

## House Budget Committee Report

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

**Analyst:** Morrow

**Analysis Pg. No.** 1971

**Budget Page No.** 121

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

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

### Agency Estimate

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

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

### Governor's Recommendation

The **Governor** recommends operating expenditures of \$2.6 billion, including \$792.3 million from the State General Fund. This is an increase of \$146.6 million, or 5.7 percent, all

funds and \$2.9 million, or 0.4 percent, State General Fund above the approved amount. The State General Fund increase is for the Board of Regents Career Technical Education tuition program. The other funds increase is mainly due to increased expenditures for salaries and wages and other assistance.

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

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

### **House Sub. for Senate Bill 4**

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

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

### **House Budget Committee Recommendation**

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

#### **Board of Regents**

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



University Weist Hall (\$11.7 million); Emporia State University Singular and Tresler Halls (\$1.1 million); and other special revenue expenditures for projects at the universities.

### **Governor's Recommendation**

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

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

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

### **House Sub. for Senate Bill 4**

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

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

### **Senate Subcommittee Recommendation**

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

### **Board of Regents**

1. Delete \$222,618, all from the State General Fund, as part of the reappropriated funds in FY 2015.
2. Add \$222,618, all from the State General Fund, to restore the allotment to the Municipal Operating grant for Washburn University in FY 2015.
3. Delete \$29,141, all from the State General Fund, for capital outlay in FY 2015.

4. Add \$29,141, all from the State General Fund, to restore the allotment for the Adult Education program in FY 2015.
5. Add \$750,000, all from the State General Fund, to partially restore the allotment to the Incentive for Technical Education in FY 2015.

#### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation.

#### **Senate Committee of the Whole Recommendation (Senate Sub. for HB 2135)**

The **Committee of the Whole** concurs with the Committee's recommendation.

#### **Conference Committee Recommendation (House Sub. for SB 112)**

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

##### **Board of Regents**

1. Add \$750,000, all from the State General Fund, to partially restore the allotment for the Incentive for Technical Education program in FY 2015
2. Add language allowing the agency the flexibility to expend money from different funds for the \$3.1 million State General Fund reduction due to the Governor's February allotment and fully fund the Midwest Higher Education Compact which was reduced by \$1,900 from State General Fund by the allotment in FY 2015.
3. Add language to the Incentive for Career Technical Education appropriation, requiring the incentives to be prorated if the total request exceeds the appropriated amount in FY 2015.

##### **Pittsburg State University**

1. Concur with GBA No. 1, Item 11, and delete \$23,741, all from the State General Fund, to update State General Funded debt service payments and make further technical adjustments of deleting \$2,060 to allow the GBA to correctly reflect debt service payments in FY 2015.

	Governor's Recommendation FY 2015	Legislative Action	Legislative Approved FY 2015	Governor's Veto FY 2015	Final Legislative Approved FY 2015
All Funds					
State Operations	\$ 2,123,644,164	\$ (2,060)	\$ 2,123,642,104	\$ 0	\$ 2,123,642,104
Aid to Local Units	184,327,795	750,000	185,077,795	0	185,077,795
Other Assistance	265,025,626	0	265,025,626	0	265,025,626
Subtotal- Operations	\$ 2,572,997,585	\$ 747,940	\$ 2,573,745,525	\$ 0	\$ 2,573,745,525
Capital Improvements	139,197,835	0	139,197,835	0	139,197,835
TOTAL	<u>\$ 2,712,195,420</u>	<u>\$ 747,940</u>	<u>\$ 2,712,943,360</u>	<u>\$ 0</u>	<u>\$ 2,712,943,360</u>
State General Fund					
State Operations	\$ 572,455,912	\$ (2,060)	\$ 572,453,852	\$ 0	\$ 572,453,852
Aid to Local Units	169,905,542	750,000	170,655,542	0	170,655,542
Other Assistance	33,706,116	0	33,706,116	0	33,706,116
Subtotal-Operating	\$ 776,067,570	\$ 747,940	\$ 776,815,510	\$ 0	\$ 776,815,510
Capital Improvements	7,301,244	0	7,301,244	0	7,301,244
TOTAL	<u>\$ 783,368,814</u>	<u>\$ 747,940</u>	<u>\$ 784,116,754</u>	<u>\$ 0</u>	<u>\$ 784,116,754</u>
FTE Positions	17,969.7	0.0	17,969.7	0.0	17,969.7
Non-FTE Unclass. Perm. Pos.	55.0	0.0	55.0	0.0	55.0
TOTAL	<u>18,024.7</u>	<u>0.0</u>	<u>18,024.7</u>	<u>0.0</u>	<u>18,024.7</u>