

# House Budget Committee Report

**Agency:** Board of Regents

**Bill No.** HB 2370

**Bill Sec.** 116

**Analyst:** Morrow

**Analysis Pg. No.** 2019

**Budget Page No.** 266

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 242,793,588	\$ 197,081,200	\$ 1,500,000
Other Funds	17,888,547	17,872,478	0
Subtotal	<u>\$ 260,682,135</u>	<u>\$ 214,953,678</u>	<u>\$ 1,500,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	55,000,000	29,000,000	0
Subtotal	<u>\$ 55,000,000</u>	<u>\$ 29,000,000</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 315,682,135</u></u>	 <u><u>\$ 243,953,678</u></u>	 <u><u>\$ 1,500,000</u></u>
 FTE positions	 62.5	 62.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>62.5</u></u>	<u><u>62.5</u></u>	<u><u>0.0</u></u>

## Agency Request

The **agency** requests operating expenditures \$260.7 million, including \$242.8 million from the State General Fund for FY 2016. This is an overall increase of \$41.3 million, or 18.8 percent, and \$42.1 million, or 21.0 percent, State General Fund above the FY 2015 revised estimate. The increase is primarily due to requests for enhancements totaling over \$44.6 million.

Without the operating enhancements the FY 2016 request is \$3.3 million, or 1.5 percent, all funds and \$2.4, or 1.2 percent, from the State General Fund, below the FY 2015 revised estimate.

The agency is requesting \$55.0 million, all from other funds for capital improvements for FY 2016. The request includes \$35.0 million from the Educational Building Fund for rehabilitation and repair and an enhancement of \$20.0 million from the Expanded Lottery Act Revenue Fund for deferred maintenance. This is the same as the request made for FY 2015 during the 2013 Session.

## Governor's Recommendation

The **Governor** recommends operating expenditures of \$215.0 million, including \$197.1 million for the State General Fund. This is a decrease of \$7.2 million, or 3.2 percent, all funds

and \$6.3 million, or 3.1 percent, State General Fund below the FY 2015 recommendation. The recommendation includes one enhancement for the Board of Regents (\$555,738).

The Governor recommends a reduction of \$42,250, including \$21,681 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of \$157,911, or 4.0 percent, State General Fund operating expenditures.

The Governor's recommendation also deletes \$1.5 million, all from the State General Fund, for the Incentive for Technical Education. This would eliminate the \$1,000 payment to the school districts for each student who graduates from the district with an industry-recognized credential in a high-need occupation.

The Governor recommends \$29.0 million, all from the Educational Building Fund, for capital improvements.

### **House Budget Committee Recommendation**

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

1. Add \$1.5 million, all from the State General Fund, for the Incentive for Technical Education program for FY 2016.
2. Add language allowing the agency to expend \$20,000, all from existing resources, for the additional membership dues for the Midwest Higher Education Compact for FY 2016.
3. The Budget Committee wishes to draw the attention of the Committee to the enhancement requests by the Board of Regents and Regents Universities of \$64.6 million, including \$44.6 million from the State General Fund for FY 2016.

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation with the following adjustment:

1. The Committee approved the Minority Report except for the last sentence which stated that the enhancement requests were well documented, appropriate, and should be considered at Omnibus.
  2. Add a proviso to the Incentive for Technical Education that if the awards are greater than appropriations, the awards will be prorated for FY 2016.
  3. Review at Omnibus the proviso for the Postsecondary Tiered Technical State Aid and how the removal of the proviso will affect the funding to each college.
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## Senate Subcommittee Report

**Agency:** Board of Regents

**Bill No.** SB 237

**Bill Sec.** 116

**Analyst:** Morrow

**Analysis Pg. No.** 2019

**Budget Page No.** 266

Expenditure Summary	Agency Request FY 2016	Governor Recommendation FY 2016	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 242,793,588	\$ 197,081,200	\$ 3,000,000
Other Funds	17,888,547	17,872,478	0
Subtotal	<u>\$ 260,682,135</u>	<u>\$ 214,953,678</u>	<u>\$ 3,000,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	55,000,000	29,000,000	0
Subtotal	<u>\$ 55,000,000</u>	<u>\$ 29,000,000</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 315,682,135</u></u>	 <u><u>\$ 243,953,678</u></u>	 <u><u>\$ 3,000,000</u></u>
 FTE positions	 62.5	 62.5	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>62.5</u></u>	<u><u>62.5</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests operating expenditures \$260.7 million, including \$242.8 million from the State General Fund for FY 2016. This is an overall increase of \$41.3 million, or 18.8 percent, and \$42.1 million, or 21.0 percent, State General Fund above the FY 2015 revised estimate. The increase is primarily due to requests for enhancements totaling over \$44.6 million.

Without the operating enhancements the FY 2016 request is \$3.3 million, or 1.5 percent, all funds and \$2.4, or 1.2 percent, from the State General Fund, below the FY 2015 revised estimate.

The agency is requesting \$55.0 million, all from other funds for capital improvements for FY 2016. The request includes \$35.0 million from the Educational Building Fund for rehabilitation and repair and an enhancement of \$20.0 million from the Expanded Lottery Act Revenue Fund for deferred maintenance. This is the same as the request made for FY 2015 during the 2013 Session.

### Governor's Recommendation

The **Governor** recommends operating expenditures of \$215.0 million, including \$197.1 million for the State General Fund. This is a decrease of \$7.2 million, or 3.2 percent, all funds

and \$6.3 million, or 3.1 percent, State General Fund below the FY 2015 recommendation. The recommendation includes one enhancement for the Board of Regents (\$555,738).

The Governor recommends a reduction of \$42,250, including \$21,681 from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of \$157,911, or 4.0 percent, State General Fund operating expenditures.

The Governor's recommendation also deletes \$1.5 million, all from the State General Fund, for the Incentive for Technical Education. This would eliminate the \$1,000 payment to the school districts for each student who graduates from the district with an industry-recognized credential in a high-need occupation.

The Governor recommends \$29.0 million, all from the Educational Building Fund, for capital improvements.

### **Senate Subcommittee Recommendation**

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

1. Add language allowing the agency to expend \$20,000, all from within existing resources, for the additional membership dues for the Midwest Higher Education Compact for FY 2016.
2. Add \$1.0 million, all from the State General Fund, for the Incentive for Technical Education for FY 2016.
3. Add \$2.0 million, all from the State General Fund, to the Kansas Comprehensive Grant program for FY 2016.
4. Add language that notwithstanding the statutes for the Kansas Comprehensive Grant program, the Board of Regents shall disburse not less than 75.0 percent or \$13,318,753 to the Independent and Private Colleges. In addition, the Kansas Independent College Association shall provide to the House Appropriations and Senate Ways and Means Committees at the beginning of the 2016 Session, a report on the total dollars dispersed to each college and how many students received scholarships, for FY 2016.

### **Senate Committee Recommendation**

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

1. Review at Omnibus the addition of \$920,000, all from the State General Fund, for the Washburn University crime lab faculty and equipment for FY 2016.
2. Delete \$1.0 million, all from the State General Fund, for the Incentive for Technical Education for FY 2016.
3. Delete \$2.0 million, all from the State General Fund, to the Kansas Comprehensive Grant program for FY 2016.

**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:

1. Add \$750,000, all from the State General Fund, for the Incentive for Technical Education for FY 2016.
2. Add language allowing the agency to expend \$20,000, all from within existing resources, for additional membership dues for the Midwest Higher Education Compact for FY 2016.
3. Add language that, notwithstanding the statutes for the Kansas Comprehensive Grant program, the Board of Regents shall disperse no less than 60.0 percent allocation to the Independent and Private Colleges. In addition, the Kansas Independent College Association shall provide to the House Appropriations and Senate Ways and Means Committees at the beginning of the 2016 Session, a report on the total dollars dispersed to each college and how many students received scholarships for FY 2016.
4. Add language including Johnson County Community College in the Performance-based Incentives program for FY 2016.
5. Add language allowing tuition increases at the 2015 school year rate adding the Consumer Price Index plus 2.0 percent for school year 2016.
6. Add language to the Incentive for Career Technical Education appropriation requiring the incentives to be prorated if the total request exceeds the appropriated amount for FY 2016.
7. Add language requiring the Board of Regents to provide a report to the budget committees at the beginning of the 2016 Session on the distribution of the Postsecondary Tiered Technical Education State Aid funds for FY 2016.
8. Add \$770,000, all from the State General Fund, to the Municipal Operating Grant for a new forensic science program at Washburn University for FY 2016.
9. Delete \$8,240, including \$5,228 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 12.37 percent to 10.91 percent for FY 2016. This implements the provisions of SB 228.
10. Delete \$10,623, including \$6,606 from the State General Fund, to suspend employer contributions to the Kansas Public Employees Retirement System Group Insurance Fund, or Death and Disability Fund, for the final seven pay periods for FY 2016.

	Governor's Recommendation FY 2016	Legislative Action	Legislative Approved FY 2016	Governor's Vetoed FY 2016	Final Legislative Approved FY 2016
All Funds					
State Operations	\$ 8,238,709	\$ (18,863)	\$ 8,219,846	\$ 0	\$ 8,219,846
Aid to Local Units	182,292,839	1,520,000	183,812,839	0	183,812,839
Other Assistance	24,422,130	0	24,422,130	0	24,422,130
Subtotal- Operations	\$ 214,953,678	\$ 1,501,137	\$ 216,454,815	\$ 0	\$ 216,454,815
Capital Improvements	29,000,000	0	29,000,000	0	29,000,000
TOTAL	<u>\$ 243,953,678</u>	<u>\$ 1,501,137</u>	<u>\$ 245,454,815</u>	<u>\$ 0</u>	<u>\$ 245,454,815</u>
State General Fund					
State Operations	\$ 4,729,259	\$ (11,834)	\$ 4,717,425	\$ 0	\$ 4,717,425
Aid to Local Units	169,526,047	1,520,000	171,046,047	0	171,046,047
Other Assistance	22,825,894	0	22,825,894	0	22,825,894
Subtotal-Operating	\$ 197,081,200	\$ 1,508,166	\$ 198,589,366	\$ 0	\$ 198,589,366
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 197,081,200</u>	<u>\$ 1,508,166</u>	<u>\$ 198,589,366</u>	<u>\$ 0</u>	<u>\$ 198,589,366</u>
FTE Positions	62.5	0.0	62.5	0.0	62.5
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>62.5</u>	<u>0.0</u>	<u>62.5</u>	<u>0.0</u>	<u>62.5</u>

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