

Approved: 3/27/98 _____
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 12, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
April Holman, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

It was moved by Senator Morris and seconded by Senator Gilstrap that bill draft 7 RS 2347 be introduced. The motion carried on a voice vote.

Senator Kerr read from the Subcommittee Report on the Regents Systemwide Summary. The Subcommittee concurs with the Governor's recommendation for Fiscal Year 1998 with the adjustments listed on page 2. (Attachment 1).

Senator Ranson requested that the issue regarding servicing at the Wichita Metropolitan Complex at Wichita State University not be deferred until Omnibus.

Senator Kerr said that the Subcommittee felt they had justification for reviewing the overall policy because we are getting more buildings that have uses outside the mainstream academic mission of the school. It is a matter of degrees but at what point do they say it is not in keeping with this definition. The Committee felt that another provision should be made other than a blanket maintenance in paying for utilities around the state. There are other buildings to consider and the Committee would like for the Board of Regents to review this policy and make a recommendation.

Senator Ranson moved to delete from item 1 of the adjustments of the Governor's recommendations, the Wichita Metropolitan Complex at Wichita State University until Omnibus. Senator Lawrence seconded the motion and it was adopted on a voice vote.

The Subcommittee concurs with the recommendations of the Governor for the Regents Systemwide Summary for Fiscal Year 1999, with the adjustments listed on page 2. (Section 2).

Senator Kerr read from the Subcommittee Report on the University of Kansas. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 2).

The Subcommittee concurs with the Governor's recommendations for the University of Kansas for Fiscal Year 1999, with the adjustments and observations listed on page 2. (Section 2).

Senator Kerr read from the Subcommittee Report on the University of Kansas Medical Center. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998 with the one adjustment listed on page 2. (Attachment 3).

The Subcommittee concurs with the Governor's recommendation for the University of Kansas Medical Center for Fiscal Year 1999 with the adjustments listed on page 3. (Section 2).

Senator Kerr read from the Subcommittee Report on Kansas State University . The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998 with the adjustment listed on page 2. (Attachment 4).

The Subcommittee concurs with the Governor's recommendation for Kansas State University for Fiscal Year 1999 with the adjustments and observations listed on page 2. (Section 2).

Senator Kerr read from the Subcommittee Report on the KSU-Extension Systems and Agriculture Research Programs. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 5).

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the adjustments listed on page 2. (Section 2).

Senator Kerr read from the Subcommittee Report on the KSU-Veterinary Medical Center. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 6).

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the adjustments listed on page 2. (Section 2).

Senator Kerr read from the Subcommittee Report for Wichita State University. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998 with the observation listed on page 2. (Attachment 7).

Senator Ranson moved that an amendment be entered into item 1, that stated funding at a rate of 12,500 square feet be considered at Omnibus. The motion was seconded by Senator Feleciano.

Senator Morris moved and Senator Salisbury seconded that a substitute motion be made to add funding at a rate of 15,000 square feet. The motion was adopted on a voice vote.

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the adjustments and observations listed on page 2. (Section 2).

It was moved by Senator Ranson and seconded by Senator Lawrence that item number 3 be amended for FY 1998 to add \$215,644 plus 3 additional months of 1999 to annualize Wichita University's request for funding to service new buildings at the Wichita Metropolitan Complex. The motion to amend carried on a voice vote.

Senator Kerr read from the Subcommittee Report for Emporia State University. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 8).

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the adjustment on page 3. (Section 2).

An error was pointed out in regard to the Teacher Excellence Initiative at the top of page 3. In the Subcommittee Report. The Subcommittee did not approve the \$50,000 to be received by Emporia State University for coordination of the "Teacher Excellence Initiative" program, from the State General Fund.

Senator Salisbury moved that the intended recommendation of the Subcommittee be fulfilled with the correction of the error in the Subcommittee Report. The motion died for lack of a second.

Senator Kerr read from the Subcommittee Report for Fort Hays State University. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 9).

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the adjustments listed on page 3. (Section 2).

university be considered at this time and not left until Omnibus. The motion to amend passed

Senator Kerr read from the Subcommittee Report for Pittsburg State University. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 10).

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the recommendations listed on page 3. (Section 2).

Senator Kerr read from the Subcommittee Report for the Board of Regents. The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1998. (Attachment 11).

The Subcommittee concurs with the recommendation of the Governor for Fiscal Year 1999 with the adjustments listed on pages 3 and 4. (Section 2).

Senator Kerr introduced Professor Ben Smith from Kansas State University and Professor Paul Phillips from Ft. Hays State who spoke to the Committee on the National Geographic Society Education Foundation. (Attachments 12 and 13). *Attachment 12 on file in w+m office*

Melanie Campbell, a teacher from West Indianola Elementary School spoke the benefits she received from the professional development that was offered by the Kansas Geographic Alliance.

It was moved by Senator Morris and seconded by Senator Salisbury that \$250,000 be contributed to the National Geographic Endowment for Geographic Education in Kansas. The money would be out of the Economic Development Initiative Fund and would be placed into the Regents budget.

Senator Salisbury made a substitute motion that would take the money out of the State General Fund. There was no second to the substitute motion so the original motion stood.

The original motion that \$250,000 be contributed out of the Economic Development Initiative Fund into the Regents budget was passed on a voice vote.

Senator Feleciano moved and Senator Lawrence seconded that item 3 on page 2 of the Subcommittee Report on the Regents Systemwide Summary, clarify that the only service request deferred until Omnibus is the Sternberg Museum at Ft. Hays State University. The motion carried on a voice vote.

Senator Morris moved and Senator Feleciano seconded that the Subcommittee Report be adopted as amended. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:20 p.m. The next meeting is scheduled for March 13, 1998.

SUBCOMMITTEE REPORT

Agency: Regents Systemwide Summary

Bill No. –

Bill Sec. –

Analyst: Robinson, Mills, West

Analysis Pg. No. 43

Budget Page No. –

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 490,011,510	\$ 487,061,275	\$ 0
General Fees Fund	175,597,103	175,491,907	0
Hosp. Over. Reim. Fund	9,825,460	9,825,460	0
Federal Land Grant Funds	7,652,499	7,652,499	0
Other Funds	11,696,416	12,455,575	0
Subtotal - General Use	\$ 694,782,988	\$ 692,486,716	\$ 0
Restricted Use Funds	459,897,635	459,834,359	0
TOTAL - Oper. Exp.	<u>\$ 1,154,680,623</u>	<u>\$ 1,152,321,075</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 321,565	\$ 321,565	\$ 0
Educational Bldg. Fund	14,961,300	15,056,078	0
Other Funds	22,102,609	22,911,474	0
TOTAL - Cap. Impr.	<u>\$ 37,385,474</u>	<u>\$ 38,289,117</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 1,192,066,097	\$ 1,190,610,192	\$ 0
FTE Positions	15,602.7	15,586.6	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>15,602.7</u>	<u>15,586.6</u>	<u>0.0</u>

* Reflects Governor's Budget Amendment No. 2.

Agency Estimate/Governor's Recommendation

The revised FY 1998 general use budgets submitted by the Regents institutions (excluding the KUMC Hospital) reflect an increase of \$11.2 million in general use expenditures from the approved budget. State General Fund expenditures are estimated to increase by \$1.9 million from the approved amount. To fund FY 1998 increased fringe benefit adjustments, the systemwide supplemental State General Fund request totals \$1.5 million. Supplemental funding totaling \$237,874 from the State General Fund is requested for servicing new buildings. In addition, a total of \$211,920 from the State General Fund is requested to fund FY 1998 tuition shortfalls at three institutions. The Governor's FY 1998 recommendation for general use operating expenditures reflects an increase of \$8.9 million over the approved amount. The Governor does not recommend the supplemental funding requested for the fringe benefit adjustments, and generally, increases the individual institution shrinkage rates by an

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amount sufficient to accommodate the increased fringe benefit costs. The Governor also does not recommend the supplemental funding requested for servicing new buildings. The Governor concurs with the supplemental funding requested for tuition shortfalls.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The Subcommittee recommends deferring the issue regarding servicing at the Wichita Metropolitan Complex at Wichita State University until Omnibus. The Subcommittee has serious concerns regarding servicing new buildings, specifically with regard to the servicing of buildings which have, or might have a purpose in addition to an academic purpose. To assist the Committee in making a recommendation on this issue and other FY 1999 issues relating to servicing new buildings at that time, the Subcommittee requests that the Board of Regents review this issue and the Subcommittee's concerns and come forward with some suggestion on how better to determine the mix of academic and other purposes which the affected buildings serve. While the Subcommittee seeks specific input on the buildings in question for FY 1998 and FY 1999 during the Omnibus session, the Subcommittee requests that the Board of Regents, as part of a broader analysis, examine the current usage of buildings on the campuses and make some recommendations for formula adjustments that more definitively take mixed uses into consideration for funding purposes. This information should be presented to the 1999 Legislature for consideration.
2. Concur with Governor's Budget Amendment No. 2, Items 8 and 10, which add 296.1 FTE positions, to accurately reflect the Governor's recommendation.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

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SUBCOMMITTEE REPORT

Agency: Regents Systemwide Summary

Bill No. –

Bill Sec. –

Analyst: Robinson, Mills, West

Analysis Pg. No. 43

Budget Page No. –

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 515,830,227	\$ 511,687,723	\$ (22,318,327)
General Fees Fund	181,338,673	182,203,303	0
Hosp. Over. Reim. Fund	9,825,460	9,404,401	0
Federal Land Grant Funds	8,452,499	9,433,946	0
Other Funds	8,821,603	8,238,151	0
Subtotal General Use	\$ 724,268,462	\$ 720,967,524	\$ (22,318,327)
Restricted Use Funds	471,053,133	469,918,034	181,000
TOTAL - Oper. Exp.	\$ 1,195,321,595	\$ 1,190,885,558	\$ (22,137,327)
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Bldg. Fund	438,678	0	0
Other Funds	22,611,000	26,485,750	0
TOTAL - Cap. Impr.	\$ 23,239,124	\$ 26,675,196	\$ 0
GRAND TOTAL	\$ 1,218,560,719	\$ 1,217,560,754	\$ (24,934,425)
FTE Positions	15,636.5	15,579.9	(0.5)
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	15,636.5	15,579.9	(0.5)

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$22,147,989 from the State General Fund for the Governor's recommended state employee salary adjustments. Also includes institution specific adjustments totaling \$25,000 which are explained in the individual institution subcommittee reports.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$29.5 million requested by the Regents institutions would result in a 4.2 percent increase in general use expenditures in FY 1999. An increase of 5.3 percent from the State General Fund is requested while expenditures from the general fees fund (tuition) are requested to increase by 3.3 percent. Total FY 1999 enhancement funding of \$19.8 million (including \$16.5 million from the State General Fund) is requested. The request includes both systemwide enhancements and institution specific enhancements which are discussed in the individual institution subcommittee reports. The requested systemwide enhancements include funding to bring the

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FY 1999 unclassified salary increase to a total of 5.0 percent, and the total FY 1999 other operating expenditure increase to 4.0 percent. Systemwide funding of \$5.7 million (including \$3.8 million from the State General Fund) is requested, as is funding totaling \$1.5 million for the employer contribution to health insurance for graduate teaching assistants and graduate research assistants. The systemwide request also includes funding of \$412,669 from the general fees fund for a tuition equity enhancement.

The Governor's recommendation for FY 1999 general use operating budget expenditures is an increase of \$28.4 million (4.1 percent) over the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent classified base salary adjustment and a 4.0 percent unclassified merit pool. The Governor recommends a 2.5 percent OOE increase for FY 1999. The Governor also concurs with the technology enhancement request. The Governor does not recommend the other requested enhancements.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

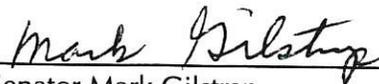
1. Delete a total of \$22,147,989 from the State General Fund based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$16,638,655), classified step movement (\$1,784,322), a 1.5 percent classified base salary adjustment (\$1,788,922), and the longevity bonus (\$1,936,090) from individual agency budgets. Individual amounts deleted from each institution are reflected in the subcommittee reports for the institutions.
2. Concur with Governor's Budget Amendment No. 2 which, for the Regents institutions, adds funding of \$55,006 from the State General Fund, shifts funding of \$140,000 from the general fees fund to the State General Fund, and adds 296.1 FTE positions, to accurately reflect the Governor's recommendation. Individual amounts adjusted for each institution are reflected in the subcommittee reports for the institutions.
3. For the reasons noted in the FY 1998 Systemwide Summary, the Subcommittee is deferring a decision on funding for servicing new buildings which was requested in FY 1999 and not recommended by the Governor. In addition, the Governor recommended servicing money for a building at the University of Kansas and a building at Wichita State University. The Governor's recommendation was based on adding 1.0 new FTE position for each 12,500 gross square feet of space. The Subcommittee notes that the 1997 Legislature appropriated servicing funding for the Kansas Technology Center at Pittsburg State University at the rate of 1.0 FTE per 15,000 gross square feet. The Subcommittee recommends that the funding for the buildings at KU and WSU be adjusted to reflect the formula utilized by the 1997 Legislature. This would require the reduction of \$14,338 from the State General Fund and 0.5 FTE positions.
4. The Subcommittee recommends the introduction of legislation which would, in effect, overrule the October 1994 ruling by the Public Employee Relations Board (PERB) which recognized Graduate Teaching Assistants (GTAs) at the University of Kansas as employees with the right to be represented in the "meet and confer"

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process. In addition, the legislation would provide that no one who worked less than 1,000 hours per year would qualify for an employer contribution to group health insurance. This would eliminate the need for the funding requested for the employer contribution requested by the Regents institutions. The issue could be re-examined at Omnibus based on the outcome of the recommended legislation.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

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Attachment 1-5

SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. –

Bill Sec. –

Analyst: Robinson

Analysis Pg. No. 143

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 117,875,066	\$ 117,371,683	\$ 0
General Fees Fund	71,621,799	71,621,799	0
Other Funds	<u>5,417,686</u>	<u>5,417,686</u>	<u>0</u>
Subtotal - General Use	\$ 194,914,551	\$ 194,411,168	\$ 0
Restricted Use Funds	<u>180,878,091</u>	<u>180,822,970</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 375,792,642</u></u>	<u><u>\$ 375,234,138</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	4,080,254	3,986,354	0
State Budget Stab. Fund	0	0	0
Other Funds	<u>9,631,712</u>	<u>9,631,712</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 13,711,966</u></u>	<u><u>\$ 13,618,066</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 389,504,608	\$ 388,852,204	\$ 0
FTE Positions	4,488.0	4,488.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>4,488.0</u></u>	<u><u>4,488.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The University's revised FY 1998 estimate for general use operating expenditures is an increase of \$5.4 million over the amount approved by the 1997 Legislature, including reappropriations. The Governor recommends a general use operating increase of \$5.3 million over the approved amount. The Governor's recommendation includes retirement reduction savings totaling \$122,214.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor.

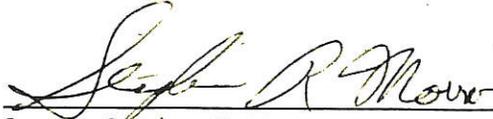
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Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

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SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 642

Bill Sec. 75

Analyst: Robinson

Analysis Pg. No. 143

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 124,866,925	\$ 124,028,306	\$ (6,121,923)
General Fees Fund	73,683,298	74,289,000	0
Other Funds	<u>4,390,940</u>	<u>3,785,238</u>	<u>0</u>
Subtotal - General Use	\$ 202,941,163	\$ 202,102,544	\$ (6,121,923)
Restricted Use Funds	<u>186,783,168</u>	<u>184,188,951</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 389,724,331</u></u>	<u><u>\$ 386,291,495</u></u>	<u><u>\$ (6,121,923)</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
State Budget Stab. Fund	0	3,000,000	0
Other Funds	<u>2,365,000</u>	<u>2,365,000</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 2,365,000</u></u>	<u><u>\$ 5,365,000</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 392,089,331	\$ 391,656,495	\$ (6,121,923)
FTE Positions	4,499.5	4,486.5	(0.3)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>4,499.5</u></u>	<u><u>4,486.5</u></u>	<u><u>(0.3)</u></u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$6,114,588 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$8.0 million requested by the University would result in a 4.1 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$5.6 million, including \$4.8 million from the State General Fund. These include systemwide enhancements totaling \$4.8 million, and institution specific enhancements totaling \$789,337, including \$609,337 from the State General Fund. Requested enhancements include \$150,000 from the State General Fund for partial funding for research to extend the life of the Hugoton Natural Gas area, and \$459,337 from the State General Fund to address faculty salary compression. In addition, the University requests FY 1999 expenditures of \$180,000 from a new proposed law school fee.

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The Governor recommends an FY 1999 general use operating budget increase of \$7.7 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor concurs with the University's requested enhancements regarding the Hugoton Natural Gas area and the law school fee.

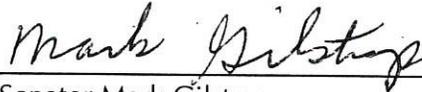
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

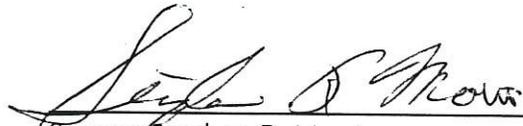
1. Delete a total of \$6,114,588 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$4,786,940), classified step movement (\$353,109), a 1.5 percent classified base salary adjustment (\$461,421), and the longevity bonus (\$513,118) from individual agency budgets.
2. **Systemwide Recommendation—Servicing New Buildings.** Delete funding of \$7,335 from the State General Fund and 0.3 FTE positions recommended by the Governor to reflect the Subcommittee's systemwide recommendation regarding servicing new buildings by adjusting the formula recommended by the Governor from 1.0 new FTE per 12,500 gross square feet to 1.0 new FTE per 15,000 square feet.
3. Concur with Governor's Budget Amendment No. 2, Item 7, which adds \$11,836 from the State General Fund to accurately reflect the Governor's recommendation.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

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Attachment 2-4

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center

Bill No. 643

Bill Sec. 24

Analyst: West

Analysis Pg. No. 156

Budget Page No. 481

Expenditure Summary	Agency Estimate FY 98	Gov. Rec.* FY 98	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 89,860,686	\$ 88,808,952	\$ 0
General Fee Fund	9,663,308	9,618,455	0
Med. Scholar. Repaymt. Fund	1,451,627	2,334,377	0
Hospital Revenue Fund	159,468,000	159,468,000	0
Hosp. Overhead Reimb. Fund	9,825,460	9,825,460	0
Spec. Enhance. Fund	0	0	0
Subtotal—General Use	\$ 270,269,081	\$ 270,055,244	\$ 0
Restricted Use Funds	56,265,410	56,265,410	0
TOTAL—Oper. Exp.	\$ 326,534,491	\$ 326,320,654	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	1,000,000	1,000,000	0
Educational Building Fund	4,204,449	4,393,177	0
Other Funds	2,910,940	2,910,940	0
TOTAL—Cap. Impr.	\$ 8,115,439	\$ 8,304,117	\$ 0
GRAND TOTAL	\$ 334,649,930	\$ 334,624,771	\$ 0
FTE Positions	2,484.7	2,484.7	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	2,484.7	2,484.7	0.0

* Includes GBA 2, Item 10

Agency Estimate/Governor's Recommendation

The University of Kansas Medical Center (KUMC) submits two separate budget documents, one for the Education Program and one for the Hospital Program. The Hospital Program is financed entirely from the Hospital Revenue Fund and restricted fees and receives no support from the State General Fund.

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Education Program

The current year operating estimate for the Education Program totals \$166.9 million. General Use funding of \$110.8 million is an increase of \$1.7 million from the approved budget, of which \$1,451,627 is attributable to a shift of expenditures from the Medical Scholarship Loan Repayment Fund from the Restricted Use to the General Use budget. The agency also requests a State General Fund supplemental appropriation of \$213,837 to finance employer fringe benefit costs. Restricted Use funding of \$56.1 million is a net increase of \$831,633 from the approved budget absent the shift of expenditures from the Medical Scholarship Loan Repayment Fund. Education Program FTE total 2,484.7, a reduction of 5.6 from the approved budget.

The Governor recommends a current year operating budget of \$166.7 million, including a general Use budget of \$110.6 million and a restricted Use budget of \$56.1 million. The Governor does not recommend the requested supplemental appropriation. In addition, the Governor shifts expenditures of \$44,853 from the General Fees Fund to the State General Fund to reflect consensus tuition estimates and \$882,750 from the State General Fund to the Medical Scholarship Loan Repayment Fund to take advantage of increased receipts to that fund. The Governor concurs with the agency's estimate of FTE positions.

Hospital Program

The Hospital estimates that FY 1998 state operations expenditures will total \$159.6 million, an increase of \$17.7 million from the approved budget. The increase is attributable to a greater than anticipated demand for the Hospital's services. **The Governor concurs with the Hospital's current year estimate.**

Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with GBA No. 2, item 10 which makes a technical adjustment to the number of FTE positions.

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Dave Kerr

Senator Dave Kerr, Chairperson

Alicia Salisbury

Senator Alicia Salisbury

Stephen R Morris

Senator Stephen Morris

Marge Petty

Senator Marge Petty

Mark Gilstrap

Senator Mark Gilstrap

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Attachment 3-3*

SUBCOMMITTEE REPORT

Agency: University of Kansas Medical Center

Bill No. 642

Bill Sec. 76

Analyst: West

Analysis Pg. No. 156

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 92,573,257	\$ 92,316,980	\$ (3,383,206)
General Fees Fund	9,951,292	9,979,582	-
Med. Scholar. Repaymt. Fund	1,776,475	1,893,725	-
Hospital Revenue Fund	160,545,000	160,672,962	(81,735,030)
Hosp. Overhead Reimb. Fund	9,825,460	9,404,401	-
Spec. Equip. Enhance. Fund	95,000	0	-
Subtotal—General Use	\$ 274,766,484	\$ 274,267,650	\$ (85,118,236)
Restricted Use Funds	58,960,185	59,337,485	(66,095)
TOTAL—Oper. Exp.	\$ 333,726,669	\$ 333,605,135	\$ (85,184,331)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Hospital Revenue Fund	1,000,000	1,000,000	0
Educational Building Fund	188,678	0	0
Other Funds	5,174,750	5,174,750	0
TOTAL—Cap. Impr.	\$ 6,363,428	\$ 6,174,750	\$ 0
GRAND TOTAL	\$ 340,090,097	\$ 339,779,885	\$ (85,184,331)
FTE Positions	4,626.8	4,443.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4,626.8	4,443.8	0.0

* Includes GBA No. 2, item 10.

** Includes a reduction of \$4,781,755 (\$3,383,206 State General Fund) for the Governor's salary adjustments.

*S. West
3/12/98
Attachment 3-4*

Agency Request/Governor's Recommendation

The University of Kansas Medical Center (KUMC) submits two separate budget documents, one for the Education Program and one for the Hospital Program. The Hospital Program is financed entirely from the Hospital Revenue Fund and restricted fees and receives no support from the State General Fund.

Education Program

The agency requests an FY 1999 operating budget for the Education Program of \$173.0 million. Restricted Use funding makes up \$58.8 million of the budget request. The General Use budget request of \$114.2 million is an increase of \$3.4 million (3.1 percent) from the current year estimate. The request includes \$1.7 million for systemwide enhancements requested by the Board of Regents which are discussed in greater detail in the *Regents Systemwide Summary*.

The request also includes \$588,853 and 8.3 FTE positions for three institution specific enhancements including support for the **Center on Aging** (\$378,000, 5.0 FTE), support for the **Alzheimer's Disease Center** (\$182,353, 2.3 FTE), and support for the **Women's Health Center** (\$50,000, 1.0 FTE).

The Governor recommends an FY 1999 operating budget for the Education Program of \$172.8 million. Restricted Use funding makes up \$59.2 million. The recommended General Use budget of \$113.6 million includes \$1.8 million for systemwide enhancements which are discussed in greater detail in the *Regents Systemwide Summary*. The Governor does not recommend the institution specific enhancements requested by the agency. The Governor's recommendation adds \$117,250 from the Medical Scholarship Loan Repayment Fund to finance an additional five scholarships above the number included in the agency's original budget submission.

Hospital Program

The Hospital estimates that FY 1999 state operations expenditures will total \$160.7 million, an increase of \$1.1 million (0.7 percent) from the current year budget. The increase is attributable to the net effect of continued declines in hospital utilization and the impact of managed care markets offset by increased patient acuity and rate increases. **The Governor** recommends an FY 1999 budget for the Hospital Program of \$160.8 million which reflects the agency's request impacted by the Governor's pay plan recommendations.

Senate Subcommittee Recommendation

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

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Attachment 3-5

1. The Subcommittee concurs with GBA No. 2, item 10 which makes a technical adjustment to the number of FTE positions.
2. Reduce salaries and wages by \$4,781,755 (including \$3,383,206 from the State General Fund) to remove the Governor's recommended employee salary adjustments.
3. The Subcommittee notes that under the terms of SB 373 the Hospital Program will no longer be part of the state budget after the transfer to the University of Kansas Hospital Authority. This transfer is to be completed no later than December 31, 1998. The Subcommittee recommends the reduction of \$80,402,576, which represents one half of the FY 1999 operating budget included in the Governor's recommendation.



Senator Dave Kerr, Chairperson



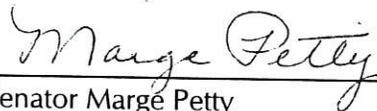
Senator Alicia Salisbury



Senator Stephen Morris



Senator Mark Gilstrap



Senator Marge Petty

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3/12/98
Attachment 3-6

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 643

Bill Sec. 22

Analyst: Robinson

Analysis Pg. No. 95

Budget Page No. 333

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98*</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 93,173,838	\$ 92,851,732	\$ 0
General Fees Fund	39,506,874	39,506,874	0
Other Funds	<u>154,683</u>	<u>154,683</u>	<u>0</u>
Subtotal - General Use	\$ 132,835,395	\$ 132,513,289	\$ 0
Restricted Use Funds	<u>108,652,750</u>	<u>108,652,246</u>	<u>0</u>
TOTAL - Oper. Exp.	<u>\$ 241,488,155</u>	<u>\$ 241,138,535</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	3,396,615	3,396,615	0
Other Funds	<u>4,904,968</u>	<u>4,904,968</u>	<u>0</u>
TOTAL - Cap. Impr.	<u>\$ 8,491,029</u>	<u>\$ 8,491,029</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 249,979,184	\$ 249,629,564	\$ 0
FTE Positions	3,147.8	3,147.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>3,147.8</u>	<u>3,147.8</u>	<u>0.0</u>

* Reflects Governor's Budget Amendment No. 2.

Agency Estimate/Governor's Recommendation

The University requests FY 1998 revised general use operating budget expenditures of \$387,369 over the FY 1998 approved amount. The Governor recommends an increase of \$65,263 over the approved amount. The Governor's revised FY 1998 recommendation reflects retirement reductions totaling \$43,287.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustment:

*S w+m
3/12/98*

Attachment 4-1

1. Concur with Governor's Budget Amendment No. 2, Item 8, which adds a total of 121.4 FTE positions to accurately reflect the Governor's recommendation.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

S w m
3/12/98
Attachment 4-2

SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 642

Bill Sec. 70

Analyst: Robinson

Analysis Pg. No. 95

Budget Page No. 333

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 97,623,251	\$ 96,990,974	\$ (4,284,512)
General Fees Fund	40,907,590	40,907,590	0
Other Funds	80,000	80,000	0
Subtotal - General Use	<u>\$ 138,610,841</u>	<u>\$ 137,978,564</u>	<u>\$ (4,284,512)</u>
Restricted Use Funds	109,877,078	110,359,147	0
TOTAL - Oper. Exp.	<u><u>\$ 248,487,919</u></u>	<u><u>\$ 248,337,711</u></u>	<u><u>\$ (4,284,512)</u></u>
Capital Improvements:			
State General Fund	\$ 189,446	\$ 189,446	\$ 0
Educational Building Fund	0	0	0
Other Funds	5,269,000	5,269,000	0
TOTAL - Cap. Impr.	<u><u>\$ 5,458,446</u></u>	<u><u>\$ 5,458,446</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	<u><u>\$ 253,946,365</u></u>	<u><u>\$ 253,796,157</u></u>	<u><u>\$ (4,284,512)</u></u>
FTE Positions	<u>3,148.8</u>	<u>3,144.8</u>	<u>0.0</u>
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>3,148.8</u></u>	<u><u>3,144.8</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$4,284,512 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$5.8 million requested by the University would result in a 4.3 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$3.9 million, including \$3.4 million from the State General Fund. These include systemwide enhancements totaling \$3.6 million, and institution specific enhancements totaling \$355,164 from the State General Fund. The requested institution specific enhancement would fund a proposal to facilitate the increased use of distance learning technologies.

The Governor recommends an FY 1999 general use operating budget increase of \$5.5 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor does not recommend the institution specific enhancement requested by the University.

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3/12/98
Attachment 4-3*

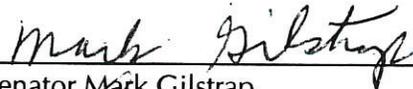
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Delete a total of \$4,284,512 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$3,205,518), classified step movement (\$316,622), a 1.5 percent classified base salary adjustment (\$371,030), and the longevity bonus (\$391,342) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 2, which adds a total of 121.4 FTE positions to accurately reflect the Governor's recommendation.
3. The Subcommittee wishes to commend Kansas State University on the accomplishments of its students. Since 1986, KSU's total of Rhodes, Marshall, Truman, and Goldwater scholars ranks first in the nation among state universities. Only Harvard, Princeton, Yale, and Stanford—all private universities—have produced more of these scholars than KSU. With six Rhodes scholars, KSU is tied for second in the nation among state universities and tied for twelfth overall in the number of Rhodes scholars chosen since 1986. With eight, KSU ranks third in the nation among state universities in the number of Marshall scholars selected since 1986. With 21, KSU ranks first in the nation among state universities in the number of Truman scholars and with 30, KSU ranks first in the nation among state universities in producing Goldwater scholars. Such accomplishments would not be possible without a substantial commitment to excellence on the part of the administration, faculty, and students of the University. The Subcommittee commends the efforts of all who played a role in this significant accomplishment.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. –

Bill Sec. –

Analyst: Robinson

Analysis Pg. No. 107

Budget Page No. 335

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 42,173,206	\$ 41,982,201	\$ 0
Federal Land Grant Funds	7,652,499	7,652,499	0
Subtotal - General Use	\$ 49,825,705	\$ 49,634,700	\$ 0
Restricted Use Funds	37,558,171	37,558,171	0
TOTAL - Oper. Exp.	\$ 87,383,876	\$ 87,192,871	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	105,000	105,000	0
TOTAL - Cap. Impr.	\$ 105,000	\$ 105,000	\$ 0
GRAND TOTAL	\$ 87,488,876	\$ 87,297,871	\$ 0
FTE Positions	1,273.3	1,273.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,273.3	1,273.3	0.0

Agency Est./Governor's Recommendation

The University requests FY 1998 revised general use operating budget expenditures of \$146,015 over the FY 1998 approved amount. The Governor recommends a reduction of \$44,490 from the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor.

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3/12/98

Attachment 5-1



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

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3/12/98
Attachment 5-2

SUBCOMMITTEE REPORT

Agency: KSU-Extension Systems and
Agriculture Research Programs

Bill No. 642

Bill Sec. 71

Analyst: Robinson

Analysis Pg. No. 107

Budget Page No. 335

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 44,100,266	\$ 43,318,843	\$ (1,886,017)
Federal Land Grant Funds	8,452,499	9,433,946	0
Subtotal - General Use	\$ 52,552,765	\$ 52,752,789	\$ (1,886,017)
Restricted Use Funds	38,302,917	38,589,784	181,000
TOTAL - Oper. Exp.	\$ 90,855,682	\$ 91,342,573	\$ (1,705,017)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	1,208,000	1,208,000	0
TOTAL - Cap. Impr.	\$ 1,208,000	\$ 1,208,000	\$ 0
GRAND TOTAL	\$ 92,063,682	\$ 92,550,573	\$ (1,705,017)
FTE Positions	1,276.3	1,273.3	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,276.3	1,273.3	0.0

* Includes a reduction of \$1,705,017 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Req./Governor's Recommendation

The general use operating budget increase of \$2.7 million requested by the University would result in a 5.5 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$1.7 million, including \$930,159 from the State General Fund. These include systemwide enhancements totaling \$739,215, and institution specific enhancements totaling \$990,944, including \$190,944 from the State General Fund. The requested institution specific enhancements include \$800,000 in federal extension funds to establish a statewide extension network, \$181,000 from the State General Fund for western Kansas irrigation research, and \$9,944 from the State General Fund for partial implementation of a cooperative extension service technology enhancement plan.

The Governor recommends an FY 1999 general use operating budget increase of \$3.1 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for

*SW+M
3/12/98
Attachment 5-3*

classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor concurs with the requested enhancements concerning western Kansas irrigation research, and the statewide extension network. In addition, the Governor recommends \$237,500 from available federal funds for animal waste lagoon research.

Senate Subcommittee Recommendation

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

1. Delete a total of \$1,705,017 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$1,324,938), classified step movement (\$119,534), a 1.5 percent classified base salary adjustment (\$123,224), and the longevity bonus (\$137,321) from individual agency budgets.
2. Shift \$181,000 in recommended expenditures for western Kansas irrigation field research from the State General Fund to the State Water Plan Fund. The focus of the western Kansas irrigation field work is to test technologies designed to reduce the rate of water use over the Ogallala aquifer and to prolong the life of the aquifer. The 1996 and 1997 Legislatures appropriated funding from the State Water Plan Fund for this purpose for FY 1997 and FY 1998. The Subcommittee believes that the State Water Plan Fund is still the most appropriate source of funding for this purpose. The Subcommittee is aware that this recommendation would overspend the balance of the State Water Plan Fund, and recommends reviewing all expenditures from the Fund during Omnibus to allow priorities for funding to be fully determined.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

S W + m
3/12/98
Attachment 5-4

SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center

Bill No. 643

Bill Sec. 21

Analyst: Robinson

Analysis Pg. No. 118

Budget Page No. 337

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 8,877,847	\$ 8,832,767	\$ 0
General Fees Fund	4,610,221	4,615,500	0
Hosp. & Diag. Lab. Fund	2,386,902	2,386,902	0
Other Funds	341,321	341,321	0
Subtotal - General Use	<u>\$ 16,216,291</u>	<u>\$ 16,176,490</u>	<u>\$ 0</u>
Restricted Use Funds	2,373,434	2,373,434	0
TOTAL - Oper. Exp.	<u><u>\$ 18,589,725</u></u>	<u><u>\$ 18,549,924</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	451,326	451,326	0
Other Funds	140,000	140,000	0
TOTAL - Cap. Impr.	<u><u>\$ 591,326</u></u>	<u><u>\$ 591,326</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 19,181,051	\$ 19,141,250	\$ 0
FTE Positions	255.2	253.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>255.2</u></u>	<u><u>253.8</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The University's revised FY 1998 estimate for general use operating expenditures is an increase of \$376,541 over the amount approved by the 1997 Legislature, including reappropriations. The Governor recommends a general use operating increase of \$336,740 over the approved amount.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

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3/12/98
Attachment 6-1*



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

SW+dm
3/12/98

Attachment 6-2

SUBCOMMITTEE REPORT

Agency: KSU-Veterinary Medical Center

Bill No. 642

Bill Sec. 72

Analyst: Robinson

Analysis Pg. No. 118

Budget Page No. 337

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments**</u>
Operating Expenditures:			
State General Fund	\$ 9,458,413	\$ 9,319,165	\$ (513,481)
General Fees Fund	4,760,614	4,847,749	0
Hosp. & Diag. Lab. Fund	2,450,188	2,450,188	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - General Use	\$ 16,669,215	\$ 16,617,102	\$ (513,481)
Restricted Use Funds	<u>2,415,464</u>	<u>2,430,554</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 19,084,679</u></u>	<u><u>\$ 19,047,656</u></u>	<u><u>\$ (513,481)</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	<u><u>\$ 19,084,679</u></u>	<u><u>\$ 19,047,656</u></u>	<u><u>\$ (513,481)</u></u>
FTE Positions	255.2	253.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>255.2</u></u>	<u><u>253.8</u></u>	<u><u>0.0</u></u>

* Reflects Governor's Budget Amendment No. 2.

** Includes a reduction of \$513,481 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$452,924 requested by the University would result in a 2.8 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$333,146, including \$317,146 from the State General Fund. These include systemwide enhancements totaling \$240,146, and institution specific enhancements totaling \$93,000 from the State General Fund. The requested institution specific enhancement is to replace anesthesia delivery equipment.

*S W + m
3/12/98
Attachment 6-3*

The Governor recommends an FY 1999 general use operating budget increase of \$397,442 above the revised FY 1998 recommendation. The Governor's recommendation includes funding for classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor does not recommend the requested institution specific enhancement.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. Delete a total of \$513,481 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$327,279), classified step movement (\$61,344), a 1.5 percent classified base salary adjustment (\$60,561), and the longevity bonus (\$64,297) from individual agency budgets.
2. Concur with Governor's Budget Amendment No. 2, Item 9, which adds \$43,170 from the State General Fund to reflect a correction in the amount recommended by the Governor for student salaries.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

S W + Jm
3/12/98

Attachment 6-4

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 643

Bill Sec. 23

Analyst: Robinson

Analysis Pg. No. 176

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 56,465,108	\$ 55,999,765	\$ 0
General Fees Fund	24,626,795	24,626,795	0
Other Funds	796,664	673,073	0
Subtotal - General Use	\$ 81,888,567	\$ 81,299,633	\$ 0
Restricted Use Funds	36,190,317	36,190,317	0
TOTAL - Oper. Exp.	\$ 118,078,884	\$ 117,489,950	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	1,161,935	1,161,935	0
Other Funds	531,381	531,381	0
TOTAL - Cap. Impr.	\$ 1,693,316	\$ 1,693,316	\$ 0
GRAND TOTAL	\$ 119,772,200	\$ 119,183,266	\$ 0
FTE Positions	1,713.4	1,707.4	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	1,713.4	1,707.4	0.0

Agency Estimate/Governor's Recommendation

The University's revised FY 1998 estimate for general use operating expenditures is an increase of \$1.3 million over the amount approved by the 1997 Legislature, including reappropriations. The requested supplemental funding includes \$237,874 from the State General Fund and 6.0 FTE positions for servicing the Wichita Metropolitan Complex. The Governor recommends a general use operating increase of \$737,425 over the approved amount. The Governor's recommendation includes retirement reduction savings totaling \$30,978. The Governor does not recommend the supplemental expenditures requested for servicing the Wichita Metropolitan Complex.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following observation.

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3/12/98*

Attachment 7-1

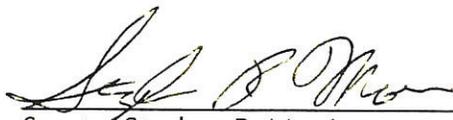
1. For the reasons noted in the Systemwide Summary, the Subcommittee is deferring consideration of funding the University's request for servicing new buildings at the Wichita Metropolitan Complex until Omnibus.



Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

SW+M
3/12/98

Attachment 7-2

SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 642

Bill Sec. 77

Analyst: Robinson

Analysis Pg. No. 176

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 60,306,508	\$ 59,427,861	\$ (2,488,105)
General Fees Fund	25,982,576	25,982,576	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - General Use	\$ 86,289,084	\$ 85,410,437	\$ (2,488,105)
Restricted Use Funds	<u>36,567,152</u>	<u>36,757,452</u>	<u>0</u>
TOTAL - Oper. Exp.	<u><u>\$ 122,856,236</u></u>	<u><u>\$ 122,167,889</u></u>	<u><u>\$ (2,488,105)</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>285,000</u>	<u>285,000</u>	<u>0</u>
TOTAL - Cap. Impr.	<u><u>\$ 285,000</u></u>	<u><u>\$ 285,000</u></u>	<u><u>\$ 0</u></u>
GRAND TOTAL	\$ 123,141,236	\$ 122,452,889	\$ (2,488,105)
FTE Positions	1,720.2	1,707.2	(0.2)
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>1,720.2</u></u>	<u><u>1,707.2</u></u>	<u><u>(0.2)</u></u>

* Includes a reduction of \$2,556,102 from the State General Fund for the Governor's recommended state employee salary adjustments.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$4.4 million requested by the University would result in a 5.4 percent increase in expenditure authority in FY 1999. The University requests FY 1999 enhancements totaling \$2.5 million, including \$2.1 million from the State General Fund. These include systemwide enhancements totaling \$2.2 million, and institution specific enhancements totaling \$302,522 from the State General Fund. Requested enhancements include \$207,669 and 3.5 new FTE positions to establish the Midwest Criminal Justice Education and Research Institute, and \$94,853 to partially replace funding from the Kansas Health Foundation for the physician assistant program.

The Governor recommends an FY 1999 general use operating budget increase of \$4.1 million above the revised FY 1998 recommendation. The Governor's recommendation includes funding for

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Attachment 7-3*

classified step movement, longevity, a 1.5 percent base salary adjustment, and a 4.0 percent unclassified merit pool. The Governor does not recommend the requested institution specific enhancements.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following adjustments and observations.

1. Delete a total of \$2,556,102 from the State General Fund, based on the recommendation to delete funding for a 4.0 percent unclassified merit pool (\$1,974,266), classified step movement (\$178,172), a 1.5 percent classified base salary adjustment (\$210,104), and the longevity bonus (\$193,560) from individual agency budgets.
2. **Systemwide Recommendation—Servicing New Buildings.** Delete funding of \$7,003 from the State General Fund and 0.5 FTE positions recommended by the Governor to reflect the Subcommittee's systemwide recommendation regarding servicing new buildings by adjusting the formula recommended by the Governor from 1.0 new FTE per 12,500 gross square feet to 1.0 new FTE per 15,000 square feet.
3. For the reasons noted in the Systemwide Summary, the Subcommittee is deferring consideration of funding the University's request for servicing new buildings at the Wichita Metropolitan Complex until Omnibus.
4. The Subcommittee recommends the addition of \$75,000 from the State General Fund to partially replace Kansas Health Foundation funding for the Physician Assistant Program. The total funding lost from the grant for the program totals \$268,331. The WSU College of Health Professions began the Physician Assistant (PA) program in 1972 with a class of 30 students. Funding for the class of 30 students remains in the WSU base general use budget. The class size remained at 30 until 1994 when the Kansas Health Foundation provided funding to increase the class size to a total of 46. The grant expired at the end of 1996, but because positions had been unfilled at various times, funds remained at the close of 1996. Those funds will be depleted at the end of FY 1998. The Subcommittee is aware of the increased demand for PAs and believes that the additional funding is warranted to partially offset the loss of the Health Foundation funding.

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Attachment 7-4



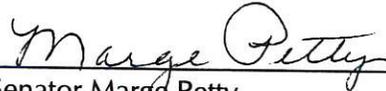
Senator Dave Kerr
Subcommittee Chair



Senator Mark Gilstrap



Senator Stephen R. Morris



Senator Marge Petty



Senator Alicia Salisbury

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3/12/98

Attachment 7-5

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 643

Bill Sec. 25

Analyst: Mills

Analysis Pg. No. 71

Budget Page No. 181

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustment
Operating Expenditures:			
State General Fund	\$ 26,435,731	\$ 26,297,745	\$ 0
General Fees Fund	7,981,106	7,929,713	0
Other Funds	763,221	763,221	0
Subtotal General Use	\$ 35,180,058	\$ 34,990,679	\$ 0
Restricted Use Funds	12,444,895	12,528,138	0
TOTAL – Oper. Exp.	\$ 47,624,953	\$ 47,518,817	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	0
Educational Building Fund	650,687	650,687	0
Other Funds	421,000	421,000	0
TOTAL – Cap. Impr.	\$ 1,071,687	\$ 1,071,687	\$ 0
 GRAND TOTAL	 \$ 48,696,640	 \$ 48,590,504	 \$ 0
 FTE Positions	 738.6	 738.6	 0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	738.6	738.6	0.0

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate for general use expenditures reflects an increase of \$1,176,895 from the approved budget, all of which is from the State General Fund. The requested adjustments to the FY 1998 budget are detailed below:

- ◆ To fund **FY 1998 fringe benefit adjustments**, the institution requests supplemental funding totaling \$74,814 from the State General Fund. The request would fund an increase in the employer contribution for health insurance benefits above the level funded in the approved FY 1998 budget (\$98,400), which increase is partially offset by a reduction in the employer contribution for workers compensation (\$23,586).

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Attachment 8-1

- ◆ The University's revised FY 1998 expenditure estimate includes expenditures of \$734,221 from the **equipment reserve fund**, previously considered a restricted fee fund. The funding would be expended for equipment purchases during FY 1998 and is not included in the University's FY 1998 base budget.
- ◆ The increase also reflects a one-time equipment allocation of \$114,565, which was the University's share of the \$750,000 approved by the 1997 Legislature for Regents equipment. Lastly, the increase includes a reappropriation of \$253,295 from FY 1997.
- ◆ **Restricted use expenditures** reflect an increase of \$1,283,560 over the approved budget. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

The Governor recommends a State General Fund supplemental appropriation of \$51,393 to shift financing from the General Fees Fund to the State General Fund to offset a tuition shortfall which resulted from the loss of 452 students from the prior year. The Governor concurs with the increased funding from the equipment reserve fund (\$734,221) and the reappropriation from FY 1997 (\$253,295).

Senate Subcommittee Recommendation

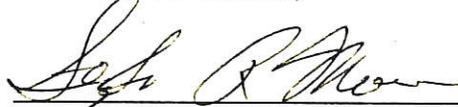
The Senate Subcommittee concurs with the Governor.



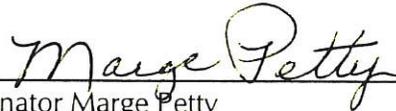
Senator Dave Kerr, Chairman



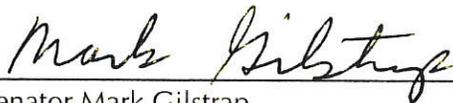
Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty



Senator Mark Gilstrap

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Attachment 8-2

SUBCOMMITTEE REPORT

Agency: Emporia State University

Bill No. 642

Bill Sec. 73

Analyst: Mills

Analysis Pg. No. 71

Budget Page No. 181

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustment
Operating Expenditures:			
State General Fund	\$ 27,751,785	27,619,624	\$ (1,089,134) *
General Fees Fund	8,298,906	8,210,994	0
Other Funds	29,000	29,000	0
Subtotal General Use	\$ 36,079,691	\$ 35,859,618	\$ (1,089,134)
Restricted Use Funds	12,639,188	12,641,920	0
TOTAL – Oper. Exp.	\$ 48,718,879	\$ 48,501,538	\$ (1,089,134)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	250,000	0	0
Other Funds	531,000	531,000	0
TOTAL – Cap. Impr.	\$ 781,000	\$ 531,000	\$ 0
 GRAND TOTAL	 \$ 49,499,879	 \$ 49,032,538	 \$ (1,089,134)
 FTE Positions	 742.9	 737.6	 0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	742.9	737.6	0.0

* Includes a reduction of \$1,089,134 from the State General Fund for the Governor's employee salary adjustments.

Agency Estimate/Governor's Recommendation

The **general use** operating budget increase of \$899,633 requested by the University would result in a 2.6 percent increase in general use expenditure authority for the University in FY 1999. The request would allow for the creation of 4.3 new FTE positions. The requested increase includes both systemwide and institution specific enhancements reflected in the table below. The institution specific enhancements are discussed following the enhancements table.

The Governor's FY 1999 recommendation for general use expenditures would provide an increase of \$868,939 (2.5 percent) from FY 1998.

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- ◆ **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees (\$162,788), funding for a 4.0 percent unclassified merit pool (\$806,282), a 1.5 percent classified base salary adjustment, and longevity bonus funding (\$97,747).
- ◆ **Other Operating Expenditures.** The Governor recommends a total 2.5 percent increase (\$125,665) in OOE in FY 1999, with 0.5 percent of the increase devoted to university libraries.
- ◆ **Restricted Use.** The FY 1999 restricted use budget totals \$12.6 million, an increase of \$113,782 over FY 1998.

Absent requested FY 1999 enhancements, the University's request would represent an increase of \$13,174, or 0.0 percent.

FY 1999 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Systemwide Enhancements:						
Additional Unclassified and Student Salary Increase	\$ 313,949	\$ 313,949	0.0	\$ 313,952	\$ 313,952	0.0
Additional Classified Salary Increase	0	0	0.0	94,070	94,070	0.0
Other Operating Expenditures Increase	100,532	100,532	0.0	75,399	75,399	0.0
Technology and Equipment Enhancement	272,598	408,897	0.0	272,598	408,897	0.0
Group Health Insurance for Graduate Students	89,100	89,100	0.0	0	0	0.0
Equity Adjustment	0	54,374	0.0	0	0	0.0
Subtotal—Systemwide Enhancements	\$ 776,179	\$ 966,852	0.0	756,019	892,318	0.0
Institution-Specific Enhancements:						
Delivery of Academic Programs Via Technology	\$ 113,900	\$ 113,900	2.3	\$ 0	\$ 0	0.0
Teacher Excellence Initiative	0	0	0.0	50,000	50,000	0.0
TOTAL - FY 1999 Enhancement Request	\$ 890,079	\$ 1,080,752	2.3	\$ 806,019	\$ 942,318	0.0

FY 1999 Institution Specific Enhancements

- **Delivery of Academic Programs Through Mediated/Distance Learning Delivery.** The University requests funding of \$113,900 from the State General Fund and 2.3 FTE positions to systematically prepare to deliver learning opportunities to prospective students in remote locations through mediated and distance learning methods of delivery. The proposal would provide for extensive development of faculty and curricula to deliver to off-campus audiences. The enhancement package would enable the University to develop both majors and programs to be offered through various mediated approaches. Included in the request is \$15,000 for three graduate assistants (0.8 FTE), \$22,500 for a 0.5 FTE computing support staff, and \$45,000 for 1.0 Graphic Designer position.

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Attachment 8-4

The Governor does not recommend funding for the requested institution-specific enhancement.

- **Teacher Excellence Initiative.** The Governor recommends \$50,000 (State General Fund) for a "Teacher Excellence Initiative." According to the *Governor's Budget Report*, the Governor is funding a program at Emporia State University to promote excellence in elementary and secondary teaching. Teachers will receive certification by meeting criteria established by the national Board of Professional Teaching Standards. Emporia State University will receive \$50,000 from the State General Fund to coordinate the program. Another \$75,000 is recommended for the Department of Education to provide scholarships to 75 teachers.

New Buildings Operating Support

The University requests a total of \$81,639 and 2.0 new FTE positions for servicing new buildings in FY 1999. Of that amount, \$7,824 is for nine-months for other operating expenditures and utilities for a 6,065 gross square foot (gsf) addition to the press box at Welch Stadium: the new addition will house enclosed seating on the first floor; a President's area and sky boxes on the second floor; and a press box on the third floor.

The remaining \$73,815 and 2.0 FTE positions are requested for a 23,962-square-foot addition to Beach Music Hall which will be used to accommodate large ensembles and allow more space for offices and classrooms. The two positions are a Custodial Worker and a General Maintenance and Repair Technician. In accordance with Regents guidelines, the University request was calculated on the basis on 1.0 FTE per 12,500 gsf at \$22,230 per FTE; other operating expenditures at \$0.51 per gsf; and utilities at \$0.78 per gsf. (**Staff Note:** The 1997 Legislature approved a formula of 1.0 new FTE for each 15,000 gsf for the Kansas Technology Center at Pittsburg State University.)

The Governor does not recommend any funding for this item.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor, with the following adjustment:

1. Delete \$1,089,134 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$832,276); classified step movement (\$49,691); longevity bonus payments (\$113,097); and the 1.5 percent classified base salary adjustment (\$94,070) from individual agency budgets.

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Attachment 8-5



Senator Dave Kerr, Chairman



Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty



Senator Mark Gilstrap

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3/12/98
Attachment 8-6

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 643

Bill Sec. 26

Analyst: Mills

Analysis Pg. No. 83

Budget Page No. 187

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 26,771,036	\$ 26,529,122	\$ 0
General Fees Fund	7,677,730	7,779,176	0
Other Funds	<u>367,759</u>	<u>367,759</u>	<u>0</u>
Subtotal General Use	\$ 34,816,525	\$ 34,676,057	\$ 0
Restricted Use Funds	<u>12,200,871</u>	<u>12,200,871</u>	<u>0</u>
TOTAL – Oper. Exp.	<u><u>\$ 47,017,396</u></u>	<u><u>\$ 46,876,928</u></u>	<u><u>\$ 0</u></u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	662,190	662,190	0
Other Funds	<u>827,218</u>	<u>827,218</u>	<u>0</u>
TOTAL – Cap. Impr.	<u><u>\$ 1,489,408</u></u>	<u><u>\$ 1,489,408</u></u>	<u><u>\$ 0</u></u>
 GRAND TOTAL	 \$ 48,506,804	 \$ 48,366,336	 \$ 0
 FTE Positions	 692.2	 692.2	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>692.2</u></u>	<u><u>692.2</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate for general use expenditures is an increase of \$573,681 over the approved budget. State General Fund expenditures increase by \$205,922 over the approved budget. The requested adjustments to the FY 1998 budget are detailed below:

- ◆ To fund FY 1998 fringe benefit adjustments, the institution requests supplemental funding totaling \$71,887 from the State General Fund. The request would fund an increase in the employer contribution for health insurance benefits above the level funded in the FY 1998 budget (\$94,191). This increase is partially offset by a reduction in the employer contribution for workers compensation (\$23,415).

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Attachment 9-1

- ◆ The University's revised FY 1998 expenditure estimate includes expenditures of \$367,759 from the equipment reserve fund, previously considered a restricted fee fund. The funding would be expended for equipment purchases during FY 1998 and is not included in the University's FY 1998 base budget.
- ◆ Restricted use expenditures reflect an increase of \$1,388,478 from the approved budget. While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

The Governor's FY 1998 recommendation for general use expenditures include an increase of \$299,178 from the approved budget. The Governor recommends a shift in financing from the State General Fund (SGF) to the General Fees Fund of \$101,446 to take advantage of available tuition revenues. The Governor also eliminates \$68,581 (SGF) which had been appropriated for operating support for the Sternberg Museum. Lastly, the Governor concurs in the use of \$367,759 from the equipment reserve fund.

Restricted use expenditures total \$12.2 million, the same as the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor.



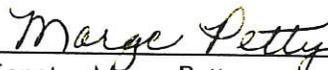
Senator Dave Kerr
Subcommittee Chair



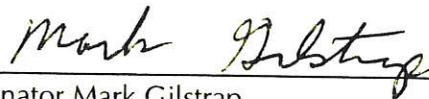
Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty



Senator Mark Gilstrap

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3/12/98

Attachment 9-2

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 642

Bill Sec. 69

Analyst: Mills

Analysis Pg. No. 83

Budget Page No. 187

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 28,412,553	\$ 28,339,086	\$ (1,103,529)*
General Fees Fund	7,988,313	8,020,642	0
Other Funds	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal General Use	\$ 36,400,866	\$ 36,359,728	\$ (1,103,529)
Restricted Use Funds	<u>12,376,673</u>	<u>12,424,300</u>	<u>0</u>
TOTAL – Oper. Exp.	<u>\$ 48,777,539</u>	<u>\$ 48,784,028</u>	<u>\$ (1,103,529)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	<u>485,000</u>	<u>485,000</u>	<u>0</u>
TOTAL – Cap. Impr.	<u>\$ 485,000</u>	<u>\$ 485,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 <u>\$ 49,262,539</u>	 <u>\$ 49,269,028</u>	 <u>\$ (1,103,529)</u>
 FTE Positions	 698.2	 692.2	 0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>698.2</u>	<u>692.2</u>	<u>0.0</u>

* Includes a reduction of \$1,103,529 from the State General Fund for the Governor's employee salary adjustment.

Agency Request/Governor's Recommendation

The general use operating budget increase of \$1.58 million requested by the University would result in a 4.6 percent increase in general use expenditure authority for the University in FY 1999. The request would add 3.0 FTE positions. The components of the requested increase are detailed in the following table.

The Governor's FY 1999 recommendation for general use expenditures totals \$36,359,728, an increase of \$1,683,671 (4.9 percent) over the recommendation for the current year.

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Attachment 9-3

- ◆ **Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees (\$173,346), funding for a 4.0 percent merit pool for unclassified employees (including faculty) (\$805,343), a 1.5 percent classified base salary adjustment (\$96,682), and longevity funding for classified employees (\$86,140).
- ◆ **Other Operating Expenditures.** The Governor recommends a total 2.5 percent (\$141,655) base increase in OOE for FY 1999, with 0.5 percent of the increase devoted to university libraries.

Restricted Use. The FY 1999 restricted use budget totals \$12,424,300, an increase of \$0.2 million (1.8 percent) from FY 1998.

Absent requested FY 1999 enhancements, the agency request would represent an increase of \$691,823 or 2.0 percent.

Enhancement	FY 1999 Enhancements					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Systemwide Enhancements:						
Additional Unclassified and Student Salary Increase	\$ 313,901	\$ 313,901	0.0	\$ 310,329	\$ 310,329	0.0
Classified Base Salary Increase	0	0	0.0	96,682	96,682	0.0
Other Operating Expenditures Increase	111,818	111,818	0.0	85,746	85,746	0.0
Technology and Equipment Enhancement	266,000	399,000	0.0	266,000	399,000	0.0
Group Health Insurance for Graduate Students	32,906	32,906	0.0	0	0	0.0
Equity Adjustment	0	53,661	0.0	0	0	0.0
Subtotal—Systemwide Enhancements	\$ 724,625	\$ 911,286	0.0	\$ 758,757	\$ 891,757	0.0
Institution Specific Enhancements:						
Physical Therapy Program	\$ 168,094	\$ 168,094	3.0	\$ 0	\$ 0	0.0
Subtotal—Institution Specific Enhancements	\$ 168,094	\$ 168,094	3.0	\$ 0	\$ 0	0.0
TOTAL FY 1999 Enhancements	\$ 892,719	\$ 1,079,380	3.0	\$ 758,757	\$ 891,757	0.0

Physical Therapy Program. The University requests funding of \$201,000 (revised request) from the State General Fund and 3.0 FTE positions to establish a Physical Therapy Program at FHSU. The agency estimates that the program, when fully operational, would enroll 24 students per class. The program would be operated with partnerships with other existing programs to reduce costs. The ongoing costs are expected to be around \$330,000. The program would enroll its first students in the Fall of 1998. The requested funding includes salaries and wages funding of \$142,213 for 3.0 positions and \$25,881 for other operating expenditures. **The Governor does not recommend funding for this item.**

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Attachment 9-4

New Buildings Operating Support

The University requests \$90,908 for annualization of the new buildings operating support for the Sternberg Museum project. The FY 1999 request is composed of \$55,394 for salaries and wages, \$13,183 for other operating expenditures, and \$22,331 for utilities. (**Staff Note:** Actions by prior Legislatures have approved a total of 7.1 FTE positions for the new museum. This was calculated on the on the basis of 1.0 FTE per 12,500 gross square feet.)

The Governor does not recommend funding for annualization of the new buildings operating support in FY 1999.

Enrollment Adjustment

On the basis of an early estimate of enrollment trends, the University requested an enrollment adjustment of \$113,790. Based on Fall, 1997 enrollment, the estimate was revised to \$239,565 following submission of the original budget.

The Governor concurs and recommends \$239,565 for the enrollment adjustment in FY 1999.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor, with the following adjustments:

1. Delete \$1,103,529 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$833,501); classified step movement (\$74,228); longevity bonus payments (\$99,118); and the 1.5 percent classified base salary adjustment (\$96,682) from individual agency budgets.
2. The Senate Subcommittee reviewed the agency request for new buildings operating support for Sternberg Museum (\$90,908) and for the implementation of a Physical Therapy program (\$201,000). The Subcommittee recommends that both of these requests be reviewed again during Omnibus. The recommendation concerning new buildings operating support is consistent with the Subcommittee recommendation contained in the systemwide summary.

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3/12/98
Attachment 9-5*

Dave Kerr

Senator Dave Kerr
Subcommittee Chair

Alicia Salisbury

Senator Alicia Salisbury

Step R Morris

Senator Stephen Morris

Marge Petty

Senator Marge Petty

Mark Gilstrap

Senator Mark Gilstrap

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Attachment 9-6

SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 643

Bill Sec. 27

Analyst: Mills

Analysis Pg. No. 130

Budget Page No. 371

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 28,378,993	\$ 28,387,308	\$ 0
General Fees Fund	9,909,269	9,793,595	0
Other Funds	16,553	16,553	0
Subtotal General Use	\$ 38,304,815	\$ 38,197,456	\$ 0
Restricted Use Funds	13,763,895	13,763,895	0
TOTAL – Oper. Exp.	<u>\$ 52,068,710</u>	<u>\$ 51,961,351</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 132,119	\$ 132,119	\$ 0
Educational Building Fund	353,794	353,794	0
Other Funds	3,439,255	3,439,255	0
TOTAL – Cap. Impr.	<u>\$ 3,925,168</u>	<u>\$ 3,925,168</u>	<u>\$ 0</u>
GRAND TOTAL	\$ 55,993,878	\$ 55,886,519	\$ 0
FTE Positions	800.8	800.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>800.8</u>	<u>800.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate for general use expenditures includes an increase of \$123,912 in total expenditures from the approved budget. State General Fund expenditures increase by \$107,359 over the approved budget. Budget issues that affect the FY 1998 budget are detailed below:

- To fund **FY 1998 fringe benefit adjustments**, the University requests supplemental funding totaling \$107,359 from the State General Fund. The request would fund an increase in the employer contribution for health insurance benefits above the level funded in the approved FY 1998 budget (\$111,761) and increased FICA contributions resulting from an increase in the salary base subject to FICA (\$23,342). The increases are partially offset by a reduction in the employer

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Attachment 10-1

contribution for workers compensation (\$26,210), and shrinkage related to the changed fringe benefit amounts (\$1,534).

- The University's revised FY 1998 expenditure estimate includes expenditures of \$16,553 from the **equipment reserve fund**, previously considered a restricted fee fund. The funding would be expended for equipment purchases during FY 1998 and is not included in the University's FY 1998 base budget.
- **Restricted use expenditures total \$13.8 million, an increase of \$51,810 over the approved budget.** While subject to appropriation, most restricted use funds are treated as "no limit" appropriations. Examples include parking fees, student union fees, federal research grants, and income generated from campus revenue-producing activities.

The Governor's FY 1998 recommendation for general use expenditures includes an increase of \$16,553 from the approved budget. State General Fund expenditures are increased by \$115,674. The Governor recommends a State General Fund supplemental appropriation of \$115,674 to shift that amount of funding from the General Fees Fund as a result of a tuition shortfall in FY 1998; the University experienced a loss of 288 students from the prior year.

Senate Subcommittee Recommendation

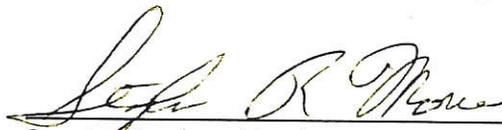
The Senate Subcommittee concurs with the Governor.



Senator Dave Kerr, Chairperson



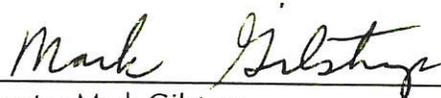
Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty



Senator Mark Gilstrap

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SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 642

Bill Sec. 74

Analyst: Mills

Analysis Pg. No. 130

Budget Page No. 371

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99^(a)</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 30,737,269	\$ 30,326,884	\$ (1,220,838) *
General Fees Fund	9,766,084	9,965,170	0
Other Funds	0	0	0
Subtotal General Use	\$ 40,503,353	\$ 40,292,054	\$ (1,220,838)
Restricted Use Funds	13,503,843	13,320,632	0
TOTAL – Oper. Exp.	<u>\$ 54,007,196</u>	<u>\$ 53,612,686</u>	<u>\$ (1,220,838)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Educational Building Fund	0	0	0
Other Funds	8,168,000	8,168,000	0
TOTAL – Cap. Impr.	<u>\$ 8,168,000</u>	<u>\$ 8,168,000</u>	<u>\$ 0</u>
 GRAND TOTAL	 \$ 62,175,196	 \$ 61,780,686	 \$ (1,220,838)
 FTE Positions	 802.8	 799.8	 0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>802.8</u>	<u>799.8</u>	<u>0.0</u>

a) Per GBA No. 2, includes shift of \$140,000 from the General Fees Fund to the State General Fund to correct a calculation error.

* Includes a reduction of \$1,220,838 from the State General Fund for the Governor's employee salary adjustments.

Agency Request/Governor's Recommendation

The **general use** operating budget increase of \$2.2 million requested by the University would result in a 5.7 percent increase in general use expenditure authority for the University in FY 1999. The request would add 3.0 FTE new positions which would be associated with the requested Faculty Development enhancement discussed below. (**Staff Note:** The net increase in FTE is only 2.0 because of the elimination of one existing position.) The requested increase includes both systemwide and

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institution specific enhancements reflected in the table below. The institution specific enhancements are discussed following the enhancements table.

Absent requested FY 1999 enhancements, the University's request would represent an increase of \$752,160, or 2.0 percent.

FY 1999 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Systemwide Enhancements:						
Additional Unclassified and Student Salary Increase	\$ 311,073	\$ 311,073	0.0	\$ 340,593	\$ 340,593	0.0
Additional Classified Salary Increase	0	0	0.0	112,323	112,323	0.0
Other Operating Expenditures Increase	158,283	158,283	0.0	94,471	94,471	0.0
Technology and Equipment Enhancement	320,000	480,000	0.0	320,000	480,000	0.0
Group Health Insurance for Graduate Students	64,800	64,800	0.0	0	0	0.0
Equity Adjustment	0	67,330	0.0	0	0	0.0
Subtotal—Systemwide Enhancements	\$ 854,156	\$ 1,081,486	0.0	867,387	1,027,387	0.0
Institution Specific Enhancements:						
Faculty Development	\$ 157,200	\$ 157,200	3.0	0	0	0.0
TOTAL - FY 1999 Enhancement Request	\$ 1,011,356	\$ 1,238,686	3.0	867,387	1,027,387	0.0

FY 1999 Institution Specific Enhancements

- Faculty Development.** The University requests funding of \$157,200 from the State General Fund and 3.0 FTE positions for an enhancement relating to faculty development in the areas of (1) student advising and (2) mediated instruction, including the use of computers in the classroom, multimedia presentations, and the development of alternate teaching strategies. The request includes \$104,500 for the salaries and wages of 3.0 new positions: the Director of Advisement position would coordinate the development of faculty workshops and seminars. The Director of the Freshman Experience would coordinate the Freshman Experience course. The other position would provide release time for other faculty to attend workshops and seminars. Also envisioned are summer enhancement grants which would allow faculty to improve their teaching skills.

The Governor does not recommend funding for this enhancement.

The Governor's FY 1999 recommendation for general use expenditures would provide an increase of \$2,094,598 (5.5 percent) from FY 1998.

- Salaries and Wages.** As with other agencies, the Governor's recommendation includes funding for step movement for classified employees (\$187,621), funding for a 4.0 percent merit pool for unclassified employees (including faculty) (\$903,076), a 1.5 percent base salary adjustment (\$112,323), and longevity funding for classified employees (\$99,940).

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- **Other Operating Expenditures.** The Governor recommends a 2.5 percent total increase (\$157,452) for OOE in FY 1999, with 0.5 percent of the increase devoted to university libraries.

Restricted Use. The FY 1999 restricted use budget totals \$13.3 million, a decrease of \$443,263 from FY 1998.

Senate Subcommittee Recommendation

1. Delete \$1,220,838 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$920,894); classified step movement (\$72,033); longevity bonus payments (\$115,588); and the 1.5 percent classified base salary adjustment (\$112,323) from individual agency budgets.
2. Concur with GBA No. 2, which shifts \$140,000 from the General Fees Fund to the State General Fund to correct a calculation error.



Senator Dave Kerr, Chairperson



Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty



Senator Mark Gilstrap

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Attachment 10-5

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 188

Budget Page No. 377

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 10,210,526	\$ 10,210,526	\$ 0
Aid to Local Units	7,454,876	7,454,876	0
Other Assistance	13,146,647	13,146,647	0
Subtotal - Operating	\$ 30,812,049	\$ 30,812,049	\$ 0
Capital Improvements	6,480,000	6,480,000	0
TOTAL	\$ 37,292,049	\$ 37,292,049	\$ 0
State General Fund:			
State Operations	\$ 2,568,016	\$ 2,568,016	\$ 0
Aid to Local Units	7,454,876	7,454,876	0
Other Assistance	11,688,416	11,688,416	0
Subtotal - Operating	\$ 21,711,308	\$ 21,711,308	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 21,711,308	\$ 21,711,308	\$ 0
FTE Positions	18.0	18.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	18.0	18.0	0.0

Agency Est./Governor's Recommendation

The agency's revised estimate of operating expenditures for FY 1998 totals \$30,812,049, which is \$679,293 more than the approved budget. An increase is found in State General Fund financing (\$28,660), with increased spending in other funds (\$650,633), chiefly in federal funds. The State General Fund increase reflects the agency's request to expend \$47,300 of its carryover balance from FY 1997 as follows: \$39,000 for technology enhancements in the Board conference room (\$12,000), compressed video capability (\$12,000), a laptop computer (\$5,000), and replacement of a file server (\$10,000); a contingency for a possible increase in office rent (\$4,300); temporary help (\$2,000); and moving expenses for a new employee (\$2,000). The increase spending in other funds is largely the result of the expected receipt of \$565,118 in federal funds which will be used in the Student Financial Aid Program: \$412,536 in the Regents Supplemental Grant Program, \$141,280 in the Kansas Tuition Grant Program, and \$11,302 in the Washburn Tuition Grant Program. Also, the agency requests authority to expend over a three-year period the balance in the State Scholarship Discontinued

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Attendance Fund to offset the expected loss of federal funding. The request would expend \$100,000 from the Fund in FY 1998 and \$35,000 in FY 1999, leaving a balance of \$3,714 at the end of FY 1999.

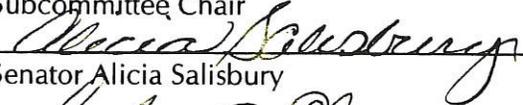
The Governor recommends a total of \$30,812,049 for FY 1998, which concurs with the agency estimate. The Governor's recommendation continues the existing 18.0 FTE positions.

Senate Subcommittee Recommendation

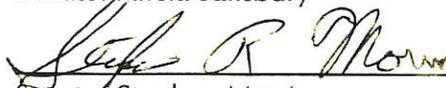
The Senate Subcommittee concurs with the Governors.



Senator Dave Kerr
Subcommittee Chair



Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty



Senator Mark Gilstrap

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Attachment 11-2

SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 642

Bill Sec. 78

Analyst: Mills

Analysis Pg. No. 188

Budget Page No. 377

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99*</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 9,147,183	\$ 14,142,376	\$ (42,247) **
Aid to Local Units	7,902,169	7,934,345	(32,176)
Other Assistance	<u>13,279,661</u>	<u>13,540,000</u>	<u>0</u>
Subtotal - Operating	\$ 30,329,013	\$ 35,616,721	\$ (74,423)
Capital Improvements	<u>12,770,000</u>	<u>12,770,000</u>	<u>0</u>
TOTAL	<u>\$ 43,099,013</u>	<u>\$ 48,386,721</u>	<u>\$ (74,423)</u>
State General Fund:			
State Operations	\$ 1,915,177	\$ 1,910,370	\$ (42,247)
Aid to Local Units	7,902,169	7,934,345	(32,176)
Other Assistance	<u>12,444,196</u>	<u>12,848,215</u>	<u>(280,000)</u>
Subtotal - Operating	\$ 22,261,542	\$ 22,692,930	\$ (354,423)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 22,261,542</u>	<u>\$ 22,692,930</u>	<u>\$ (354,423)</u>
FTE Positions	18.0	18.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>18.0</u>	<u>18.0</u>	<u>0.0</u>

* Includes the addition of \$136,328 from the State General Fund per GBA No. 2 to properly fund the Nursing Scholarship program.

** Includes a reduction of \$42,247 from the State General Fund for the Governor's employee salary adjustments.

Agency Req./Governor's Recommendation

The Board of Regents submits an FY 1999 budget request totaling \$43,099,013, which includes \$1,405,963 for General Administration; \$13,790,881 for Student Financial Aid and other Special Programs; \$7,902,169 for the Washburn University Operating Grant; and \$20.0 million from the Educational Building Fund for Capital Improvements for rehabilitation and repair projects at the Regents institutions and debt service on the "Crumbling Classrooms" bond issue. The operating budget is composed of \$22,261,542 from the State General Fund and \$8,067,471 from other funds. (Staff Note:

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Attachment 11-3

Of the \$8,067,471 in other funds in the operating budget, a total of \$7,230,000 is interest payments on the Regents bond issue financed from the Educational Building Fund.) The operating budget change from FY 1998 to FY 1999 is a decrease of \$483,036, which is composed of increases in the General Administration program (\$14,887), Student Financial Aid and other Special Programs (\$276,694), and the Washburn University operating grant (\$447,293); offset by decreases in debt service interest payments (\$290,000), Regents equipment (\$750,000), and various other expenditures (\$181,910). The decrease is also influenced by the expected loss of federal funds (\$565,118) and reduced expenditures from two of the repayment funds (Optometry Repayment, \$100,000; and State Scholarship, \$35,000).

The Governor recommends an FY 1999 budget of \$35,616,721 which includes \$1,405,476 for General Administration, \$14,046,900 for Student Financial Aid and other Special Programs, \$7,934,345 for the Washburn University Operating Grant, \$5,000,000 for Regents equipment, and \$7,230,000 for debt service. The operating budget is composed of \$22,556,602 from the State General Fund and \$13,060,119 from other funds.

Absent requested FY 1999 enhancements, the agency request would represent a decrease of \$1,575,682 or 5.1 percent from the current year estimate.

Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
General Administration:						
Additional 1.5% Salary	\$ 12,422	\$ 12,422	0.0	\$ 15,329	\$ 15,329	0.0
Additional 2.0% OOE	3,394	3,394	0.0	0	0	0.0
Washburn Univ. Grant	\$ 309,378	\$ 309,378	0.0	\$ 479,469	\$ 479,469	0.0
Regents Equipment	\$ 0	\$ 0	0.0	\$ 0	\$ 5,000,000	0.0
Student Financial Aid:						
Regents Disting. Professor—Salary	\$ 4,320	\$ 4,320	0.0	\$ 0	\$ 0	0.0
Regents Supplemental Grant	194,113	194,113	0.0	0*	0	0.0
Tuition Grant Program	346,694	346,694	0.0	0*	0	0.0
Washburn Univ. Tuition Grant Prog.	25,000	25,000	0.0	0*	0	0.0
Work Study Program	23,275	23,275	0.0	0	0	0.0
Nursing Student Scholarship Program	24,753	32,105	0.0	0	0	0.0
State Scholarship Program	141,945	141,945	0.0	0	0	0.0
TOTAL - FY 1999 Enhancement Request	\$ 1,085,294	\$ 1,092,646	0.0	\$ 494,798	\$ 5,494,798	0.0

***Note:** The Governor has recommended that the Tuition Grant Program, the Washburn University Tuition Grant Program and the Regents Supplemental Grant Program be combined into a new Comprehensive Grant Program; the Governor recommends funding of \$9.9 million for the new program in FY 1999.

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Attachment 11-4*

FY 1999 Enhancements

- ◆ **General Administration.** The agency requests salaries and wages funding of \$12,422 to finance an additional 1.5 percent salary increase for unclassified staff; and an additional \$3,394 for other operating expenditures to finance an additional increase of 2 percent in OOE. Both of these increases were approved by the Board of Regents.
- ◆ **Washburn University Operating Grant.** The agency requests an additional \$309,378 (and an increase of \$137,915 which is included at the current service level, for a total of \$447,293) from the State General Fund for the Washburn operating grant, which would bring the total grant in FY 1999 to \$7,902,169. This amount is a 6 percent increase over the current year, which is equal to the percentage increases requested for the Regents universities.
- ◆ **Student Financial Aid.** The agency requests a total of \$767,452 (of which \$760,100 is from the State General Fund) for enhanced spending for several student financial aid programs. The agency requests enhanced funding as follows: \$4,320 for the **Regents Distinguished Professors program** to provide for the same 4 percent salary increase as requested for other Regents faculty; \$194,113 for the **Regents Supplemental Grant program** which would allow the maximum award to increase from \$1,000 to \$1,100; \$346,694 for the **Tuition Grant program** which would allow the maximum award to increase from \$2,000 to \$2,300; \$25,000 for the **Washburn University Tuition Grant program** which would assist an additional 16 students at a maximum award of \$1,100; \$23,275 for the **Kansas Work Study program** which would assist an additional 14 students at an average award of \$1,677; \$32,105 for the **Nursing Student Scholarship program** which would assist an additional 15 students; and \$141,945 for the **State Scholarship program** which would assist an additional 39 students at a maximum award of \$1,100.

The Governor recommends:

1. Addition of \$2,149 for a 1.5 percent classified base salary adjustment and \$28,787 for a 4.0 percent unclassified merit pool.
2. A total of \$7,934,345 (State General Fund) for the Washburn University operating grant (an increase of \$479,469 or 6.4 percent) and the conversion of the Washburn grant to a "public funding base".
3. A total of \$14.0 million for student financial aid and other special programs and the creation of a new "Comprehensive Grants Program" to be funded at \$9.9 million (SGF) in FY 1999.
4. A total of \$5.0 million (State Budget Stabilization Fund) for technology equipment at the Regents universities.

Senate Subcommittee Recommendation

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

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1. Delete \$42,247 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$33,738); classified step movement (\$1,161); longevity bonus payment (\$4,829); and the 1.5 percent classified base salary adjustment (\$2,519) from individual agency budgets.
2. Shift \$280,000 of the \$9.9 million recommended in FY 1999 by the Governor for the new "Comprehensive Grant Program" from the State General Fund to federal funds. The Subcommittee supports the creation of this new financial aid program which will combine three existing programs (the Tuition Grant Program, the Washburn University Tuition Grant Program, and the Regents Supplemental Grant Program) into one new program; the necessary statutory changes are contained in 1998 H.B. 2758. The Governor's recommendation assumed that no federal funds for student financial aid would be available in FY 1999. However, later information received by the Board of Regents in early March indicates that Kansas will receive about \$280,000 in FY 1999 federal funds for student aid. The Subcommittee recommendation shifts financing of this amount from the State General Fund to federal funds.
3. The Subcommittee notes that the Governor recommends converting the four professional service programs administered by the Board (Nursing, Teaching, Osteopathic, and Optometry) from an employment obligation to a forgivable loan structure. Six months after graduation the student would begin repayment unless the student verified proper employment. The Subcommittee supports this structural change, which is contained in 1998 H.B. 2753.

With regard to the Nursing Scholarship Program, the Subcommittee concurs with the Governor's recommendation to fund 125 nursing scholarships in FY 1999. However, the Subcommittee recommends proviso language to limit the number of scholarships in nonunderserved areas (Douglas, Johnson, Wyandotte, Shawnee, and Sedgwick counties) to 25 percent of the total scholarships awarded. The Governor had recommended changing the current year-for-year requirement in an underserved area to a two-tier forgiveness feature, requiring 1.5 years of service in a nonunderserved area (Douglas, Johnson, Wyandotte, Shawnee, and Sedgwick counties) and 1.0 year in underserved areas. The Subcommittee would continue to place three-fourths of the nursing scholarships in rural areas.

Lastly, the Subcommittee believes that the entire Nursing Scholarship Program is overdue for a review, either by Legislative Post Audit or by an interim committee. The Subcommittee believes that there may be market forces at work which indicate that the program should be reevaluated or possibly scaled back. The review should determine whether a real shortage of nurses actually exists in Kansas at this time.

4. Concurs with GBA No. 2, Item 5, which shifts \$136,328 in FY 1999 to the State General Fund and thereby eliminate the local sponsor requirement. Current practice requires each nursing scholarship student to have a local sponsor (a medical facility, a state agency that employs nurses, or a psychiatric hospital). Testimony indicated that a lack of local sponsors in recent years has been a barrier to the program.

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Attachment 11-6

5. With regard to the Washburn University operating grant, the Subcommittee reduces the Governor's recommendation by \$32,176 to fund the FY 1999 operating grant at \$7,902,169, an increase of \$447,293 or 6.0 percent over the current year. This is the increase requested by the Board of Regents. The Subcommittee questions the Governor's recommendation to convert Washburn's state grant to a "public funding base" from the current base that includes only the State General Fund amount.

6. Lastly, the Subcommittee was made aware of an offer by the National Geographic Society Education Foundation which invites Kansas to participate in the Foundation's "Endowment Fund Program." This program apparently provides financial support for a broad array of geography programs in Kansas. The preliminary materials provided to the Subcommittee indicate that such programs include professional development institutes for teachers and administrators, curriculum materials, exhibitions, and resource collections. It appears that a participating state must make a minimum investment of \$250,000, which will be matched by an equal amount from the Foundation. Five states are currently participating: Colorado, Mississippi, Oklahoma, Wyoming, and the District of Columbia. While the Subcommittee is interested in this concept, there was very little firm information at the time the Subcommittee was meeting. The Subcommittee will continue to investigate the ramifications of Kansas participating in this program, and flags this issue for Omnibus review.



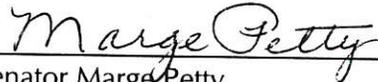
Senator Dave Kerr
Subcommittee Chair



Senator Alicia Salisbury



Senator Stephen Morris



Senator Marge Petty

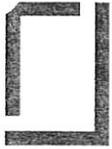


Senator Mark Gilstrap

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Attachment 11-7

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NATIONAL
GEOGRAPHIC
SOCIETY
EDUCATION
FOUNDATION

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March 11, 1998

The Honorable Dave Kerr
State Capitol, Room 120 South
300 SW 10th Avenue
Topeka, KS 66612-1504

Dear Senator Kerr:

This letter is in support of the Kansas Geographic Alliance's request before the Ways and Means Committee for a \$500,000 appropriation to establish a Kansas Geography Education Fund.

The National Geographic Society will match up to \$500,000 in contributions from the state to establish an endowment, thus ensuring a perpetual and growing resource for Kansas. The Society has a limited amount of money set aside for this purpose. Presently the Society has the capacity to fund approximately six more endowments. However, I assure you that the challenge fund will not be exhausted in the next year should an allocation be committed over a two-year period.

The attached provisions of the state geography education funds apply. For example, you need to know that the corpus of the endowment is retained as a restricted account within the National Geographic Society Foundation, but all earnings are specifically earmarked for Kansas. All administrative costs are assumed by the Society.

A state geography education endowment provides continuous and growing financial support for quality education in the core content areas; the generation of additional revenue for Kansas; and the preparation of Kansas students for the competitive and global marketplace. In short, students, parents, educators, businesses, and taxpayers will win if this is supported. These geography endowments represent model public-private partnerships that work. Currently such funds exist in Colorado, Connecticut, Mississippi, Oklahoma, Tennessee, Wyoming, and the District of Columbia. I hope we can add Kansas to this list.

I am enclosing a fact sheet on the endowment for the subcommittee's reference.

Sincerely,

Lanny Proffer
Executive Director

1145 17th Street N.W.
Washington, D.C. 20036-4688

(202) 857-7363

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NATIONAL GEOGRAPHIC SOCIETY
EDUCATION FOUNDATION

STATE GEOGRAPHY EDUCATION FUNDS

The National Geographic Society has pledged up to \$500,000 in matching support to help establish \$1 million funds for geography education in qualifying states. A state fund will support programs that encourage and improve the teaching of geography in that state and increase and disseminate geographic knowledge more broadly throughout the state.

Income from a state fund will benefit a broad array of programs, including professional development institutes for teachers and administrators, curriculum materials, exhibitions, and resource collections. To the extent possible, a fund will work through the state's geographic alliance. The Society will assume the administrative costs of a state fund, ensuring that the maximum amount is available for geography education in the state.

KEY FEATURES

State geography funds are distinguished by a number of features:

New Funds for Education — The value of local contributions will be matched dollar-for-dollar by the National Geographic Society, thereby doubling the philanthropic capital available for geography education in each state.

Permanent Benefits — A state fund will be established in perpetuity so that future generations will benefit from today's investment.

Local Accountability — State Geographic Alliances, which will carry out the programmatic activities, are housed in state universities, governed by local teachers and administrators, and work with local schools.

Growth — The corpus of the fund will be invested and any income beyond the annual payout rate will be returned to the fund for use in subsequent years.

Professional Portfolio Management — The National Geographic Society's investment record is sound and highly competitive -- the average annual rate of return since the Foundation's inception is 14.2%.

No Fees — The Society will pay all administrative costs of operating a state fund.

To date, six state funds have been established: Colorado, Mississippi, Oklahoma, Tennessee, Wyoming and the District of Columbia.

For additional information about the National Geographic Society Education Foundation and the challenge grant to create a geography fund in your state, please contact Lanny Proffer, Executive Director, National Geographic Society Education Foundation at (202) 828-6689.

**NATIONAL GEOGRAPHIC SOCIETY EDUCATION FOUNDATION
COMMON QUESTIONS ABOUT STATE FUNDS**

HOW IS A NEW STATE FUND BUILT?

- ✓ Each state is eligible for \$500,000 in matching support from the National Geographic Society to build a fund.
- ✓ All monies raised in a state for a fund must be sent to the Education Foundation, where they will be deposited, matched by the Society, and isolated in a named fund. The Education Foundation will assume the administrative costs associated with managing the investment and distribution of funds.
- ✓ Once a state has raised a minimum of \$250,000, creating a fund of \$500,000 — including the National Geographic Society's match — the fund may begin awarding grants. The Society will match up to a maximum of \$500,000, creating a fund of \$1 million.

HOW ARE GRANTS MADE?

- ✓ The Education Foundation will pay out grants from a state fund according to a spending rule established by the Trustees.
- ✓ A state's Geographic Alliance must submit a program plan to the Education Foundation to apply for support from the fund.
- ✓ Once a fund generates more than \$100,000 in annual payout, the Alliance will no longer be eligible for basic operating grants from the Education Foundation.

HOW IS A FUND MANAGED?

- ✓ Funds are conservatively invested along with the National Geographic Society Education Foundation assets. For example, the corpus might grow at a rate of 10% each year and grants might be made in accord with a spending rule of 5%.
- ✓ Even at a steady annual payout rate of 5%, the amount of grants given each year grows as the corpus of the fund grows. As a result, a state investment of \$500,000 will be recouped by Year 8.
- ✓ Even while annually paying out 5% of principal in grants, the corpus of a state fund grows as long as the stock market performs. In effect, the fund is indexed for inflation.
- ✓ To date, six state funds have been established: Colorado, Mississippi, Oklahoma, Tennessee, Wyoming and the District of Columbia.

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Attachment 12A-3*

NATIONAL GEOGRAPHIC ENDOWMENT FOR GEOGRAPHIC EDUCATION IN KANSAS

A million dollar endowment for Kansas (\$500,000 from Kansas matched by \$500,000 from National Geographic, a non profit organization dedicated to furthering geographic knowledge) will provide:

1. A million dollar corpus, in the name of Kansas, to be invested. The interest from this corpus will be utilized to provide professional development opportunities in geography for K-12 educators.
 - \$100,000 per year for K-12 professional development activities in support of geographic education in Kansas.
 - During the first five years, \$500,000 in grants from the Kansas endowment will be made to the Kansas Geographic Alliance, the outreach arm of N.G.S.'s endowment program.
 - These grants will continue into the future from interest earned on the million-dollar corpus.
 - All extra investment income from the million-dollar corpus will remain with the principal of the Kansas Endowment and be reinvested.
2. The National Geographic will provide \$100,000 yearly to the Kansas Geographic Alliance to carry out professional development activities. This process requires a yearly proposal, a yearly report of activities and achievements, and a yearly financial report.

The Kansas Geographic Alliance was formed in 1989, has had a yearly-operating budget of \$100,000, and is coordinated by faculty from Kansas Universities. Their work in support of the Alliance is part of their campus activities. It is not the policy of NGS to utilize Alliance funds for paid administrators.

Kansas Geographic Alliance professional development activities:

- Alliance Summer Institutes
 - A. Annually train 30 teachers who become teacher consultants
 - B. Teacher consultants give two in-service presentations and produce teaching strategies.
- Teaching strategies available on the Internet and also via an annual monograph
- Produce Geographic Insights for more than 3000 Kansas teachers
- Teaching Geography Workshops
- Kansas Geography Awareness Week activities
- Host the State finals of the National Geography Bee
- Kansas Geographic Alliance Web Page: www.fhsu.edu/kga
- Family Geography Challenge
- Pre-Service outreach
- Training in new technologies such as computer G.I.S.
- Sponsor geography fairs
- Low cost NGS resources available from the KGA Resource Centers at FHSU and KSU

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3/12/98

Attachment 13