Repayments	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>3,500,000</u>	<u>4,400,000</u>	<u>4,400,000</u>
Total Available	\$ 5,196,779	\$ 5,196,779	\$ 5,196,779	\$ 3,742,622	\$ 5,102,622	\$ 4,869,622
Less Expenditures:						
Loans	2,550,407	2,090,407	2,323,407	2,809,038	2,349,038	2,802,338
Operating for Educ. Prog.	<u>2,403,750</u>	<u>2,403,750</u>	<u>2,403,750</u>	<u>500,000</u>	<u>1,700,000</u>	<u>1,700,000</u>
Subtotal – Expenditures	\$ 4,954,157	\$ 4,494,157	\$ 4,727,157	\$ 3,309,038	\$ 4,049,038	\$ 4,502,338
Ending Balance	<u>\$ 242,622</u>	<u>\$ 702,622</u>	<u>\$ 469,622</u>	<u>\$ 433,584</u>	<u>\$ 1,053,584</u>	<u>\$ 367,284</u>
Expenditure Limitation	\$ 4,954,157	\$ 4,650,600	\$ 4,727,157	\$ 3,309,038	\$ 4,049,038	\$ 4,502,338

* KUMC amended its budget request in December, 1992 to request 50 new loans in FY 1993 and FY 1994.

MEDICAL STUDENT LOAN PROGRAM						
	<u>Agency Est. FY 93*</u>	<u>Gov. Rec. FY 93</u>	<u>Sen Sub. Rec. FY 93</u>	<u>Request FY 94*</u>	<u>Gov. Rec. FY 94</u>	<u>Sen. Sub. Rec. FY 94</u>
Medical Student Loans						
No. of Recipients;						
New	50	30	40	50	30	40
Renewal	<u>68</u>	<u>68</u>	<u>68</u>	<u>99</u>	<u>79</u>	<u>89</u>
Total	<u>118</u>	<u>98</u>	<u>108</u>	<u>149</u>	<u>109</u>	<u>129</u>

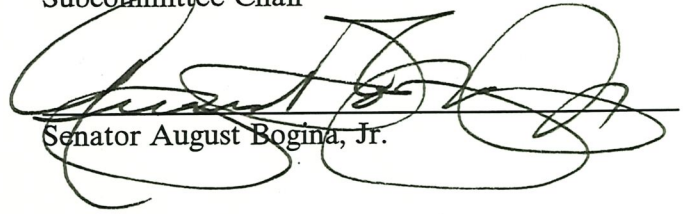
8. The Subcommittee reviewed the shrinkage rate applied to the Education and Hospital programs and concurs with the Governor's rates of 3.44 percent for the Education Program and 2.95 percent for the Hospital Program.
9. The Board of Regents authorized KUMC to amend its budget submission to request an increase in the limitation on FTE positions by 50 for FY 1993 and an additional 30 for FY 1994. The additional position authority would be supported by restricted use research funds. The Governor recommends an increase in positions of 35 for FY 1993 and 10 for FY 1994. The Subcommittee concurs with the Governor's recommendation, but recommends that language be added to the appropriation bill indicating that these additional positions are supported by restricted use funds and not state funds. Further, the Subcommittee notes that if KUMC receives substantial unanticipated external research funding and needs additional FTE authority, it should seek State Finance Council approval for additional FTE positions.
10. The 1992 Legislature created the Kansas Medical Residency Bridging Program and approved \$321,000 in general use funding for the first year of the program. The program is designed to provide an incentive to medical residents in primary care programs to practice in rural Kansas communities. When the budget was submitted, the University requested an additional \$100,000 to be added to the base for the second year of the program for resident contracts. According to KUMC, \$421,000 would fully fund the existing program. The Governor did not recommend the additional \$100,000. Based on the number of residents currently in the program, the Subcommittee believes there may be savings in the start-up year that may be used for the second year of the program. It is the Subcommittee's intent to fully fund this program. The Subcommittee suggests that the second house review the program and continue to monitor the number of residents participating in the program to determine whether additional funding will be necessary in FY 1994.
11. The Subcommittee reviewed the Governor's recommendation to add \$276,000 from the State General Fund in FY 1994 to initiate a Faculty Locum Tenens Program at KUMC. The program is intended to provide the equivalent of two full-time faculty members to provide temporary relief for solo practitioners in rural Kansas who are not able to serve the community due to illness, a need for vacation, continuing medical education or a variety of other reasons. Rural primary care physicians cite the lack of relief as a significant deterrent to establishing and maintaining a rural practice. Further, the locum tenens physicians would assume practice responsibilities in those communities where patient care is seriously compromised when the community physician must be away. The initiative includes 2.0 FTE faculty positions, one to be located at the Kansas City campus in the Family Practice Department and the other to be located at the Wichita campus in the Family Practice Department. The Governor's recommendation would provide \$138,000 (\$90,000 for salary and \$48,000 for OOE, primarily travel and subsistence) for each position. Revenue for the program would also be generated from a combination of patient charges, contractual payments from the community physician, or both. The Subcommittee strongly supports this rural, primary health care initiative. The Subcommittee

urges KUMC to begin developing guidelines for the program, so that if approved, the program will be operational as soon as funding is available. The Subcommittee expects KUMC to provide a report to the 1994 Legislature which provides a full description of the program, an accounting of the program's activities in FY 1994, including the amount of time actually spent out in relief in rural communities.

12. The Governor recommends \$400,000 from the State General Fund for a Primary Care Nurse Practitioner Program. Although all of the recommended funding would be appropriated to KUMC, it is the Governor's intent that the program be operated collaboratively by the nursing schools of KUMC, FHSU and WSU. In FY 1993, FHSU and WSU initiated separate nurse practitioner programs with grant funding. Currently, KUMC does not offer a nurse practitioner program. The Governor's recommendation includes \$250,000 for salaries (6.0 unclassified faculty, 1.0 unclassified director, and 0.5 classified secretary) and \$150,000 for interactive video equipment (\$50,000 each) at the three campuses. The Governor's initiative is designed so that classes at FHSU and WSU would be taught via interactive video by the shared faculty located at the KUMC campus. The supervised clinical portion of the program would be taught by adjunct faculty. The program would require six core classes which are not available in the traditional nursing school curriculum. A full-time student would be able to complete the course in 14 months. The Subcommittee is concerned about the needs of nontraditional students who are place bound and the technical feasibility of delivering the Nurse Practitioner core courses to them via interactive video. The Subcommittee has asked KUMC to ascertain whether the courses taught via interactive video could be transmitted to additional locations across the state. KUMC will report their findings to the House Subcommittee. Also, the Kansas Board of Regents is in the process of reviewing the Nurse Practitioner proposal, including funding for the program. The Senate Subcommittee requests that the Board of Regents present their recommendations relating to this program to the House Subcommittee.
13. Over the last several years, the Legislature has expressed increasing frustration in KUMC's inability to precisely identify all of the overhead costs (*i.e.*, security, housekeeping, maintenance, utilities etc.) within the KUMC budget which should be appropriately apportioned to the University of Kansas Hospital. Past practice has been to make an estimate of the Hospital's share of overhead costs, \$14.7 million in FY 1994, and transfer this estimated amount from the Hospital Revenue Fund (hospital budget) to the Hospital Overhead Reimbursement Fund (education budget). The estimate is directly related to the amount of General Fund necessary to finance the education portion of the budget. The 1992 Senate Subcommittee on KUMC requested that a comprehensive accounting study, that was started in 1991 to explicitly detail the University Hospital's share of overhead costs, be completed and the results reported to the Legislature at the beginning of the 1993 Session. The Subcommittee received a copy of the report and requested Legislative Post Audit to review the methodology used by KUMC in the study. At this time, the Senate Subcommittee concurs with the Governor's recommended transfer of \$14.7 million in FY 1994, but refers this matter specifically to the House Subcommittee which will have the benefit of Legislative Post Audit's review of the study methodology.



Senator Steve Morris
Subcommittee Chair



Senator August Bogina, Jr.

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. NA

Bill Sec. NA

Analyst: Duffy

Analysis Pg. No. 753

Budget Page No. 614

Expenditure Summary	Agency Est. FY 93	Gov. Rec. FY 93	Senate Subcommittee FY 93
Operating Expenditures:			
State General Fund	\$ 49,272,870	\$ 49,094,926	\$ --
General Fees Fund	19,290,071	19,290,071	--
Subtotal General Use	68,562,941	\$ 68,384,997	\$ --
Other Funds	33,710,079	33,710,079	--
TOTAL--Operating Expend.	\$ 102,273,020	\$ 102,095,076	\$ --
Capital Improvements:			
Educational Building Fund	\$ 1,797,792	\$ 1,816,492	\$ --
Other Funds	530,000	545,000	--
TOTAL--Capital Impr.	\$ 2,327,792	\$ 2,361,492	\$ --
GRAND TOTAL	\$ 104,600,812	\$ 104,456,568	\$ --
FTE Positions:			
Classified	662.6	662.6	--
Unclassified	1,049.1	1,049.1	--
TOTAL	1,711.7	1,711.7	--

Agency Estimate/Governor's Recommendation

FY 1993. Wichita State University requests a total operating budget in FY 1993 of \$102,273,020, an increase of 2.9 percent over actual FY 1992 expenditures. General use expenditures account for \$68,562,941 and a 4.3 percent increase in expenditures over actual FY 1992. The FY 1993 estimate includes a State General Fund supplemental appropriation of \$177,944 for changes in fringe benefit rates from amounts approved by the 1992 Legislature.

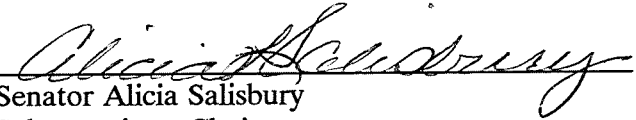
For FY 1993, the Governor recommends a total operating budget of \$102,095,076 of which general use expenditures account for \$68,384,997. The Governor does not recommend the requested State General Fund supplemental appropriation to finance the current year changes in fringe benefit rates. Increased expenditures for fringe benefit rates are offset by increasing the agency's shrinkage rate from the approved rate of 2.94 percent to 3.23 percent.

SWAM
March 2
Attachment 2

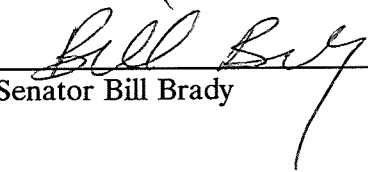
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, but notes the following:

1. **Systemwide Recommendation – Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1993; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 43

Bill Sec. 11

Analyst: Duffy

Analysis Pg. No. 753

Budget Page No. 614

Expenditure	Agency Req. FY 94	Gov. Rec. FY 94	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 52,264,752	\$ 50,734,680	\$ (718,262)
General Fees Fund	20,782,349	20,772,920	135,386
Subtotal General Use	<u>73,047,101</u>	<u>\$ 71,507,600</u>	<u>\$ (582,876)</u>
Other Funds	33,973,697	33,973,697	--
TOTAL--Operating Expend.	<u>\$ 107,020,798</u>	<u>\$ 105,481,297</u>	<u>\$ (582,876)</u>
Capital Improvements:			
Educational Building Fund	\$ 18,700	\$ 0	\$ --
Other Funds	134,000	119,000	--
TOTAL--Capital Impr.	<u>\$ 152,700</u>	<u>\$ 119,000</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 107,173,498</u></u>	<u><u>\$ 105,600,297</u></u>	<u><u>\$ --</u></u>
FTE Positions:			
Classified	664.6	662.8	--
Unclassified	1,051.6	1,049.1	--
TOTAL	<u>1,716.2</u>	<u>1,711.9</u>	<u>--</u>

Agency Request/Governor's Recommendation

FY 1994. The University requests an overall increase of \$4,925,722 over the FY 1993 base budget. (The base budget does not include the requested State General Fund supplemental appropriation). The overall increase is composed of \$4,662,104 in general use expenditures while restricted use expenditures are expected to increase by \$263,618. The requested general use increases include: (1) an increase in the Regents employers' retirement contribution from 8 percent to 9 percent; (2) a .25 percent reduction in the shrinkage rate; (3) a 4.5 percent increase in unclassified salaries; (4) a 5 percent increase for student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 6 percent increase in other operating expenditures; and (7) mission related program enhancements targeted at library improvements and minority faculty recruitment.

For FY 1994, the Governor's recommendation reflects a net increase of \$3,386,221 over the FY 1993 base budget. The overall increase is composed of general use expenditures of \$3,122,603 and includes the following: (1) concurs with the agency's request to increase the Regents employers' retirement contribution by approximately 1 percent; 2) a 3.0 percent increase in

unclassified salaries; (3) a 5 percent increase in student salaries; (4) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (5) a 4 percent increase in other operating expenditures; and (6) funds for servicing the new tennis complex.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation – Unclassified Salaries.** Delete \$205,864 in general use funding for Regents unclassified faculty and staff salaries. The Senate Subcommittee recommends a salary increase of 2.5 percent or \$997,101 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 (which includes 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 Subcommittee recommends a systemwide salary increase of 2.5 percent for classified, unclassified, and student employees.
2. **Systemwide Recommendation – Regents Unclassified Retirement Rate Increase.** Delete \$299,756 in general use funding for the 1 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Subcommittee's recommendations is made pending passage of legislation.
3. **Systemwide Recommendation – Student Salaries.** Delete \$33,305 in general use funding for student salaries. The Senate Subcommittee recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5 percent. The Subcommittee urges the University to strike a balance between increasing the number of student employees and increasing average wages.
4. **Systemwide Recommendation – Other Operating Expenditures.** Delete \$43,951 in general use funding for other operating expenditures. The Senate Subcommittee recommends a 3.5 percent increase (\$307,655) in other operating expenditures. The Regents requested a 6 percent increase and the Governor recommended a 4 percent increase.
5. **Systemwide Recommendation – Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1994; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
6. **Systemwide Recommendation – FY 1994 Tuition Rate Increase.** The Subcommittee concurs with the Board's recommended tuition rates for FY 1994, except for the rate increase for nonresident undergraduates. The Regents request included a rate increase for nonresident undergraduates of 8 percent at the

doctoral universities (KU,KSU,WSU) and 6 percent at the regional universities (ESU,FHSU,PSU). The Senate Subcommittee recommends a 10 percent increase at the doctoral universities and 8 percent increase at the regional universities. The Subcommittee believes that tuition rates at the Regents universities are generally a "bargain" for nonresidents. The Subcommittee recognizes the Board's efforts to increase tuition rates in recent years for residents and nonresidents, but believes that a more aggressive increase for nonresident undergraduates is warranted in FY 1994. The effect of the Subcommittee's recommendation is to increase expenditures from the General Fees Fund at WSU by \$135,386 and reduce expenditures from the State General Fund by this same amount.

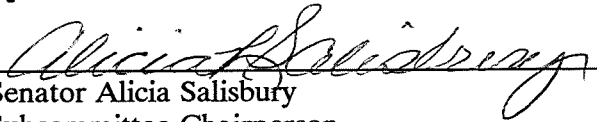
7. The Subcommittee commends President Warren Armstrong for his ten years of service (1983-1993) to Wichita State University and the State of Kansas as President of WSU. Among the many contributions of President Armstrong, the Subcommittee highlights several accomplishments including establishing the university's research mission and tripling research activities, helping to create the National Institute for Aviation Research, completing the University's first major capital campaign -- the \$100 million "Commitment to Excellence", and guiding the University to full membership in the National Association of State Universities and Land-Grant Colleges.
8. Make technical changes, which do not impact funding, to the appropriation bills (S.B. 43 and S.B. 87), as requested by the University.
9. The Subcommittee reviewed the shrinkage rate applied to WSU's salary and wage budget and concurs with the Governor's recommended rate of 2.94 percent.
10. The Subcommittee notes that the Governor recommends \$400,000 for a Primary Care Nurse Practitioner program to be appropriated to the Kansas University Medical Center (KUMC). However, the Subcommittee was told that the Governor intends that the program be operated collaboratively by the nursing schools of KUMC, FHSU, and WSU. WSU and FHSU initiated separate Primary Care Nurse Practitioner programs in FY 1993 as demonstration projects funded with one-year grants from the Kansas Health Foundation. FHSU enrolled 12 students and WSU enrolled 8 students. The Governor's recommendation includes \$250,000 for salaries at KUMC (6.0 unclassified faculty, 1.0 unclassified director, and 0.5 secretary) and \$150,000 for interactive video equipment (\$50,000 each) at the three campuses. The Governor's initiative is designed so that classes at FHSU and WSU would be taught via interactive video by the shared faculty located at the KUMC campus. The supervised clinical portion of the program would be taught by adjunct faculty. The Subcommittee learned that officials were recently notified that the collaborative project was awarded \$1,039,945 (\$999,945 in direct costs at the three program sites) from the Kansas Health Foundation with the bulk of the funding awarded in FY 1994 and FY 1995. In general, the grant funds at each site the following: 2.0 FTE positions -- \$300,000 annually (0.5 project director/site coordinator, 1.0 faculty position, and 0.5 administrative assistant); OOE, including interactive video time -- \$25,000; and scholarships -- \$150,000. The Subcommittee understands that the Primary Care Nurse Practitioner proposal would be a new concentration within existing graduate

degrees in nursing and is under review by the Board of Regents. The Subcommittee requests that the Board recommend a five-year budget to develop and implement a viable Nurse Practitioner Program and present their recommendations to the House Subcommittee. Specifically, the Subcommittee requests that the Board respond to the following questions to insure maximum use of limited state resources.

- a. Given the receipt of the grant which awards approximately \$475,000 for the program in FY 1994 and limited state resources, is all of the \$400,000 (SGF) recommended by the Governor necessary to operate a viable collaborative program?
 - b. In terms of supporting the long-term ongoing costs of the program, what revenue sources beginning in FY 1996 would be used to replace the grant funding of approximately \$475,000 annually, of which \$325,000 is for ongoing operational costs and \$150,000 is for scholarships?
 - c. The Subcommittee notes that 1992 S.B. 17 which has passed the Senate creates the Advanced Registered Nurse Practitioner Scholarship Program which proposes to establish 12 new state funded scholarships at \$15,000 each for a total of \$180,000 in FY 1994. The Kansas Health Foundation Grant includes a total of \$150,000 for scholarships in both FY 1994 and FY 1995 (15 scholarships at \$10,000 each). How many slots are necessary for Nurse Practitioners? If S.B. 17 is enacted, could the grant funding be used to finance all or a portion of the scholarship program in FY 1994?
11. The Subcommittee reviewed WSU's Physician Assistant (PA) Program and 1993 S.B. 13 which among other provisions would establish a Physician's Assistants Scholarship Program. The Senate Ways and Means Committee held hearings on S.B. 13 on January 25, 1993. As of this date, the Committee has not taken action on this bill. The PA program at WSU is the only program in the state. In light of the proposed legislation, the Subcommittee discussed the PA program with the Chair of the Department as well as the President of the University. The Subcommittee believes that mid-level practitioners, such as physician assistants, play an important role in the delivery of primary and preventive health care services in Kansas, and generally supports expanded training opportunities for mid-level practitioners. After study and consultation, the Subcommittee concurs with the University and the Dean of the program that it would be a more effective use of state funds to expand the program at WSU and create more PA slots rather than to fund the proposed scholarship program. According to the University, there is no problem in attracting large numbers of qualified applicants for the physician assistants program, as evidenced by the Fall, 1993 enrollment where 300 applicants competed for 30 student slots. Although the University administration expressed support for the program, the PA program was not identified as a program to gain additional resources from internal reallocations resulting from

program review. If there is Legislative interest in adding enhanced funding for physician assistants, it is the Subcommittee's opinion that it would be a more effective use of state funds to enhance the program at WSU rather than to fund the proposed scholarship program.

12. The Subcommittee learned that WSU has experienced a static or steadily decreasing number of students over the past ten years. With the exception of slight increases between 1986-1989, student headcount and student credit hours have declined steadily with fairly substantial decreases recorded the past three years. The Subcommittee understands that the University has designed a multi-faceted, comprehensive plan to address enrollment concerns. The Legislature should continue to monitor enrollment trends at WSU and its potential impact on future funding.
13. The subcommittee reviewed various sets of comparable data for WSU and its designated peers and how WSU compares to its peers in the areas of tuition and required fees, overall funding, faculty salary expenditures, state contributions for faculty retirement, and OOE expenditures. For example the FY 1992 data indicates that, for faculty salaries WSU is funded at 90.2 percent of its peer institutions and for overall funding WSU is funded at 84.3 percent of its peers. In regard to tuition and required fees for FY 1992, the Subcommittee learned that for residents, WSU is below all of its peer institutions, except for one; and for nonresidents WSU is significantly below all of its peers. WSU's peer institutions are: University of Akron, Portland State University, Virginia Commonwealth University, University of North Carolina -- Greensboro, and University of Wisconsin -- Milwaukee, and Western Michigan University. When the Subcommittee discussed the level of WSU's tuition compared to tuition at their peer institutions, University officials stated that in the case of tuition, their peers did not provide an appropriate comparison for WSU. The Subcommittee is not in a position to agree or disagree with the University, but is concerned that WSU perceives its peers to be inappropriate. The Subcommittee urges WSU to discuss their concerns with the Board of Regents and if necessary select new peers that are more similar to WSU. In order for the peer comparisons to be a credible tool to analyze the Regents institutions, policymakers must be confident that WSU's designated peers are appropriate.
14. The Subcommittee understands that KUMC and WSU are engaged in a cooperative program to jointly deliver a masters degree in public health. The Subcommittee applauds this collaborative effort and urges the Regents institutions to enter into cooperative ventures whenever possible to avoid unnecessary duplication and maximize program resources.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 62

Bill Sec. 11

Analyst: Duffy

Analysis Pg. No. 697

Budget Page No. 400

Expenditure Summary	Agency Est. FY 93	Gov. Rec. FY 93	Senate Subcommittee Rec. FY 93
Operating Expenditures:			
State General Fund	\$ 71,229,252	\$ 70,716,065	\$ --
General Fees Fund	31,985,706	32,271,874	--
Certain Endowment Interest	100,000	100,000	--
Subtotal -- General Use	\$ 103,314,958	\$ 103,087,939	\$ --
Other Funds	54,252,897	55,404,034	--
Total -- Oper. Expend.	\$ 157,567,855	\$ 158,491,973	\$ --
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	3,796,000	3,796,000	--
Special Capital Improvements Fund	1,000,000	1,000,000	--
Other Funds	12,658,863	12,865,863	--
TOTAL -- Capital Improvements	\$ 17,454,863	\$ 17,661,863	\$ --
GRAND TOTAL	\$ 175,022,718	\$ 176,153,836	\$ --
FTE Positions			
Classified	1,420.4	1,420.4	--
Unclassified	1,550.6	1,550.6	--
Total	2,971.0	2,971.0	--

Agency Estimate/Governor's Recommendation

FY 1993. The University requests a total operating budget in FY 1993 of \$157,567,855, of which \$103,314,958 is from general use funds. The increase in general use expenditures for FY 1993 compared to FY 1992 is 4.1 percent. The FY 1993 estimate includes a State General Fund supplemental appropriation of \$227,020 for changes in fringe benefit rates from amounts approved by the 1992 Legislature and \$390,470 to offset a projected fee fund shortfall. According to the University, the FY 1993 fee fund shortfall is attributed to an enrollment decrease of 263 students. The projected revenue loss from decreased enrollments is partially offset by an increase in the average tuition due to a change in the mix of students.

For FY 1993, the Governor recommends a total operating budget of \$158,491,973 of which general use expenditures account for \$103,087,939. The Governor does not recommend the requested State General Fund supplemental appropriation to finance the current year changes in fringe benefit rates. The Governor recommends \$104,302 from the State General Fund to offset the projected fee fund shortfall.

SWAM
March 2, 1993
Attachment 3

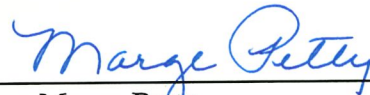
Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1993; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
2. **FY 1993 General Fee Shortfall.** The Subcommittee concurs with the Governor's recommendation for a State General Fund supplemental appropriation of \$104,302 based on the Fall enrollment. It appears that tuition collections will be below the amount necessary to fund the approved budget. The University amended its budget submission to include a State General Fund Supplemental request of \$390,470, which reflects the University estimate of the shortfall based on the fall enrollment. The University reported that the initial review of the Spring enrollment figures reveals a current year financing shortfall of over \$500,000. The Subcommittee is concerned about this potential shortfall and believes that it should be addressed. The second house will need to review this item when a more accurate estimate is available.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 43

Bill Sec. 3

Analyst: Duffy

Analysis Pg. No. 697

Budget Page No. 400

Expenditure Summary	Agency Req. FY 94	Gov. Rec. FY 94	Senate Subcommit- tee Rec. FY 94
Operating Expenditures:			
State General Fund	\$ 77,894,720	\$ 74,614,765	\$ (1,114,545)
General Fees Fund	34,226,233	34,830,137	176,430
Other	125,000	125,000	35,000
Subtotal -- General Use	\$ 112,245,953	\$ 109,569,902	\$ (903,115)
Other Funds	57,651,542	58,710,247	--
Total -- Oper. Expend.	\$ 169,897,495	\$ 168,280,149	\$ (903,115)
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	115,648	115,648	--
Special Capital Improvements Fund	5,000,000	5,000,000	--
Other Funds	14,542,000	14,467,000	--
TOTAL -- Capital Improvements	\$ 19,657,648	\$ 19,582,648	\$ --
GRAND TOTAL	\$ 189,555,143	\$ 187,862,797	\$ --
FTE Positions			
Classified	1,426.1	1,421.1	--
Unclassified	1,557.7	1,550.6	--
Total	2,983.8	2,971.7	--

Agency Request/Governor's Recommendation

FY 1994. The University requests an overall increase of \$12,556,660 over the FY 1993 base budget. The overall increase is composed of \$9,158,015 in general use expenditures and includes: (1) an increase in the Regents employers' retirement contribution from 8 percent to 9 percent; (2) a .25 percent reduction in the shrinkage rate; (3) a 4.5 percent increase in unclassified salaries; (4) a 5 percent increase for student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 6 percent increase in other operating expenditures; (7) funds for servicing two new athletic facilities; and (8) mission related program enhancements targeted at library improvements and minority faculty recruitment.

For FY 1994, the Governor's recommendation reflects a net increase of \$10,939,313 over the FY 1993 base budget. The overall increase is composed of general use expenditures of \$6,481,963 includes the following: (1) concurs with the agency's request to increase the Regents employers' retirement contribution by approximately 1 percent; (2) a 3.0 percent increase in

unclassified salaries; (3) a 5 percent increase in student salaries; (4) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (5) a 4 percent increase in other operating expenditures; and (6) funds for servicing two new athletic facilities.

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Unclassified Salaries.** Delete \$324,598 in general use funding for Regents unclassified faculty and staff salaries. The Senate Subcommittee recommends a salary increase of 2.5 percent or \$1,552,397 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 (which includes 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 Subcommittee recommends a systemwide salary increase of 2.5 percent for classified, unclassified, and student employees.
2. **Systemwide Recommendation -- Regents Unclassified Retirement Rate Increase.** Delete \$484,784 in general use funding for the 1 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Subcommittee's recommendations is made pending passage of legislation.
3. **Systemwide Recommendation -- Student Salaries.** Delete \$36,312 in general use funding for student salaries. The Senate Subcommittee recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5 percent. The Subcommittee urges the University to strike a balance between increasing the number of student employees and increasing average wages.
4. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$56,513 in general use funding for other operating expenditures. The Senate Subcommittee recommends a 3.5 percent increase (\$395,591) in other operating expenditures. The Regents requested a 6 percent increase and the Governor recommended a 4 percent increase.
5. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1994; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
6. **Systemwide Recommendation -- FY 1994 Tuition Rate Increase.** The Subcommittee concurs with the Board's recommended tuition rates for FY 1994, except for the rate increase for nonresident undergraduates. The Regents request included a rate increase for nonresident undergraduates of 8 percent at the

doctoral universities (KU, KSU, WSU) and 6 percent at the regional universities (ESU, FHSU, PSU). The Senate Subcommittee recommends a 10 percent increase at the doctoral universities and an 8 percent increase at the regional universities. The Subcommittee believes that tuition rates at the Regents universities are generally a "bargain" for nonresidents. The Subcommittee recognizes the Board's efforts to increase tuition rates in recent years for residents and nonresidents, but believes that a more aggressive increase for nonresident undergraduates is warranted in FY 1994. The effect of the Subcommittee's recommendation is to increase expenditures from the General Fees Fund by \$176,430 and reduce expenditures from the State General Fund by this same amount.

7. Make technical changes, which do not impact funding, to the appropriation bill, as requested by the agency.
8. Delete \$35,000 from the State General Fund operating expenditures line-item that the Governor recommended for the Kansas Labor Center at KSU and add \$35,000 from the Economic Development Initiatives Fund (EDIF) in a separate line item for the Center. The proposed Labor Center would be associated with the existing KSU Labor Studies Program and Institute for Social and Behavioral Research and, according to KSU, would work in cooperation with programs at Wichita State University. The Subcommittee is supportive of the concept of the Kansas Labor Center, but is concerned about coordination between KSU and WSU, and the potential for unnecessary duplication. The Subcommittee recommends inserting a proviso indicating that expenditures from the Labor Center Fund shall not be made until the Kansas Board of Regents has approved an interagency agreement between KSU and WSU outlining their cooperative efforts. The Subcommittee believes that the Kansas Labor Center is an appropriate program to be funded from the EDIF. The Center would contribute to economic development by conducting basic and applied research in the substantive issues encompassing labor studies and by offering a variety of continuing education and extension courses.
9. Delete \$908 from the State General Fund for utilities which represents that portion of the servicing new buildings request for the 17 enclosed sky boxes that are included in the new football stadium press box. The University proposes to construct with private gift funds a new stadium press box to replace the existing press box. The University requested and the Governor recommended state funding for utilities only (\$6,800) for this facility, which represents two-thirds of the total cost for utilities based on the Board of Regents recommendation that one-third of the utility costs be paid by athletic. The Subcommittee understands that the level of state support for athletic facilities varies among the Regents institutions, depending on the policy that was in place when a particular facility was constructed. Currently, there is no formal, uniform Board of Regents policy regarding the level of state support for existing athletic facilities, as well as any new athletic facilities that may be approved. The Subcommittee asks the Board to re-examine the question of the role of the state in supporting athletic facilities and report their recommendations to the Joint Committee on State Building Construction. In addition, the Subcommittee notes that the state pays all of the servicing costs associated with new facilities that were constructed with private

gifts. The Subcommittee believes that there may be merit in a policy for facilities constructed totally or partially with private gift funds, for the University to consider whether provision should be made in the donation to provide a portion of the future expenditures associated with servicing of the new facility from the private funds. The Subcommittee urges the Board to examine the pros and cons of such a policy and report their recommendations to the Joint Committee on State Building Construction.

10. The Subcommittee reviewed the shrinkage rate applied to KSU's salary and wage budget and concurs with the Governor's recommended rate of 2.80.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: KSU -- Extension Systems and
Agriculture Research Programs

Bill No. --

Bill Sec. --

Analyst: Duffy

Analysis Pg. No. 719

Budget Page No. 402

Expenditure	Agency Est. FY 93	Governor's Rec. FY 93	Senate Sub. Rec. FY 93
Operating Expenditures:			
State General Fund	\$ 36,054,900	\$ 35,966,754	\$ (634)
Federal Land Grant Funds	7,034,890	7,034,890	(12,672)
Economic Dev. Initiatives Fund	--	--	--
Subtotal General Use	\$ 43,089,790	\$ 43,001,644	\$ (13,306)
Other Funds	22,360,524	22,360,524	--
TOTAL -- Operating Expend.	\$ 65,450,314	\$ 65,362,168	\$ (13,306)
Capital Improvements:			
Other Funds	\$ 130,000	\$ 130,000	\$ --
TOTAL -- Capital Improvements	\$ 130,000	\$ 130,000	\$ --
GRAND TOTAL	\$ 65,580,314	\$ 65,492,168	\$ (13,306)
FTE Positions:			
Classified	489.9	489.9	--
Unclassified	780.7	780.7	--
TOTAL	1,270.6	1,270.6	--

Agency Estimate/Governor's Recommendation

FY 1993. The University requests a total operating budget in FY 1993 of \$65,450,314, of which general use expenditures account for \$43,089,790. The estimated increase in general use expenditures is 2.8 percent compared to actual FY 1992 expenditures. The FY 1993 estimate includes a State General Fund supplemental appropriation of \$88,146 for changes in fringe benefit rates from amounts approved by the 1992 Legislature.

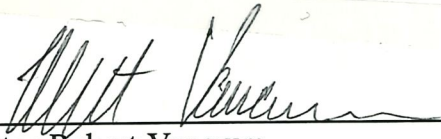
For FY 1993, the Governor recommends a total operating budget of \$65,362,168, of which general use expenditures account for \$43,001,644. The Governor does not recommend the requested State General Fund supplemental appropriation to finance the current year changes in fringe benefit rates.

SWAM
March 2, 1993
Attachment 4

Senate Subcommittee Recommendations

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

1. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1993; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
2. Add \$16,164 for a State General Fund supplemental appropriation for a one-time expenditure for a street improvement assessment against state property utilized by the Agricultural Experiment Station and Cooperative Extension Service located in Colby. The Subcommittee notes that this would be a one-time expenditure which would not be built into the base.
3. Delete \$29,470 in general use funds (\$16,798 State General Fund and \$12,672 Federal Funds) resulting from savings in county agent salaries. The Subcommittee notes that the 1991 Legislature enacted 1991 H.B. 2020 which permits at the local level the option of establishing extension districts through the combination of two or more counties in order to plan and conduct educational extension programs for the district. The Subcommittee's recommendation equates to a 2.9 percent shrinkage rate applied to the salaries of county agents. Although this action increases the overall shrinkage rate for this subagency to 3.1 percent, the Subcommittee intends for the entire amount to be applied to county agent salaries only and not spread across all salaries and wages.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Kansas State University --
Extension Systems and
Agriculture Research Programs

Bill No. 43

Bill Sec. 4

Analyst: Duffy

Analysis Pg. No. 719

Budget Page No. 402

Expenditure	Agency Req. FY 94	Governor's Rec. FY 94	Senate Sub. Rec. FY 94
Operating Expenditures:			
State General Fund	\$ 37,498,915	\$ 36,741,720	\$ (340,218)
Federal Land Grant Funds	7,485,230	7,485,230	(18,304)
Economic Dev. Initiatives Fund	--	--	100,000
Subtotal General Use	\$ 44,984,145	\$ 44,226,950	\$ (258,522)
Other Funds	23,829,848	23,829,848	--
TOTAL -- Operating Expend.	\$ 68,813,993	\$ 68,056,798	\$ (258,522)
Capital Improvements:			
Other Funds	\$ --	\$ --	\$ --
TOTAL -- Capital Improvements	\$ --	\$ --	\$ --
GRAND TOTAL	\$ 68,813,993	\$ 68,056,798	\$ (258,522)
FTE Positions:			
Classified	489.9	489.9	--
Unclassified	783.5	780.7	--
TOTAL	1,273.4	1,270.6	--

Agency Request/Governor's Recommendation

FY 1994. The University requests an overall increase of \$3,451,825 over the FY 1993 base budget. The overall increase is composed of \$1,982,501 in general use expenditures and includes: (1) an increase in the Regents employers' retirement contribution from 8 percent to 9 percent; (2) a .25 percent reduction in the shrinkage rate; (3) a 4.5 percent increase in unclassified salaries; (4) a 5 percent increase for student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 6 percent increase in other operating expenditures; and (7) mission related program enhancements targeted at minority faculty recruitment. Also, the agency requests that utility expenditures for the Center (\$688,634) be shifted to the Main Campus budget.

For FY 1994, the Governor's recommendation reflects a net increase of \$2,694,630 over the FY 1993 unadjusted base budget. The overall increase is composed of general use expenditures

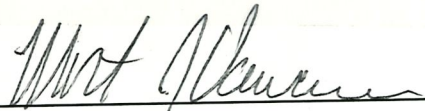
of \$1,225,306 and includes the following: (1) concurs with the agency's request to increase the Regents employers' retirement contribution by approximately 1 percent; (2) concurs with the agency's request to shift utility expenditures to the main campus budget; (3) a 3.0 percent increase in unclassified salaries; (4) a 5 percent increase in student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; and (6) a 4 percent increase in other operating expenditures.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Unclassified Salaries.** Delete \$138,107 in general use funding for Regents unclassified faculty and staff salaries. The Senate Subcommittee recommends a salary increase of 2.5 percent or \$670,941 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 (which includes 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 Subcommittee recommends a systemwide salary increase of 2.5 percent for classified, unclassified, and student employees.
2. **Systemwide Recommendation -- Regents Unclassified Retirement Rate Increase.** Delete \$139,615 in general use funding for the 1 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Subcommittee's recommendations is made pending passage of legislation.
3. **Systemwide Recommendation -- Student Salaries.** Delete \$6,731 in general use funding for student salaries. The Senate Subcommittee recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5 percent. The Subcommittee urges the University to strike a balance between increasing the number of student employees and increasing average wages.
4. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$31,501 in general use funding for other operating expenditures. The Senate Subcommittee recommends a 3.5 percent increase (\$220,512) in other operating expenditures. The Regents requested a 6 percent increase and the Governor recommended a 4 percent increase.
5. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1994; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.

6. Make technical changes, which do not impact funding, to the appropriation bill, as requested by the agency.
7. Add \$100,000 from the EDIF as the state's contribution towards the \$200,000 necessary to provide the match for a federal grant of \$280,000 from the U.S. Forest Service to conduct a statewide forest inventory in Kansas. The release of the \$100,000 from the EDIF is contingent upon private industry providing the remaining \$100,000 required for the match. The Subcommittee recommends a proviso requiring that upon certification of the President of KSU that the University has received \$100,000 in private industry funds for the match for the federal grant, the director of accounts and reports shall transfer \$100,000 from the EDIF to the Statewide Forest Inventory Grant Fund. The Subcommittee believes that raising the matching funds for this project should be a joint public-private effort. The Subcommittee feels that this survey is of significant value to private industry, especially the walnut industry in the Kansas City area. The industry should make funds available for this survey.
8. Restore the "no limit" expenditure limitation on the Federal Agricultural Experiment Station fund. The Governor placed an expenditure limitation on this fund of \$3,354,792. The Subcommittee restored the "no limit" expenditure limitation for two primary reasons: (1) although considered general use funds, these are federal funds that must be expended by the end of the fiscal year, any balance reverts back to the federal treasury; and (2) this fund was "no limit" in the past and there is no evidence of a need to cap expenditures.
9. Delete \$42,568 in general use funds (\$24,264 State General Fund and \$18,304 Federal Funds) resulting from savings in county agent salaries. The Subcommittee notes that the 1991 Legislature enacted 1991 H.B. 2020 which permits at the local level the option of establishing extension districts through the combination of two or more counties in order to plan and conduct educational extension programs for the district. The Subcommittee's recommendation equates to a 3.3 percent shrinkage rate applied to the salaries of county agents. Although this action increases the overall shrinkage rate for this subagency to 2.9 percent, the Subcommittee intends for the entire amount to be applied to county agent salaries only and not spread across all salaries and wages.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: KSU -- Salina, College of Technology Bill No. N/A

Bill Sec. N/A

Analyst: Duffy

Analysis Pg. No. 713

Budget Page No. 406

Expenditure Summary	Agency Est. FY 93	Gov. Rec. FY 93	Senate Sub. Rec. FY 93
Operating Expenditures:			
State General Fund	\$ 4,166,112	\$ 4,149,896	\$ --
General Fees Fund	581,985	581,985	--
Subtotal General Use	\$ 4,748,097	\$ 4,731,881	--
Other Funds	2,351,017	2,351,017	--
TOTAL -- Operating Expend.	\$ 7,099,114	\$ 7,082,898	--
Capital Improvements			
State General Fund	\$ 189,050	\$ 189,050	--
Educational Building Fund	40,733	40,733	--
Other Funds	1,186,587	1,186,587	--
TOTAL -- Capital Impr.	\$ 1,416,370	\$ 1,416,370	--
GRAND TOTAL	\$ 8,515,484	\$ 8,499,268	--
FTE Positions			
Classified	34.0	34.0	--
Unclassified	93.1	93.1	--
TOTAL	127.1	127.1	--

Agency Estimate/Governor's Recommendation

FY 1993. The University requests a total operating budget in FY 1993 of \$7,099,114, of which general use expenditures account for \$4,748,097. The estimated increase in general use expenditures is 4.7 percent compared to actual FY 1992 expenditures. The FY 1993 estimate includes a State General Fund supplemental appropriation of \$16,216 for changes in fringe benefit rates from amounts approved by the 1992 Legislature.

For FY 1993, the Governor recommends a total operating budget of \$7,082,898, of which general use expenditures account for \$4,731,881. The Governor does not recommend the requested State General Fund supplemental appropriation to finance the current year changes in fringe benefit rates.

SWAM
March 2, 1993
Attachment 5

Senate Subcommittee Recommendation

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

1. Systemwide Recommendation -- Utilities. The Subcommittee concurs with the Governor's recommendation for utilities in FY 1993; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.



Robert Vancrum
Chairman



Marge Petty

SUBCOMMITTEE REPORT

Agency: KSU -- Salina, College of Technology Bill No. 43

Bill Sec. 6

Analyst: Duffy

Analysis Pg. No. 713

Budget Page No. 406

Expenditure	Agency Req. FY 94	Governor's Rec. FY 94	Senate Sub. Rec. FY 94
Operating Expenditures:			
State General Fund	\$ 4,435,177	\$ 4,313,182	\$ (78,781)
General Fees Fund	627,741	644,931	1,230
Subtotal General Use	\$ 5,062,918	\$ 4,958,113	\$ (77,551)
Other Funds	2,548,812	2,548,812	--
TOTAL -- Operating Expend.	\$ 7,611,730	\$ 7,506,925	\$ (77,551)
Capital Improvements:			
State General Fund	\$ 189,050	\$ 189,050	\$ --
Educational Building Fund	0	0	--
Other Funds	3,553,216	3,553,216	--
TOTAL -- Capital Impr.	\$ 3,742,266	\$ 3,742,266	--
GRAND TOTAL	\$ 11,353,996	\$ 11,249,191	\$ (77,551)
FTE Positions:			
Classified	34.0	34.0	--
Unclassified	93.1	93.1	--
TOTAL	127.1	127.1	--

Agency Request/Governor's Recommendation

FY 1994. The University requests an overall increase of \$528,834 over the FY 1993 base budget. The overall increase is composed of \$331,038 in general use expenditures and includes: (1) an increase in the Regents employers' retirement contribution from 8 percent to 9 percent; (2) a .25 percent reduction in the shrinkage rate; (3) a 4.5 percent increase in unclassified salaries; (4) a 5 percent increase for student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 6 percent increase in other operating expenditures; (7) funds for servicing of a new building; and (8) mission related program enhancements targeted at library improvements and minority faculty recruitment.

For FY 1994, the Governor's recommendation reflects a net increase of \$424,028 over the FY 1993 base budget. The overall increase is composed of general use expenditures of \$226,232 and includes the following: (1) concurs with the agency's request to increase the Regents employers' retirement contribution by approximately 1 percent; (2) a 3.0 percent increase in unclassified salaries; (3) a 5 percent increase in student salaries; (4) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (5) a 4 percent increase in other operating expenditures; and (6) funding for servicing the new building to house a paint booth.

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Unclassified Salaries.** Delete \$13,530 in general use funding for Regents unclassified faculty and staff salaries. The Senate Subcommittee recommends a salary increase of 2.5 percent or \$64,623 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 (which includes 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 Subcommittee recommends a systemwide salary increase of 2.5 percent for classified, unclassified, and student employees.
2. **Systemwide Recommendation -- Regents Unclassified Retirement Rate Increase.** Delete \$20,798 in general use funding for the 1 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Subcommittee's recommendation is made pending passage of legislation.
3. **Systemwide Recommendation -- Student Salaries.** Delete \$1,178 in general use funding for student salaries. The Senate Subcommittee recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5 percent. The Subcommittee urges the University to strike a balance between increasing the number of student employees and increasing average wages.
4. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$5,017 in general use funding for other operating expenditures. The Senate Subcommittee recommends a 3.5 percent increase (\$35,116) in other operating expenditures. The Regents requested a 6 percent increase and the Governor recommended a 4 percent increase.
5. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1994; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
6. **Systemwide Recommendation -- FY 1994 Tuition Rate Increase.** The Subcommittee concurs with the Board's recommended tuition rates for FY 1994, except for the rate increase for nonresident undergraduates. The Regents request included a rate increase for nonresident undergraduates of 8 percent at the doctoral universities (KU, KSU, WSU) and 6 percent at the regional universities (ESU, FHSU, PSU). The Senate Subcommittee recommends a 10 percent increase at the doctoral universities and an 8 percent increase at the regional universities. The Subcommittee believes that tuition rates at the Regents universities are generally a "bargain" for nonresidents. The Subcommit-

tee recognizes the Board's efforts to increase tuition rates in recent years for residents and nonresidents, but believes that a more aggressive increase for nonresident undergraduates is warranted in FY 1994. The effect of the Subcommittee's recommendation is to increase expenditures from the General Fees Fund by \$1,230 and reduce expenditures from the State General Fund by this same amount.

7. Delete \$37,028 in general use funds as a result of increasing the salary and wage shrinkage rate by 1 percent. The Subcommittee reviewed the shrinkage rate applied to KSU-Salina's salary and wage budget and believes that a higher rate is warranted. Accordingly, the Subcommittee increases the rate to 2.13 percent which is more in line with the shrinkage rates applied to Regents budgets.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: KSU -- Veterinary Medical Center Bill No. 62

Bill Sec. 12

Analyst: Duffy

Analysis Pg. No. 706

Budget Page No. 404

Expenditure Summary	Agency Est. FY 93	Gov. Rec. FY 93	Senate Subcommittee Rec. FY 93
Operating Expenditures:			
State General Fund	\$ 8,465,535	\$ 8,385,461	\$ --
General Fees Fund	3,535,822	3,535,822	--
Hospital Revenue -- Laboratory	1,709,030	1,921,843	--
Subtotal General Use	\$ 13,710,387	\$ 13,843,126	\$ --
Other Funds	1,053,706	1,053,706	--
TOTAL -- Operating Expend.	\$ 14,764,093	\$ 14,896,832	\$ --
Capital Improvements:			
Educational Building Fund	\$ 352,116	\$ 350,041	\$ --
GRAND TOTAL	\$ 15,116,209	\$ 15,246,873	\$ --
FTE Positions			
Classified	149.6	149.6	--
Unclassified	99.2	99.2	--
TOTAL	248.8	248.8	--

Agency Estimate/Governor's Recommendation

FY 1993. The University requests a total operating budget in FY 1993 of \$14,764,093, of which general use expenditures account for \$13,710,387. The estimated increase in general use expenditures is 2.8 percent compared to actual FY 1992 expenditures. The FY 1993 estimate includes a State General Fund supplemental appropriation of \$15,878 for changes in fringe benefit rates from amounts approved by the 1992 Legislature. It appears that the State General Fund appropriation for FY 1993 was overstated by \$35,572.

For FY 1993, the Governor recommends a total operating budget of \$14,896,832, of which general use expenditures account for \$13,843,126. The Governor does not recommend the requested State General Fund supplemental appropriation to finance the current year changes in fringe benefit rates. The Governor reduces \$64,196 in State General Fund expenditures in the current year by reducing \$35,572 to accurately reflect the budget approved by the 1993 Legislature and increasing expenditures from the Hospital and Diagnostic Fund by \$28,624 as an offset to the State General Fund. The Governor recommends increased expenditures of \$184,189 from the Hospital and Diagnostic Fund in the current year for consumable items. The Governor's recommendation is based on increased revenue to the Hospital and Diagnostic Fund and an increase in the expenditure limitation of \$212,813.

SWAM
March 2, 1993
Attachment 6

Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1993; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
2. The Subcommittee learned that receipts to the Hospital and Diagnostic Laboratory Revenue Fund continue to exceed estimates for the current year. For FY 1993, the Governor's recommendation is based on increased receipts over the amount originally estimated by the agency of 9.2 percent or \$162,813. In the current year, the Governor recommends increased expenditures from this fund of \$212,813, of which \$184,189 would be for consumable items and \$28,624 would be used to offset the State General Fund. The House Appropriations Subcommittee should review the most recent year to date information regarding receipts to and expenditures from this fund to determine if additional revenue is available for expenditure.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: KSU -- Veterinary Medical Center Bill No. 43

Bill Sec. 5

Analyst: Duffy

Analysis Pg. No. 706

Budget Page No. 404

Expenditure Summary	Agency Req. FY 94	Gov. Rec. FY 94	Senate Subcommittee Rec. FY 94
Operating Expenditures:			
State General Fund	\$ 8,204,541	\$ 7,843,996	\$ (97,686)
General Fees Fund	3,805,744	3,816,294	--
Hospital Revenue -- Laboratory	1,738,120	2,013,814	--
Subtotal General Use	\$ 13,748,405	\$ 13,674,104	\$ (97,686)
Other Funds	1,122,557	1,017,957	--
TOTAL -- Operating Expend.	\$ 14,870,962	\$ 14,692,061	\$ (97,686)
Capital Improvements:			
Educational Building Fund	\$ --	\$ --	\$ --
GRAND TOTAL	\$ 14,870,962	\$ 14,692,061	\$ (97,686)
FTE Positions			
Classified	149.6	149.6	--
Unclassified	99.8	99.2	--
TOTAL	249.4	248.8	--

Agency Request/Governor's Recommendation

FY 1994. The University requests an overall increase of \$122,747 over the FY 1993 base budget which is composed of \$53,896 in general use expenditures, including: (1) an increase in the Regents employers' retirement contribution from 8 percent to 9 percent; (2) a .25 percent reduction in the shrinkage rate; (3) a 4.5 percent increase in unclassified salaries; (4) a 5 percent increase for student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 6 percent increase in other operating expenditures; and (7) mission related program enhancements targeted at minority faculty recruitment. Also, the agency requests that utility expenditures for the Center (\$796,248) be shifted to the main campus budget.

The Governor's recommendation reflects a net decrease of \$56,154 from the FY 1993 unadjusted base budget. The decrease from the unadjusted base is composed of a net reduction in general use expenditures of \$20,405 and includes the following: (1) concurs with the agency's request to increase the Regents employers' retirement contribution by approximately 1 percent; (2) concurs with the agency's request to shift utility expenditures for the Center to the main campus budget; (3) a 3 percent increase in unclassified salaries; (4) a 5 percent increase in student salaries; (5) classified step movement (approximately 2.5 percent) and longevity bonuses for eligible classified employees; (6) a 4 percent increase in other operating expenditures; and (7) increased expenditures of \$203,454

for consumable items for the hospital and laboratory. The Governor concurs with the agency's request for restricted use funds, except the Governor does not recommend the requested transfer of \$50,000 in both FY 1993 and FY 1994 from the Hospital and Diagnostic Revenue Fund (general use) to the Hospital and Diagnostic Laboratory Improvement Fund (restricted use).

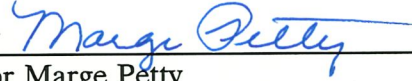
Senate Subcommittee Recommendation

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

1. **Systemwide Recommendation -- Unclassified Salaries.** Delete \$34,484 in general use funding for Regents unclassified faculty and staff salaries. The Senate Subcommittee recommends a salary increase of 2.5 percent or \$164,515 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 (which includes 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 Subcommittee recommends a systemwide salary increase of 2.5 percent for classified, unclassified, and student employees.
2. **Systemwide Recommendation -- Regents Unclassified Retirement Rate Increase.** Delete \$54,286 in general use funding for the 1 percent increase in the Regents employers' retirement contribution. Because legislation is required to make this change, the Subcommittee's recommendations is made pending passage of legislation.
3. **Systemwide Recommendation -- Student Salaries.** Delete \$2,891 in general use funding for student salaries. The Senate Subcommittee recommends an increase of 2.5 percent for student salaries compared to the Governor's recommendation and Regents request of 5 percent. The Subcommittee urges the University to strike a balance between increasing the number of student employees and increasing average wages.
4. **Systemwide Recommendation -- Other Operating Expenditures.** Delete \$6,025 in general use funding for other operating expenditures. The Senate Subcommittee recommends a 3.5 percent increase (\$99,140) in other operating expenditures. The Regents requested a 6 percent increase and the Governor recommended a 4 percent increase.
5. **Systemwide Recommendation -- Utilities.** The Subcommittee concurs with the Governor's recommendation for utilities in FY 1994; however, the Subcommittee recommends that the House Appropriations Committee review current year utility expenditures and the need for supplementation or savings based on the most recent expenditure information.
6. The Subcommittee reviewed the shrinkage rate applied to KSU-Veterinary Medical Center's salary and wage budget and concurs with the Governor's recommended rate of 2.6 percent.



Senator Robert Vancrum
Subcommittee Chairman



Senator Marge Petty