

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 2017	Governor Recommendation FY 2017	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 251,907,716	\$ 197,010,592	\$ 1,500,000
Other Funds	17,971,440	17,955,048	0
Subtotal	<u>\$ 269,879,156</u>	<u>\$ 214,965,640</u>	<u>\$ 1,500,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	55,000,000	32,000,000	0
Subtotal	<u>\$ 55,000,000</u>	<u>\$ 32,000,000</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 324,879,156</u></u>	 <u><u>\$ 246,965,640</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 \$270.0 million, including \$252.0 from the State General Fund for FY 2017. This is an all funds increase of \$9.2 million, or 3.5 percent, and \$9.1 million, or 3.8 percent, State General Fund above the FY 2016 request. The increase is primarily due to additional operating enhancement requests totaling over \$53.8 million for FY 2017.

Without the operating enhancements the FY 2017 request is \$9.2 million, or 1.5 percent, all funds and \$9.1, or 3.8 percent, from the State General Fund, above the FY 2016 request.

The agency is requesting \$55.0 million, all from other funds for capital improvements for FY 2017. 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 2016.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$215.0 million, including \$197.0 million from the State General Fund. This is an increase of \$11,962, or less than 0.1 percent, all funds and a decrease of \$70,608, or less than 0.1 percent, State General Fund from the FY

2016 recommendation. The recommendation includes one enhancement for the Board of Regents (\$555,738).

The Governor recommends a reduction of \$43,097, including \$26,705 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 \$32.0 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 2017.
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 2017.
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 \$73.8 million, including \$53.8 million from the State General Fund for FY 2017.

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 2017.
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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 2017	Governor Recommendation FY 2017	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 251,907,716	\$ 197,010,592	\$ 1,000,000
Other Funds	17,971,440	17,955,048	0
Subtotal	<u>\$ 269,879,156</u>	<u>\$ 214,965,640</u>	<u>\$ 1,000,000</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	55,000,000	32,000,000	0
Subtotal	<u>\$ 55,000,000</u>	<u>\$ 32,000,000</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 324,879,156</u></u>	 <u><u>\$ 246,965,640</u></u>	 <u><u>\$ 1,000,000</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 \$270.0 million, including \$252.0 from the State General Fund for FY 2017. This is an all funds increase of \$9.2 million, or 3.5 percent, and \$9.1 million, or 3.8 percent, State General Fund above the FY 2016 request. The increase is primarily due to additional operating enhancement requests totaling over \$53.8 million for FY 2017.

Without the operating enhancements the FY 2017 request is \$9.2 million, or 1.5 percent, all funds and \$9.1, or 3.8 percent, from the State General Fund, above the FY 2016 request.

The agency is requesting \$55.0 million, all from other funds for capital improvements for FY 2017. 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 2016.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$215.0 million, including \$197.0 million from the State General Fund. This is an increase of \$11,962, or less than 0.1 percent, all

funds and a decrease of \$70,608, or less than 0.1 percent, State General Fund from the FY 2016 recommendation. The recommendation includes one enhancement for the Board of Regents (\$555,738).

The Governor recommends a reduction of \$43,097, including \$26,705 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 \$32.0 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 from the additional membership dues for the Midwest Higher Education Compact for FY 2017.
2. Add \$1.0 million, all from State General Fund, for the Incentive for Technical Education for FY 2017.

Senate Committee Recommendation

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

1. Delete \$1.0 million, all from State General Fund, for the Incentive for Technical Education for FY 2017.

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 2017.

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 2017.
3. Add language allowing tuition increases at the 2016 school year rate adding the Consumer Price Index plus 2.0 percent for school year 2017.
4. 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 2017.
5. 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 2017.
6. Delete \$16,174, including \$10,242 from the State General Fund, to reduce the Kansas Public Employees Retirement System employer contribution rate from 13.57 percent to 10.81 percent for FY 2017. This implements the provisions of SB 228.
7. Delete \$10,793, including \$6,701 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 2017.

	Governor's Recommendation FY 2017	Legislative Action	Legislative Approved FY 2017	Governor's Veto FY 2017	Final Legislative Approved FY 2017
All Funds					
State Operations	\$ 8,250,671	\$ (26,967)	\$ 8,223,704	\$ 0	\$ 8,223,704
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	\$ 214,965,640	\$ 1,493,033	\$ 216,458,673	\$ 0	\$ 216,458,673
Capital Improvements	32,000,000	0	32,000,000	0	32,000,000
TOTAL	<u>\$ 246,965,640</u>	<u>\$ 1,493,033</u>	<u>\$ 248,458,673</u>	<u>\$ 0</u>	<u>\$ 248,458,673</u>

State General Fund

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State Operations	\$ 4,658,651	\$ (16,943)	\$ 4,641,708	\$ 0	\$ 4,641,708
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	\$ 197,010,592	\$ 1,503,057	\$ 198,513,649	\$ 0	\$ 198,513,649
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 197,010,592</u>	<u>\$ 1,503,057</u>	<u>\$ 198,513,649</u>	<u>\$ 0</u>	<u>\$ 198,513,649</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>