

House Budget Committee Report

Agency: Postsecondary Education Systemwide **Bill No.** House Sub. for SB 161 **Bill Sec.** --

Analyst: Morrow

Analysis Pg. No. 759

Budget Page No. 108

Expenditure Summary	Agency Request FY 2017	Governor Recommendation* FY 2017	House Adjustments
Operating Expenditures:			
State General Fund	\$ 823,983,011	\$ 759,765,545	\$ 0
Other Funds	1,875,024,974	1,875,024,974	0
Subtotal	<u>\$ 2,699,007,985</u>	<u>\$ 2,634,790,519</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 3,849,853	\$ 3,849,853	\$ 0
Other Funds	163,813,172	163,813,172	0
Subtotal	<u>\$ 167,663,025</u>	<u>\$ 167,663,025</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,866,671,010</u></u>	<u><u>\$ 2,802,453,544</u></u>	<u><u>\$ 0</u></u>
FTE positions	18,272.6	18,272.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>18,272.6</u></u>	<u><u>18,272.6</u></u>	<u><u>0.0</u></u>

*NOTE: Includes Governor's allotment May 2016.

Agency Request

The **agencies** request a revised estimate of \$2.9 billion, including \$827.8 million from the State General Fund. This is an increase of \$145.5 million, or 5.3 percent, all funds and \$28.9 million, or 3.6 percent, State General Fund, above the approved amount. The All Other Funds increase is \$116.7 million, or 6.1 percent, above the approved amount. This includes an increase of operating expenditures of \$57.4 million, or 3.2 percent, above the approved amount primarily in salaries and wages of \$42.1 million and capital improvement expenditures of \$59.7 million. The State General Fund increase is due to supplemental requests from the agencies.

The agencies request revised capital improvements budgets of \$167.7 million, including \$3.8 million from the State General Fund. This is an increase of \$59.7 million, or 55.4 percent all funds and \$484,581, or 14.4 percent, State General Fund above the approved amount. The increase is primarily due to the request for a new residence hall at ESU, the Applied Technology Building at FHSU, Summerfield Hall and additional housing maintenance projects at the University of Kansas, the Health Education Building project at KUMC, and the new School of Business at WSU. The increase in State General Fund is for debt service principal for the KUMC.

Governor's Recommendation

The **Governor** concurs with the agencies' revised estimates except reduced the Kansas State University Global Food System grant by \$4.0 million and the Career Technical Education Initiative by \$700,000, both from State General Fund. The Governor did not recommend any of the supplemental requests.

House Action

There was no budgetary action taken during the budget committee meetings. The House Appropriations Committee and House Committee of the Whole concurred with the Governor's recommendation with the following adjustment:

University of Kansas

1. Add language that if any bonds were issued on or after July 1, 2015, by any state educational institution, or if any not-for-profit entity was formed in conjunction with such state educational institution, using an out-of-state development authority for such bond issuance, then each special revenue fund of any state educational institution shall be limited to the total amount included in the Governor's budget recommendation from such special revenue fund for FY 2017. This excludes grant funds, federal funds, and the KU Medical Center.
-
-

Senate Subcommittee Report

Agency: Postsecondary Education Systemwide **Bill No.** Senate Sub. for HB 2365 **Bill Sec.** --

Analyst: Morrow

Analysis Pg. No. 759

Budget Page No. 108

Expenditure Summary	Agency Request FY 2017	Governor Recommendation* FY 2017	Senate Adjustments
Operating Expenditures:			
State General Fund	\$ 823,983,011	\$ 759,765,545	\$ 0
Other Funds	1,875,024,974	1,875,024,974	0
Subtotal	<u>\$ 2,699,007,985</u>	<u>\$ 2,634,790,519</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 3,849,853	\$ 3,849,853	\$ 0
Other Funds	163,813,172	163,813,172	0
Subtotal	<u>\$ 167,663,025</u>	<u>\$ 167,663,025</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 2,866,671,010</u></u>	<u><u>\$ 2,802,453,544</u></u>	<u><u>\$ 0</u></u>
FTE positions	18,272.6	18,272.6	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>18,272.6</u></u>	<u><u>18,272.6</u></u>	<u><u>0.0</u></u>

*NOTE: Includes Governor's allotment May 2016.

Agency Request

The **agencies** request a revised estimate of \$2.9 billion, including \$827.8 million from the State General Fund. This is an increase of \$145.5 million, or 5.3 percent, all funds and \$28.9 million, or 3.6 percent, State General Fund, above the approved amount. The All Other Funds increase is \$116.7 million, or 6.1 percent, above the approved amount. This includes an increase of operating expenditures of \$57.4 million, or 3.2 percent, above the approved amount primarily in salaries and wages of \$42.1 million and capital improvement expenditures of \$59.7 million. The State General Fund increase is due to supplemental requests from the agencies.

The agencies request revised capital improvements budgets of \$167.7 million, including \$3.8 million from the State General Fund. This is an increase of \$59.7 million, or 55.4 percent all funds and \$484,581, or 14.4 percent, State General Fund above the approved amount. The increase is primarily due to the request for a new residence hall at ESU, the Applied Technology Building at FHSU, Summerfield Hall and additional housing maintenance projects at the University of Kansas, the Health Education Building project at KUMC, and the new School of Business at WSU. The increase in State General Fund is for debt service principal for the KUMC.

Governor's Recommendation

The **Governor** concurs with the agencies' revised estimates except reduced the Kansas State University Global Food System grant by \$4.0 million and the Career Technical Education Initiative by \$700,000, both from State General Fund. The Governor did not recommend any of the supplemental requests.

Senate Action

There was no budgetary action taken during the subcommittee meetings. The Senate Ways and Means Committee and Senate Committee of the Whole on Senate Sub. for HB 2365 concurred with the Governor's recommendation with the following adjustments:

Kansas State University

1. Delete \$6.2 million, all from the State General Fund, for the creation of the KSU-Salina, College of Technology line item for FY 2017.
2. Add \$6.2 million, all from the State General Fund, for operating expenditures for the KSU-Salina, College of Technology line item for FY 2017.

University of Kansas

1. Add language stating no moneys appropriated from the State General Fund or any special revenue fund shall be expended for the purpose of making any payment, including, but not limited to, debt service principal or interest payments, on the Central District Development Project for FY 2017 and FY 2018.

Conference Action House Sub. for SB 161 and House Sub. for SB 249

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

Emporia State University

1. Delete \$325,559, including \$166,449 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

Fort Hays State University

1. Delete \$359,499, including \$165,026 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

Pittsburg State University

1. Delete \$318,733, including \$164,322 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

Wichita State University

1. Delete \$843,355, including \$315,210 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

Kansas State University

1. Delete \$6.2 million, all from the State General Fund, for the creation of the KSU-Salina, College of Technology line item for FY 2017.
2. Add \$6.2 million, all from the State General Fund, for operating expenditures for the KSU-Salina, College of Technology line item for FY 2017.
3. Delete \$1.9 million, including \$476,094 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
4. Add language allowing the Board of Regents, on behalf of Kansas State University to sell and convey all the rights, title, and interest to a tract of land in Riley County, Kansas for FY 2017. (House Sub. for SB 249)

5. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

Kansas State University - ESARP

1. Delete \$500,961, including \$236,420 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

Kansas State University - VMC

1. Delete \$197,650, including \$63,018 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

University of Kansas

1. Delete \$2.7 million, including \$700,169 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add \$100,000, all from the State General Fund, for the Geological survey for FY 2017. (House Sub. for SB 161)
3. Add language that if any bonds were issued on or after July 1, 2015, by any state educational institution, or if any not-for-profit entity was formed in conjunction with such state educational institution, using an out-of-state development authority for such bond issuance, then each special revenue fund of any state educational institution shall be limited to the total amount included in the Governor's budget recommendation from such special revenue fund for FY 2017. This excludes grant funds, federal funds, and the KU Medical Center. (House Sub. for SB 249)
4. Add language excluding the Johnson County Education research Triangle Fund of the University of Kansas from the provisions of Section 99 of 2016 House Sub. for SB 161 for FY 2017. (House Sub. for SB 249)
5. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating

budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)

University of Kansas Medical Center

1. Delete \$1.3 million, including \$441,560 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017. (House Sub. for SB 161)
2. Add language requiring the Director of the Budget to calculate State General Fund allotments for any state university as a uniform percentage from the total of all operating budget accounts of the State General Fund and special revenue funds of each state educational institution for FY 2017. (House Sub. for SB 249)
3. Exclude the University of Kansas Medical Center from the university bonding limitations in House Sub. for SB161 for FY 2017. (House Sub. for SB 249)

	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	\$ 2,180,273,452	\$ (8,422,556)	\$ 2,171,850,896	\$ 0	\$ 2,171,850,896
Aid to Local Units	175,743,056	0	175,743,056	0	175,743,056
Other Assistance	278,774,011	0	278,774,011	0	278,774,011
Subtotal- Operations	\$ 2,634,790,519	\$ (8,422,556)	\$ 2,626,367,963	\$ 0	\$ 2,626,367,963
Capital Improvements	167,663,025	0	167,663,025	0	167,663,025
TOTAL	<u>\$ 2,802,453,544</u>	<u>\$ (8,422,556)</u>	<u>\$ 2,794,030,988</u>	<u>\$ 0</u>	<u>\$ 2,794,030,988</u>
State General Fund					
State Operations	\$ 567,565,420	\$ (2,647,767)	\$ 564,917,653	\$ 0	\$ 564,917,653
Aid to Local Units	164,478,153	0	164,478,153	0	164,478,153
Other Assistance	27,721,972	0	27,721,972	0	27,721,972
Subtotal-Operating	\$ 759,765,545	\$ (2,647,767)	\$ 757,117,778	\$ 0	\$ 757,117,778
Capital Improvements	3,849,853	0	3,849,853	0	3,849,853
TOTAL	<u>\$ 763,615,398</u>	<u>\$ (2,647,767)</u>	<u>\$ 760,967,631</u>	<u>\$ 0</u>	<u>\$ 760,967,631</u>
FTE Positions	18,272.6	0.0	18,272.6	0.0	18,272.6
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>18,272.6</u>	<u>0.0</u>	<u>18,272.6</u>	<u>0.0</u>	<u>18,272.6</u>