

# KANSAS STATE UNIVERSITY

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 99,857,422	\$ 106,220,367	\$ 106,009,763	\$ 108,137,463	\$ 105,216,062	\$ 110,507,193	\$ 107,571,209
Other Funds	411,048,725	454,108,686	453,780,102	458,566,440	456,848,748	459,135,957	457,384,491
TOTAL	\$ 510,908,147	\$ 560,329,053	\$ 559,789,865	\$ 566,703,903	\$ 562,064,810	\$ 569,643,150	\$ 564,955,700
Capital Improvements:							
State General Fund	\$ 114,507	\$ 1,500,000	\$ 1,500,000	\$ 2,820,287	\$ 0	\$ 2,820,287	\$ 0
Other Funds	41,475,602	32,751,955	32,751,955	15,013,143	15,013,143	18,425,120	18,425,120
TOTAL	\$ 41,590,109	\$ 34,251,955	\$ 34,251,955	\$ 17,833,430	\$ 15,013,143	\$ 21,245,407	\$ 18,425,120
<b>GRAND TOTAL</b>	<b>\$ 552,498,256</b>	<b>\$ 594,581,008</b>	<b>\$ 594,041,820</b>	<b>\$ 584,537,333</b>	<b>\$ 577,077,953</b>	<b>\$ 590,888,557</b>	<b>\$ 583,380,820</b>
Percentage Change:							
Operating Expenditures							
State General Fund	(2.7) %	6.4 %	6.2 %	1.8 %	(0.7) %	2.2 %	2.2 %
All Funds	2.1	9.7	9.6	1.1	0.4	0.5	0.5
FTE Positions	3,785.3	3,861.7	3,861.7	3,861.7	3,861.7	3,861.7	3,861.7
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	3,785.3	3,861.7	3,861.7	3,861.7	3,861.7	3,861.7	3,861.7

## AGENCY OVERVIEW

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Kansas State University (KSU) was established in 1863, becoming the first land grant institution under the provisions of the Morrill Act of 1862. KSU is a comprehensive research institution. The University offers instruction in Agriculture, Architecture Planning and Design, Arts and Sciences, Business Administration, Education, Engineering, Human Ecology, Technology and Veterinary Medicine, and offers a full compliment of graduate studies. The University's Veterinary Medical School in Manhattan and its Agricultural Research

Program are treated as separate agencies for budget preparation purposes. Separate budget analyzes of these entities follow this analysis. KSU is fully accredited by the North Central Accrediting Association and by various professional accrediting agencies. **A total of 24,290 students attended the University during the Fall 2014 semester, an increase of 174 students, or 0.7 percent from the Fall 2013 semester.**

### MAJOR ISSUES FROM PRIOR YEARS

The **1999 Legislature** passed the Higher Education Coordination Act (SB 345) that transferred supervision of community colleges, area vocational schools, technical colleges, adult education programs, and proprietary schools from the Department of Education to the Board of Regents.

The **2001 Legislature** adopted a proposal that provided for the state universities to be funded through an operating block grant rather than the multiple line-item appropriations that had been used previously. The change was made to allow the institutions greater flexibility in managing its budgets and to base future funding on performance rather than an enrollment formula.

The **2002 Legislature** passed the University Research and Development Act (HB 2690) that authorized the issuance of not more than \$120.0 million in bonds to fund a portion of the financing for research facilities at the state universities.

The **2006 Legislature** passed legislation allowing interest earnings on certain state university funds to be spent on deferred maintenance. Under prior law, the interest earned by the General Fees Fund (tuition revenue) and the Restricted Fees Fund (student fees and other revenue) was retained in the State General Fund. The legislation transfers the amount of interest earned into the deferred maintenance fund.

The **2011 Legislature** passed legislation that created the Postsecondary Tiered Technical Education State Aid Act. Beginning with FY 2012, and in each fiscal year thereafter, each community college and technical college and the Washburn Institute of Technology is eligible for postsecondary tiered technical education state aid from the State General Fund for credit hours approved by the State Board of Regents, using a credit hour cost calculation model.

The **2011 Legislature** also passed legislation designating 50 counties as Rural Opportunity Zones (ROZ), effectively providing an income tax exemption for certain out-of-state

taxpayers who relocate to those counties; and authorizing the counties to participate in a state-matching program to repay student loans of up to \$15,000 for certain students who establish domicile in ROZ counties.

The **2012 Legislature** passed legislation requiring the State Board of Regents to establish a career technical education incentive program that will award \$1,000, subject to appropriation, to a school district for each high school graduate who graduates from that district with an industry-recognized credential in a high-need occupation, as identified by the Secretary of Labor, in consultation with the State Board of Regents and the State Board of Education.

The legislation requires the State Board of Regents to initiate the development of a statewide articulation agreement on career technical education programs among high schools, community colleges, technical colleges, and the Institute of Technology at Washburn University. This provision went into effect on July 1, 2013.

The **2012 Legislature** passed legislation amending statutes governing the low-income family postsecondary savings accounts incentive program. The bill allows a third-party contributor, other than the account owner, to contribute money to a family postsecondary savings account.

The **2012 Legislature** passed legislation removing the expiration date on the State Educational Institution Project

Delivery Construction Procurement Act, that applies only to university construction projects and services funded totally with non-state money. The act exempts certain construction projects and construction project services at state universities from many of the requirements imposed on other state agencies.

The **2012 Legislature** passed legislation amending the Vocational Education Scholarship statutes that deal with state universities and negotiated contracts, extending a sunset on private and out-of-state postsecondary fees, changing requirements related to remedial education and the qualified admissions standards at state education institutions, and authorizing individual plans for success for students admitted under the minimum admissions standards.

The **2013 Legislature** reduced the universities State General Fund operating expenditures by 1.5 percent and there was an additional reduction in the salaries and wages all funds expenditures of approximately 1.4 percent in FY 2014 and 0.9 percent for FY 2015.

The **2014 Legislature** added \$5.0 million from the State General Fund and deleted the same amount from special revenue funds for global food systems research for FY 2015.

The **2014 Legislature** also added language to the appropriations bill allowing \$56.0 million in bonding authority for construction of a new chiller plant for FY 2015.

## BUDGET SUMMARY AND KEY POINTS

### FY 2015 Agency Estimate

The **agency's** revised estimate in FY 2015 is \$594.6 million, including \$107.7 million from the State General Fund. This is an increase of \$42.6 million, or 7.7 percent, all funds and \$210,604, or 0.2 percent, State General Fund above the FY 2015 approved amount. The increase includes increases mainly in salaries and wages (\$18.6 million), contractual services (\$4.6 million), debt service (\$3.0 million) and other assistance (\$4.8 million) with offsetting decreases in commodities (\$2.6 million) and capital outlay (\$5.3 million). The increase in State General Fund is due to the agency submitting their budget prior to the Governor's allotment.

The agency's revised estimate includes \$75.0 million in bonding authority for the School of Architecture in FY 2015. This will not have a monetary impact to the FY 2015 budget but the

### FY 2015 Governor Recommendation

The **Governor** recommends \$594.0 million, including \$107.5 million from the State General Fund. This is an increase of \$42.1 million, or 7.6 percent, all from special revenue funds above the approved amount.

The **Governor** does not recommend \$75.0 million in bonding authority for the College of Architecture but does

### FY 2016 Agency Request

The **agency** requests FY 2016 operating expenditures of \$566.7 million, including \$108.1 million from the State General

agency is requesting \$5.0 million, all from the State General Fund to pay debt service on this bond for FY 2016 and FY 2017. The agency is also asking for \$25.0 million in bonding authority for the Student Union expansion project. The debt service for this project will be paid for with student fees.

The agency's capital improvement revised estimate in FY 2015 is \$34.3 million, including \$1.5 million from the State General Fund. This is an increase of \$20.4 million, or 147.2 percent, above the approved amount all from special revenue funds. The increase includes the transfer from the Board of Regents and carry forward of \$16.7 million from the Educational Building Fund for rehabilitation and repair projects. There were also additional expenditures in other special revenue funds for capital improvement projects.

recommend \$25.0 in bonding authority for the Student Union expansion in which debt service will be paid with student fees.

The Governor concurs with the agency's revised estimate for capital improvements.

Fund. This is an increase of \$6.4 million, or 1.1 percent, all funds and \$1.9 million, or 1.8 percent, State General Fund

above the FY 2015 revised estimate. The increase is mainly attributable to operational increases in debt service (\$4.6 million), contractual services (\$870,958), and salaries and wages (\$464,805). The agency is also asking for an enhancement of \$5.0 million, all from special revenue funds, for the National Bio and Agro-Defense Facility (NBAF). In the past three years, this funding has been a transfer before the revenues deposit into the Bioscience Authority.

### **FY 2016 Governor Recommendation**

The **Governor** recommends \$562.1 million, including \$105.2 million from the State General Fund. This is an increase of \$2.3 million, or 0.4 percent, all funds and a decrease of \$793,701, or 0.7 percent, State General Fund from the FY 2015 recommendation.

The Governor recommends a reduction of \$2.5 million, including \$741,688 from the State General Fund, to reduce employer contributions for state employee health insurance. This is the only change from the agency's request.

### **FY 2017 Agency Request**

The **agency** requests FY 2017 operating expenditures of \$569.6 million, including \$110.5 million from the State General Fund. This is an increase of \$2.9 million, or 0.5 percent, all funds and \$2.4 million, or 2.2 percent, State General Fund above the FY 2016 request. The increase is mainly attributable to an increase in salaries and wages (\$7.4 million) with offsetting decreases in all other operating expenditures. The increase includes an enhancement of \$5.0 million from State

The agency requests \$17.8 million, including \$2.8 million from the State General Fund for capital improvement projects for FY 2016. This is a decrease of 16.4 million, or 47.9 percent, all funds and an increase of \$1.3 million, or 88.0 percent, from the State General Fund, from the FY 2015 revised estimate. The decrease is due to the Educational Building Fund moneys not being transferred from the Board of Regents until the beginning of FY 2016. The increase in State General Fund expenditures is due to an enhancement for bond payments.

The Governor recommends a \$5.0 million transfer to the agency as special revenue funds for the National Bio and Agro-Defense Facility (NBAF). The recommendation does not include the debt service payments for the College of Architecture.

The Governor recommends \$15.0 million, all from special revenue funds for capital improvements. The Governor did not recommend the bonding authority for the College of Architecture-Seaton Hall renovation therefore, did not recommend the debt service payments. This is a reduction of \$2.8 million, all from the State General Fund from the agency's request.

General Fund for principal and interest debt service payments and \$5.0 million special revenue funds for the National Bio and Agro-Defense Facility (NBAF). In the past three years, this funding has been a transfer which occurs prior to the revenue deposits into the Bioscience Authority.

The agency requests \$21.2 million, including \$2.8 million from the State General Fund for capital improvements for FY

2017. This is an increase of \$3.4 million, or 19.1 percent, all from special revenue funds. The increase is mainly due to the additional residence hall construction project. The State General

Fund expenditures is an enhancement request for debt service payments.

### **FY 2017 Governor Recommendation**

The **Governor** recommends \$565.0 million, including \$107.6 million from the State General Fund. This is an increase of \$2.9 million, or 0.5 percent, all funds and \$2.4 million, or 2.2 percent, State General Fund above the FY 2016 recommendation.

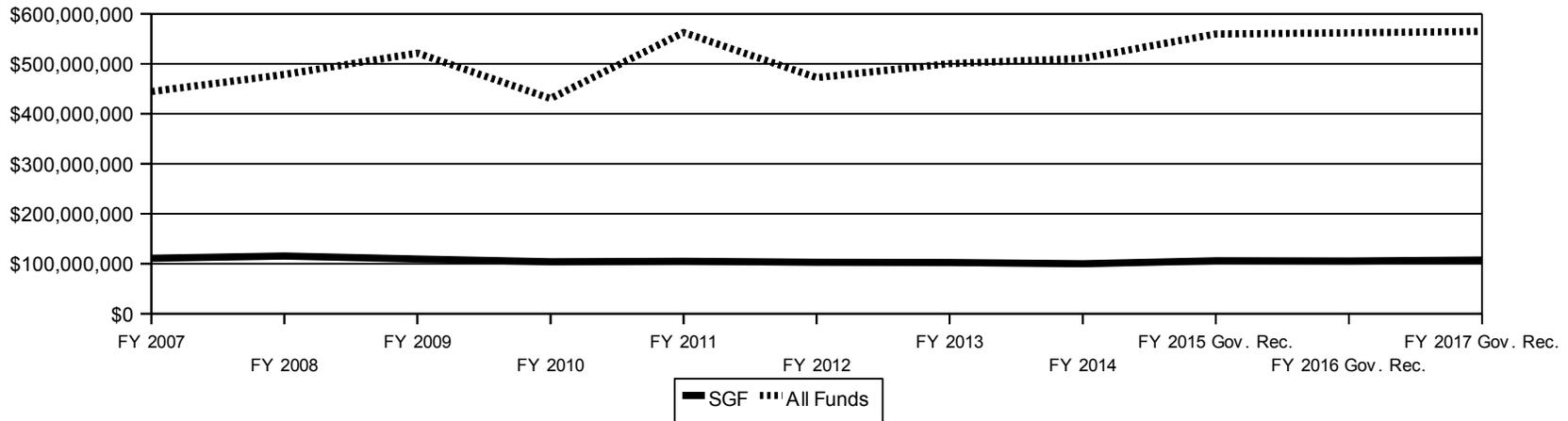
The Governor recommends a reduction of \$2.5 million, including \$756,271 from the State General Fund, to reduce employer contributions for state employee health insurance. This is the only change from the agency's request.

The Governor recommends a \$5.0 million a State General Fund transfer to the agency for the National Bio and Agro-Defense Facility (NBAF). The recommendation does not include the debt service payments for the College of Architecture.

The Governor recommends \$18.4 million, all from special revenue funds for capital improvements. The Governor did not recommend the bonding authority for the College of Architecture-Seaton Hall renovation therefore, did not recommend the debt service payments. This is a reduction of \$2.8 million, all from the State General Fund from the agency's request.

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 110,916,071	1.4 %	\$ 444,502,954	2.3 %	2,423.1
2008	115,373,256	4.0	478,693,202	7.7	2,678.8
2009	109,383,967	(5.2)	521,479,338	8.9	3,514.2
2010	104,021,282	(4.9)	430,586,478	(17.4)	3,510.0
2011	104,756,636	0.7	562,751,773	30.7	3,601.7
2012	102,716,970	(1.9)	472,522,449	(16.0)	3,681.3
2013	102,593,967	(0.1)	500,516,536	5.9	3,741.0
2014	99,857,422	(2.7)	510,908,147	2.1	3,785.3
2015 Gov. Rec.	106,009,763	6.2	559,789,865	9.6	3,861.7
2016 Gov. Rec.	105,216,062	(0.7)	562,064,810	0.4	3,861.7
2017 Gov. Rec.	107,571,209	2.2	564,955,700	0.5	3,861.7
Eleven-Year Change	\$ (3,344,862)	(3.0)%	\$ 120,452,746	27.1 %	1,438.6

**Summary of Operating Budget FY 2014 - FY 2016**

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
<b>By Program:</b>									
Institutional Support	\$ 31,468,681	\$ 35,897,118	\$ 36,025,536	\$ 128,418	0.4 %	\$ 35,841,847	\$ 35,813,848	\$ (27,999)	(0.1)%
Instructional Services	183,085,494	196,655,559	197,136,662	481,103	0.2	196,563,058	196,119,424	(443,634)	(0.2)
Academic Support	40,300,460	50,179,433	50,313,782	134,349	0.3	50,133,900	50,061,718	(72,182)	(0.1)
Student Services	24,482,230	27,638,374	27,717,040	78,666	0.3	27,588,101	27,524,266	(63,835)	(0.2)
Research	67,556,697	86,531,462	86,667,754	136,292	0.2	86,512,500	86,496,464	(16,036)	(0.0)
Public Service	17,007,688	9,047,790	9,066,342	18,552	0.2	9,043,409	9,026,797	(16,612)	(0.2)
Student Aid	58,798,683	56,795,691	56,795,691	0	0.0	56,795,691	56,795,691	0	0.0
Auxiliary	44,120,283	48,026,074	48,660,488	634,414	1.3	47,884,236	48,329,642	445,406	0.9
Physical Plant/Central Services	36,320,931	38,786,898	38,962,550	175,652	0.5	38,656,469	38,718,615	62,146	0.2
Debt Service	7,767,000	10,770,654	15,358,058	4,587,404	42.6	10,770,654	13,178,345	2,407,691	22.4
<b>TOTAL</b>	<b>\$ 510,908,147</b>	<b>\$ 560,329,053</b>	<b>\$ 566,703,903</b>	<b>\$ 6,374,850</b>	<b>1.1 %</b>	<b>\$ 559,789,865</b>	<b>\$ 562,064,810</b>	<b>\$ 2,274,945</b>	<b>0.4 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 306,628,312	\$ 338,394,839	\$ 338,859,644	\$ 464,805	0.1 %	\$ 337,855,651	\$ 336,400,264	\$ (1,455,387)	(0.4)%
Contractual Services	84,564,100	90,438,337	91,309,295	870,958	1.0	90,438,337	93,717,842	3,279,505	3.6
Commodities	21,948,695	24,302,253	24,465,470	163,217	0.7	24,302,253	24,109,476	(192,777)	(0.8)
Capital Outlay	14,986,772	16,079,487	16,329,310	249,823	1.6	16,079,487	14,537,208	(1,542,279)	(9.6)
Debt Service	7,767,000	10,770,654	15,358,058	4,587,404	42.6	10,770,654	13,178,345	2,407,691	22.4
Subtotal - Operations	\$ 435,894,879	\$ 479,985,570	\$ 486,321,777	\$ 6,336,207	1.3 %	\$ 479,446,382	\$ 481,943,135	\$ 2,496,753	0.5 %
Aid to Local Units	135,355	145,161	145,161	0	0.0	145,161	145,161	0	0.0
Other Assistance	74,877,913	80,198,322	80,236,965	38,643	0.0	80,198,322	79,976,514	(221,808)	(0.3)
<b>TOTAL</b>	<b>\$ 510,908,147</b>	<b>\$ 560,329,053</b>	<b>\$ 566,703,903</b>	<b>\$ 6,374,850</b>	<b>1.1 %</b>	<b>\$ 559,789,865</b>	<b>\$ 562,064,810</b>	<b>\$ 2,274,945</b>	<b>0.4 %</b>
<b>Financing:</b>									
State General Fund	\$ 99,857,422	\$ 106,220,367	\$ 108,137,463	\$ 1,917,096	1.8 %	\$ 106,009,763	\$ 105,216,062	\$ (793,701)	(0.7)%
General Fees Fund	190,908,521	203,167,257	206,500,704	3,333,447	1.6	203,055,136	205,585,646	2,530,510	1.2
All Other Funds	220,142,204	250,941,429	252,065,736	1,124,307	0.4	250,724,966	251,263,102	538,136	0.2
<b>TOTAL</b>	<b>\$ 510,908,147</b>	<b>\$ 560,329,053</b>	<b>\$ 566,703,903</b>	<b>\$ 6,374,850</b>	<b>1.1 %</b>	<b>\$ 559,789,865</b>	<b>\$ 562,064,810</b>	<b>\$ 2,274,945</b>	<b>0.4 %</b>

**Summary of Operating Budget FY 2016 - FY 2017**

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
<b>By Program:</b>								
Institutional Support	\$ 36,025,536	\$ 37,027,592	\$ 1,002,056	2.8 %	\$ 35,813,848	\$ 36,811,742	\$ 997,894	2.8 %
Instructional Services	197,136,662	198,300,900	1,164,238	0.6	196,119,424	197,263,660	1,144,236	0.6
Academic Support	50,313,782	51,465,938	1,152,156	2.3	50,061,718	51,208,918	1,147,200	2.3
Student Services	27,717,040	28,414,940	697,900	2.5	27,524,266	28,218,375	694,109	2.5
Research	86,667,754	87,350,960	683,206	0.8	86,496,464	87,176,302	679,838	0.8
Public Service	9,066,342	9,255,463	189,121	2.1	9,026,797	9,215,141	188,344	2.1
Student Aid	56,795,691	56,795,691	0	0.0	56,795,691	56,795,691	0	0.0
Auxiliary	48,660,488	46,266,950	(2,393,538)	(4.9)	48,329,642	45,929,599	(2,400,043)	(5.0)
Physical Plant/Central Services	38,962,550	39,744,528	781,978	2.0	38,718,615	39,495,797	777,182	2.0
Debt Service	15,358,058	15,020,188	(337,870)	(2.2)	13,178,345	12,840,475	(337,870)	(2.6)
<b>TOTAL</b>	<b>\$ 566,703,903</b>	<b>\$ 569,643,150</b>	<b>\$ 2,939,247</b>	<b>0.5 %</b>	<b>\$ 562,064,810</b>	<b>\$ 564,955,700</b>	<b>\$ 2,890,890</b>	<b>0.5 %</b>
<b>By Major Object of Expenditure:</b>								
Salaries and Wages	\$ 338,859,644	\$ 346,252,580	\$ 7,392,936	2.2 %	\$ 336,400,264	\$ 343,744,843	\$ 7,344,579	2.2 %
Contractual Services	91,309,295	89,109,682	(2,199,613)	(2.4)	93,717,842	91,517,766	(2,200,076)	(2.3)
Commodities	24,465,470	23,440,867	(1,024,603)	(4.2)	24,109,476	23,084,941	(1,024,535)	(4.2)
Capital Outlay	16,329,310	16,159,960	(169,350)	(1.0)	14,537,208	14,368,203	(169,005)	(1.2)
Debt Service	15,358,058	15,020,188	(337,870)	(2.2)	13,178,345	12,840,475	(337,870)	(2.6)
Subtotal - Operations	\$ 486,321,777	\$ 489,983,277	\$ 3,661,500	0.8 %	\$ 481,943,135	\$ 485,556,228	\$ 3,613,093	0.7 %
Aid to Local Units	145,161	145,161	0	0.0	145,161	145,161	0	0.0
Other Assistance	80,236,965	79,514,712	(722,253)	(0.9)	79,976,514	79,254,311	(722,203)	(0.9)
<b>TOTAL</b>	<b>\$ 566,703,903</b>	<b>\$ 569,643,150</b>	<b>\$ 2,939,247</b>	<b>0.5 %</b>	<b>\$ 562,064,810</b>	<b>\$ 564,955,700</b>	<b>\$ 2,890,890</b>	<b>0.5 %</b>
<b>Financing:</b>								
State General Fund	\$ 108,137,463	\$ 110,507,193	\$ 2,369,730	2.2 %	\$ 105,216,062	\$ 107,571,209	\$ 2,355,147	2.2 %
General Fees Fund	206,500,704	208,216,268	1,715,564	0.8	205,585,646	207,283,219	1,697,573	0.8
All Other Funds	252,065,736	250,919,689	(1,146,047)	(0.5)	251,263,102	250,101,272	(1,161,830)	(0.5)
<b>TOTAL</b>	<b>\$ 566,703,903</b>	<b>\$ 569,643,150</b>	<b>\$ 2,939,247</b>	<b>0.5 %</b>	<b>\$ 562,064,810</b>	<b>\$ 564,955,700</b>	<b>\$ 2,890,890</b>	<b>0.5 %</b>

# BUDGET OVERVIEW

## A. FY 2015 – Current Year

### Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$107,720,367 for Kansas State University in FY 2015. One adjustment has subsequently been made to that amount. This adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made.

This adjustment changes the FY 2015 approved State General Fund to \$107,509,763. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency's budget was submitted prior to the December allotment, so the agency's revised budget estimates do not incorporate the allotment.

- A reduction of \$ \$210,604 from the State General Fund, as the result of the Governor's December 9th, allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 107,509,763	\$ 107,720,367	\$ 210,604	\$ 107,509,763	\$ 0
All Other Funds	444,433,752	486,860,641	42,426,889	486,532,057	42,098,305
TOTAL	<u>\$ 551,943,515</u>	<u>\$ 594,581,008</u>	<u>\$ 42,637,493</u>	<u>\$ 594,041,820</u>	<u>\$ 42,098,305</u>
FTE Positions	3,785.3	3,861.7	76.4	3,861.7	76.4

The **agency's** revised estimate in FY 2015 includes \$594.6 million, including \$107.7 million from the State General Fund. This is an increase of \$42.6 million, or 7.7 percent, all funds and

\$210,604, or 0.2 percent, State General Fund above the FY 2015 approved amount. The increase includes increases mainly in salaries and wages (\$18.6 million), contractual services (\$4.6

million), debt service (\$3.0 million) and other assistance (\$4.8 million) with offsetting decreases in commodities (\$2.6 million) and capital outlay (\$5.3 million). The increase in State General Fund is due to the agency submitting their budget prior to the Governor's allotment.

The **Governor** recommends \$594.0 million, including \$107.5 million from the State General Fund. This is an increase of \$42.1 million, or 7.6 percent, all from special revenue funds above the approved amount.

### Supplemental Detail

FY 2015 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
\$75.0 million in Bonding Authority for College of Architecture	0	0	0.0	0	0	0.0
\$25.0 million in Bonding Authority for Student Union Expansion	0	0	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>

The **agency's** revised estimate includes \$75.0 million in bonding authority for the School of Architecture in FY 2015. This will not have a monetary impact to the FY 2015 budget, but the agency is requesting \$5.0 million, all from the State General Fund, to pay debt service on this bond for FY 2016 and FY 2017. This enhancement is shown in the Board of Regents budget. The agency is also requesting \$25.0 million in bonding

authority for the student union expansion with the debt service paid from student fees.

The **Governor** does not recommend \$75.0 million in bonding authority for the College of Architecture but does recommend \$25.0 in bonding authority for the student union expansion in which debt service will be paid with student fees.

### Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million, which reduced

expenditures by \$60.1 million. The allotment plan included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments that have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	\$ (210,604)	\$ (210,604)	0.0

**Kansas Public Employees Retirement System  
(KPERS) Reduction:**

A reduction of \$210,604 from the State General Fund as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer Regular and School Member

employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency operations, but is reflective of a reduction of expenditures. An additional \$328,584 from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$539,188.

**B. FY 2016 – Budget Year**

<b>FY 2016 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 566,703,903	\$ 562,064,810	\$ (4,639,093)
<b>FTE Positions</b>	3,861.7	3,861.7	0.0
<b>Change from FY 2015:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 1,917,096	\$ (793,701)	
All Other Funds	4,457,754	3,068,646	
TOTAL	<u>\$ 6,374,850</u>	<u>\$ 2,274,945</u>	
<i>Percent Change:</i>			
State General Fund	1.8 %	(0.7) %	
All Other Funds	1.0	0.7	
TOTAL	<u>1.1 %</u>	<u>0.4 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2016 operating expenditures of \$566.7 million, including \$108.1 million from the State General Fund. This is an increase of \$6.4 million, or 1.1 percent, all funds and \$1.9 million, or 1.8 percent, State General Fund above the FY 2015 revised estimate. The increase is mainly attributable to operational increases in debt service (\$4.6 million), contractual services (\$870,958), and salaries and wages (\$464,805). The agency is also asking for an

enhancement of \$5.0 million, all from special revenue funds, for the National Bio and Agro-Defense Facility (NBAF). In the past three years, this funding has been a transfer which occurs prior to the revenue deposits into the Bioscience Authority.

The **Governor** recommends \$562.1 million, including \$105.2 million from the State General Fund. This is an increase of \$2.3 million, or 0.4 percent, all funds and a decrease of

\$793,701, or 0.7 percent, State General Fund from the FY 2015 recommendation.

The Governor recommends a reduction of \$2.5 million, including \$741,688 from the State General Fund, to reduce employer contributions for state employee health insurance. This is the only change from the agency's request.

**Enhancements Detail**

Enhancements	FY 2016 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
College of Architecture Debt Service	\$ 5,000,000	\$ 5,000,000	0.0	\$ 0	\$ 0	0.0
NBAF	0	5,000,000	0.0	0	5,000,000	0.0
<b>TOTAL</b>	<b>\$ 5,000,000</b>	<b>\$ 10,000,000</b>	<b>0.0</b>	<b>\$ 0</b>	<b>\$ 5,000,000</b>	<b>0.0</b>

The **agency** is requesting \$10.0 million, including \$5.0 million from the State General Fund. The State General Fund is for debt service principal and interest payments and the \$5.0 million special revenue funds are for the National Bio and Agro-Defense Facility (NBAF). In the past three years, this funding has been a transfer which occurs prior to revenue deposits into the Bioscience Authority.

The **Governor** recommends a \$5.0 million State General Fund transfer to the agency for the National Bio and Agro-Defense Facility (NBAF). The recommendation does not include the debt service payments for the College of Architecture.

**C. FY 2017 – Budget Year**

<b>FY 2017 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 569,643,150	\$ 564,955,700	\$ (4,687,450)
<b>FTE Positions</b>	3,861.7	3,861.7	0.0
<b>Change from FY 2016:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 2,369,730	\$ 2,355,147	
All Other Funds	569,517	535,743	
TOTAL	<u>\$ 2,939,247</u>	<u>\$ 2,890,890</u>	
<i>Percent Change:</i>			
State General Fund	2.2 %	2.2 %	
All Other Funds	0.1	0.1	
TOTAL	<u>0.5 %</u>	<u>0.5 %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests FY 2017 operating expenditures of \$569.6 million, including \$110.5 million from the State General Fund. This is an increase of \$2.9 million, or 0.5 percent, all funds and \$2.4 million, or 2.2 percent, State General Fund above the FY 2016 request. The increase is mainly attributable to an increase in salaries and wages (\$7.4 million), which includes the 27<sup>th</sup> pay period, with offsetting decreases in all other operating expenditures. The increase includes an

enhancement of \$5.0 million from State General Fund for principal and interest debt service payments and \$5.0 million special revenue funds for the National Bio and Agro-Defense Facility (NBAF). In the past three years, this funding has been a transfer which occurs prior to the revenue deposits into the Bioscience Authority.

The **Governor** recommends \$565.0 million, including \$107.6 million from the State General Fund. This is an increase of \$2.9 million, or 0.5 percent, all funds and \$2.4 million, or 2.2 percent, State General Fund above the FY 2016 recommendation.

The Governor recommends a reduction of \$2.5 million, including \$756,271 from the State General Fund, to reduce employer contributions for state employee health insurance. This is the only change from the agency's request.

### Enhancements Detail

Enhancements	FY 2017 ENHANCEMENTS					
	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
College of Architecture Debt Service	\$ 5,000,000	\$ 5,000,000	0.0	\$ 0	\$ 0	0.0
NBAF	0	5,000,000	0.0	0	5,000,000	0.0
<b>TOTAL</b>	<b>\$ 5,000,000</b>	<b>\$ 10,000,000</b>	<b>0.0</b>	<b>\$ 0</b>	<b>\$ 5,000,000</b>	<b>0.0</b>

The **agency** is requesting \$10.0 million, including \$5.0 million from the State General Fund. The State General Fund is for debt service principal and interest payments and the \$5.0 million special revenue funds are for the National Bio and Agro-Defense Facility (NBAF). In the past three years, this funding has been a transfer which occurs prior to revenue deposits into the Bioscience Authority.

The **Governor** recommends a \$5.0 million transfer to the agency as special revenue funds for the National Bio and Agro-Defense Facility (NBAF). The recommendation does not include the debt service payments for the College of Architecture.

## Governor's Recommended Salary and Wage Adjustments

**State Employee Pay Increases.** The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$994,762, including \$262,617 from the State General Fund, and affects 3,199 employees.**

**Longevity Bonus Payments.** For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, there are no longevity bonus payments.**

**Group Health Insurance.** The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$2.5 million, including \$741,688 from the State General Fund for FY 2016. This is a reduction of \$2.5 million including \$756,271 from the State General Fund, for FY 2017.**

**Kansas Public Employees Retirement System (KPERs) Rate Adjustments.** The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

## Funding Sources

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	19.1 %	18.7 %	19.4 %	19.0 %
General Fees Fund	36.4	36.6	36.6	36.7
All Other Funds	44.5	44.7	44.0	44.3
TOTAL	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

**Note:** Percentages may not add due to rounding.

## General Fees Fund

Under KSA 76-719, the Board of Regents has the authority to set tuition rates at each university and the funds collected from tuition are deposited in the general fees fund, excluding the

student activity fees that are deposited in the restricted fees fund. Tuition is set by the Board of Regents after the Legislative Session has concluded each year.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 25,416,085	\$ 21,438,025	\$ 21,438,025	\$ 18,389,544	\$ 18,501,665	\$ 9,476,727	\$ 10,503,906
Revenue	194,935,576	204,853,728	204,883,728	204,853,728	204,883,728	204,853,728	204,883,728
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 220,351,661	\$ 226,291,753	\$ 226,321,753	\$ 223,243,272	\$ 223,385,393	\$ 214,330,455	\$ 215,387,634
Less: Expenditures	198,567,349	207,684,511	207,572,390	213,548,847	212,633,789	215,366,388	214,433,339
Transfers Out	217,698	217,698	217,698	217,698	217,698	217,698	217,698
Off Budget Expenditures	128,589	0	30,000	0	30,000	0	30,000
Ending Balance	<u>\$ 21,438,025</u>	<u>\$ 18,389,544</u>	<u>\$ 18,501,665</u>	<u>\$ 9,476,727</u>	<u>\$ 10,503,906</u>	<u>\$ (1,253,631)</u>	<u>\$ 706,597</u>
Ending Balance as Percent of Expenditures	10.8%	8.9%	8.9%	4.4%	4.9%	(0.6%)	0.3%
Month Highest Ending Balance	January \$ 73,000,000	January \$ 27,270,000	January \$ 27,270,000	January \$ 71,547,000	January \$ 70,500,000	January \$ 70,831,000	January \$ 70,831,000
Month Lowest Ending Balance	July \$ 20,500,000	July \$ 18,295,000	July \$ 18,295,000	July \$ 9,092,000	July \$ 10,092,000	July \$ (1,250,000)	July \$ 700,000

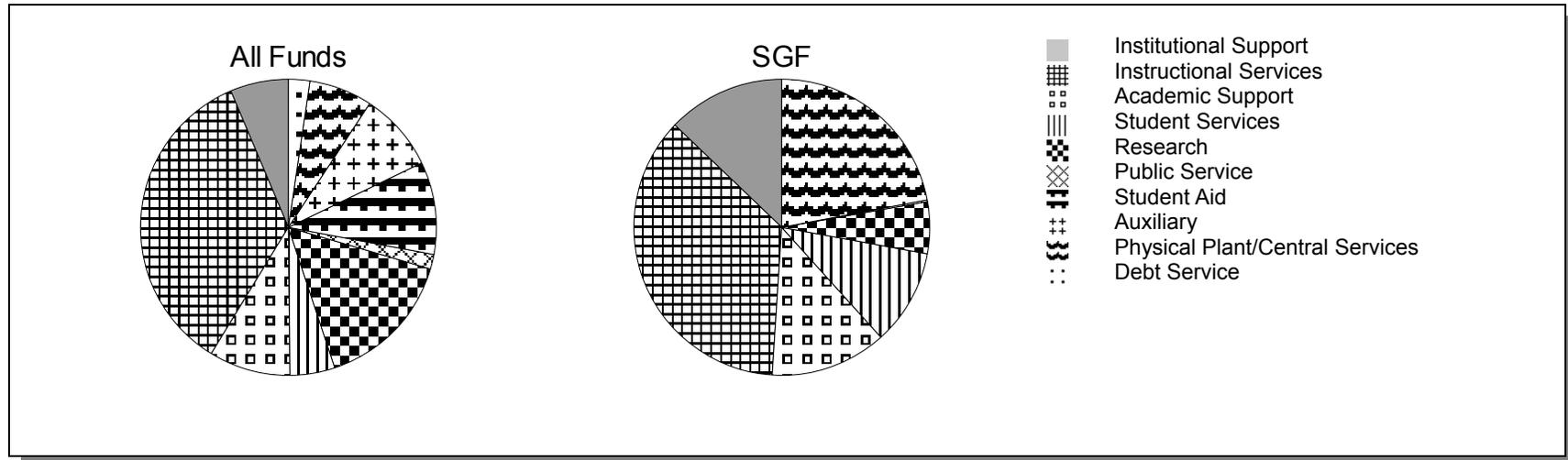
## Enrollment Trends

The following table summarizes recent enrollment trends at the Kansas State University. Headcount enrollment reflects the actual number of students enrolled. Full-time equivalent converts those students to full-time, based on the number of credit hours the students are enrolled.

	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2009 to Fall 2014
<b>Headcount</b>	<b>23,144</b>	<b>23,126</b>	<b>23,406</b>	<b>23,914</b>	<b>24,116</b>	<b>24,290</b>	
Change	63	(18)	280	508	202	174	1,146
%Change	0.3 %	(0.1)%	1.2 %	2.2 %	0.8 %	0.7 %	5.0 %
<b>FTE Students</b>	<b>19,484</b>	<b>19,678</b>	<b>20,014</b>	<b>20,597</b>	<b>20,765</b>	<b>20,862</b>	
Change	226	194	336	583	168	97	1,378
%Change	1.2 %	1.0 %	1.7 %	2.9 %	0.8 %	0.5 %	7.1 %
<b>Student Credit Hours</b>	<b>275,098</b>	<b>279,118</b>	<b>283,170</b>	<b>291,084</b>	<b>294,139</b>	<b>295,525</b>	
Change	4,260	4,020	4,052	7,914	3,055	1,386	20,427
%Change	1.6 %	1.5 %	1.5 %	2.8 %	1.0 %	0.5 %	7.4 %

# PROGRAM DETAIL

## EXPENDITURES BY PROGRAM-- GOVERNOR'S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Institutional Support	\$ 35,813,848	6.4 %	\$ 13,520,440	12.9 %
Instructional Services	196,119,424	34.9	38,007,283	36.1
Academic Support	50,061,718	8.9	13,378,399	12.7
Student Services	27,524,266	4.9	10,991,403	10.4
Research	86,496,464	15.4	5,941,732	5.6
Public Service	9,026,797	1.6	195,610	0.2
Student Aid	56,795,691	10.1	0	0.0
Auxiliary	48,329,642	8.6	0	0.0
Physical Plant/Central Services	38,718,615	6.9	23,181,195	22.0
Debt Service	13,178,345	2.3	0	0.0
<b>TOTAL</b>	<b>\$ 562,064,810</b>	<b>100.0 %</b>	<b>\$ 105,216,062</b>	<b>100.0 %</b>

**FTE POSITIONS BY PROGRAM FY 2014 – FY 2017**

Program	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Institutional Support	294.1	291.6	291.6	291.6	291.6	291.6	291.6
Instructional Services	1,622.0	1,676.5	1,676.5	1,676.5	1,676.5	1,676.5	1,676.5
Academic Support	342.3	359.0	359.0	359.0	359.0	359.0	359.0
Student Services	267.1	275.3	275.3	275.3	275.3	275.3	275.3
Research	250.1	240.8	240.8	240.8	240.8	240.8	240.8
Public Service	49.5	53.9	53.9	53.9	53.9	53.9	53.9
Student Aid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Auxiliary	484.6	492.5	492.5	492.5	492.5	492.5	492.5
Physical Plant/Central Services	475.6	472.1	472.1	472.1	472.1	472.1	472.1
Debt Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>3,785.3</b>	<b>3,861.7</b>	<b>3,861.7</b>	<b>3,861.7</b>	<b>3,861.7</b>	<b>3,861.7</b>	<b>3,861.7</b>

**A. Institutional Support**

The Institutional Support program includes central management and long-range planning activities; fiscal operations; general administration and logistical services; personnel management; and community and alumni relations activities.

The **agency** requests FY 2016 operating expenditures of \$36.0 million, including \$13.6 million from the State General Fund. The request is an increase of \$128,418, or 0.4 percent, all funds and \$76,236, or 0.6 percent, State General Fund above the FY 2015 revised estimate. The increase is in salaries and wages for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$35.8 million, including \$13.5 million from the State General Fund. The recommendation is a decrease of \$211,688, or 0.6 percent, all funds and \$105,886, or 0.8 percent, State General Fund below the FY 2015 recommendation. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$37.0 million, including \$14.1 million from the State General Fund. The request is an increase of \$1.0 million, or 2.8 percent, all funds and \$509,898, or 3.7 percent, State General Fund

above the FY 2016 request. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$36.8 million, including \$14.0 million from the

### ***B. Instructional Services***

The Instructional Services program includes all general and remedial instruction of students.

The **agency** requests FY 2016 operating expenditures of \$197.1 million, including \$38.2 million from the State General Fund. The overall request is an increase of \$481,103, or 0.2 percent, all funds and a decrease of \$631,361, or 1.6 percent, State General Fund, from the FY 2015 revised estimate. The overall increases are primarily in contractual services (\$612,017) and capital outlay (\$233,010) with offsetting decreases in salaries and wages (\$337,696) and commodities (\$62,723) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$196.1 million, including \$38.0 million from the State General Fund. The recommendation is a decrease of \$1.0 million, or 0.5 percent, all funds and \$223,589, or 0.6 percent, State General Fund below the agency's request. The decrease

### ***C. Academic Support***

The Academic Support program includes all support services for the institution's primary missions of instruction, research, and public service. These support services cover libraries, museums and galleries, educational media services, academic computing support, academic administration, and course and curriculum.

State General Fund. The recommendation is a decrease of \$215,850, or 0.6 percent, all funds and \$107,968, or 0.8 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$198.3 million, including \$38.5 million from the State General Fund. The request is an increase of \$1.2 million, or 0.6 percent, all funds and \$272,817, or 0.7 percent, State General Fund above the FY 2016 request. The increase is primarily in salaries and wages (\$2.0 million) and commodities (\$460,611) with offsetting decreases in contractual services (\$494,468) and other assistance (\$707,751) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$197.3 million, including \$38.3 million from the State General Fund. The recommendation is a decrease of \$1.0 million, or 0.5 percent, all funds and \$227,985, or 0.6 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2016 operating expenditures of \$50.3 million, including \$13.5 million from the State General Fund. The request is an increase of \$134,349, or 0.3 percent, all funds and \$61,049, or 0.5 percent, State General Fund above the FY 2015 revised estimate. The increase is in salaries and wages for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$50.1 million, including \$13.4 million from the State General Fund. The recommendation is a decrease of \$252,064, or 0.5 percent, all funds and \$74,107, or 0.6 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$51.5 million, including \$13.8 million from the State General Fund. The request is an increase of \$1.2 million, or 2.3 percent,

#### ***D. Student Services***

The Student Services program is responsible for the non-academic activities surrounding the student's experience at the institution. These activities include social and cultural development, counseling and career guidance, financial aid administration admissions, student health services and intercollegiate athletics.

The **agency** requests FY 2016 operating expenditures of \$27.7 million, including \$11.1 million from the State General Fund. The request is an increase of \$78,666, or 0.3 percent, all funds and \$59,299, or 0.5 percent, State General Fund above the FY 2015 revised estimate. The increase is in salaries and wages.

The **Governor** recommends FY 2016 operating expenditures of \$27.5 million, including \$11.0 million from the State General Fund. The recommendation is a decrease of \$192,774, or 0.7 percent, all funds and \$106,739, or 1.0

all funds and \$372,310, or 2.8 percent, State General Fund above the FY 2016 requested amount. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$51.2 million, including \$13.7 million from the State General Fund. The recommendation is a decrease of \$257,020, or 0.5 percent, all funds and \$75,564, or 0.5 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$28.4 million, including \$11.5 million from the State General Fund. The request is an increase of \$697,900, or 2.5 percent, all funds and \$432,300, or 3.9 percent, State General Fund above the FY 2016 requested amount. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$28.2 million, including \$11.4 million from the State General Fund. The recommendation is a decrease of \$196,565, or 0.7 percent, all funds and \$108,838, or 0.9 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

## **E. Research**

The Research program includes most research projects conducted by university personnel whether individually or through an institute or research center.

The **agency** requests FY 2016 operating expenditures of \$86.7 million, including \$5.9 million from the State General Fund. The request is an overall increase of \$136,292, or 0.2 percent, all funds and \$36,715, or 0.1 percent, State General Fund above the FY 2015 revised estimate. The increase is in salaries and wages.

The **Governor** recommends FY 2016 operating expenditures of \$86.5 million, including \$5.9 million from the State General Fund. The recommendation is a decrease of \$171,290, or 0.2 percent, all funds and \$3,700, or 0.1 percent, State General Fund below the agency's request. The decrease

## **F. Public Service**

The Public Service program is responsible for all non-credit instruction (except remedial instruction) and other activities that are primarily of benefit to external groups or individuals. These activities include outreach education and community service.

The **agency** requests FY 2016 operating expenditures of \$9.1 million, including \$197,125 from the State General Fund. The request is an increase of \$18,552, or 0.2 percent, all funds and \$1,084, or 0.6 percent, State General Fund above the FY 2015 revised estimate. The increase is in salaries and wages for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$9.0 million, including \$195,610 from the State

is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$87.4 million, including \$6.0 million from the State General Fund. The request is an increase of \$683,206, or 0.8 percent, all funds and \$34,595, or 0.6 percent, State General Fund above the FY 2016 requested amount. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$87.2 million, including \$6.0 million from the State General Fund. The recommendation is a decrease of \$174,658, or 0.2 percent, all funds and \$3,773, or 0.1 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

General Fund. The recommendation is a decrease of \$39,545, or 0.4 percent, all funds and \$1,515, or 0.8 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$9.3 million, including \$204,961 from the State General Fund. The request is an increase of \$189,121, or 2.1 percent, all funds and \$7,836, or 4.0 percent, State General Fund above the FY 2016 requested amount. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$9.2 million, including \$203,417 from the State General Fund. The recommendation is a decrease of \$40,322, or 0.4 percent, all funds and \$1,544, or 0.8 percent, State

### **G. Student Aid**

The Student Aid program includes activities covering all forms of financial aid assistance such as scholarships, fellowships, and loans.

The **agency** requests FY 2016 operating expenditures of \$56.8 million, all from special revenue funds. The request is the same as the FY 2015 revised estimate.

### **H. Auxiliary**

The Auxiliary program is responsible for activities that furnish goods or services to students, faculty, and employees of the institution such as housing services, food services, and parking services.

The **agency** requests FY 2016 operating expenditures of \$48.7 million, all from special revenue funds. The request is an increase of \$634,414, or 1.3 percent, above the FY 2015 revised estimate. The increase is mainly in salaries and wages (\$129,614), contractual services (\$259,421), and commodities (\$226,012) for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$48.3 million, all from special revenue funds. The recommendation is a decrease of \$330,846, or 0.7 percent, below the agency's request. The decrease is due to the

General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **Governor** concurs with the agency's request for FY 2016.

The **agency** requests FY 2017 operating expenditures of \$56.8 million, all from special revenue funds. The request is the same as the FY 2016 request.

The **Governor** concurs with the agency's request for FY 2017.

Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$46.3 million, all from special revenue funds. The request is a decrease of \$2.4 million, or 4.9 percent, below the FY 2016 request. The decrease is primarily in contractual services (\$1.7 million) and commodities (\$1.5 million) with an offsetting increase in salaries and wages (\$923,552) for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$45.9 million, all from special revenue funds. The recommendation is a decrease of \$337,351, or 0.7 percent, below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

## ***I. Physical Plant/Central Services***

The Physical Plant/Central Services program is responsible for the operation and maintenance of the facilities and grounds of the institution. This includes facilities planning, building maintenance, custodial services, and utilities.

The **agency** requests FY 2016 operating expenditures of \$39.0 million, including \$23.4 million from the State General Fund. The overall request is an increase of \$175,652, or 0.5 percent, all funds and \$164,361, or 0.7 percent, State General Fund above the FY 2015 revised estimate. The increase is in salaries and wages for FY 2016.

The **Governor** recommends FY 2016 operating expenditures of \$38.7 million, including \$23.2 million from the State General Fund. The recommendation is a decrease of \$243,935, or 0.6 percent, all funds and \$226,152, or 1.0 percent, State General Fund below the agency's request. The

decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

The **agency** requests FY 2017 operating expenditures of \$39.7 million, including \$24.1 million from the State General Fund. The request is an increase of \$781,978, or 2.0 percent, all funds and \$739,974, or 3.2 percent, State General Fund above the FY 2016 request. The increase is in salaries and wages for FY 2017.

The **Governor** recommends FY 2017 operating expenditures of \$39.5 million, including \$23.9 from the State General Fund. The recommendation is a decrease of \$248,731, or 0.6 percent, all funds and \$230,599, or 1.0 percent, State General Fund below the agency's request. The decrease is due to the Governor's recommendation to reduce employer contributions for state employee health insurance.

# CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Rehabilitation and Repair	\$ 15,684,701	\$ 15,684,701	\$ 0	\$ 0	\$ 0	\$ 0
EBF - Seaton Hall Design	1,000,000	1,000,000	0	0	0	0
West Memorial Stadium	2,300,000	2,300,000	0	0	0	0
Snyder Stadium	1,500,000	1,500,000	0	0	0	0
Seaton Hall	1,500,000	1,500,000	0	0	0	0
R&R on Housing and Dining	2,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
New Residence Hall	0	0	0	0	2,000,000	2,000,000
Parking	800,000	800,000	800,000	800,000	800,000	800,000
Debt Service - Principal	9,467,254	9,467,254	16,033,430	13,213,143	17,445,407	14,625,120
<b>TOTAL</b>	<b>\$ 34,251,955</b>	<b>\$ 34,251,955</b>	<b>\$ 17,833,430</b>	<b>\$ 15,013,143</b>	<b>\$ 21,245,407</b>	<b>\$ 18,425,120</b>
<b>Financing:</b>						
State General Fund	\$ 1,500,000	\$ 1,500,000	\$ 2,820,287	\$ 0	\$ 2,820,287	\$ 0
All Other Funds	32,751,955	32,751,955	15,013,143	15,013,143	18,425,120	18,425,120
<b>TOTAL</b>	<b>\$ 34,251,955</b>	<b>\$ 34,251,955</b>	<b>\$ 17,833,430</b>	<b>\$ 15,013,143</b>	<b>\$ 21,245,407</b>	<b>\$ 18,425,120</b>

## Current Year Agency Estimate

**FY 2015 – Current Year.** The agency's revised estimate in FY 2015 is \$34.3 million, including \$1.5 million from the State General Fund. This is an increase of \$20.4 million, or 147.2 percent, above the approved amount all from special revenue funds. The increase includes the transfer from the Board of

Regents and carry forward of \$16.7 million from the Educational Building Fund for rehabilitation and repair projects. There were also additional expenditures in other special revenue funds for capital improvement projects.

## Current Year Governor Recommendation

The **Governor** concurs with the agency's revised estimate.

## Budget Year Agency Request

**FY 2016 – Budget Year.** The agency requests \$17.8 million, including \$2.8 million from the State General Fund for capital improvement projects for FY 2016. This is a decrease of \$16.4 million, or 47.9 percent, all funds and an increase of \$1.3 million from the State General Fund, from the FY 2015 revised

estimate. The decrease is due to the Education Building Fund not transferred from the Board of Regents until the beginning of FY 2016. The increase in State General Fund expenditures is due to an enhancement for bond payments.

## Budget Year Governor Recommendation

The **Governor** recommends \$15.0 million, all from special revenue funds. The Governor did not recommend the bonding authority for the College of Architecture-Seaton Hall renovation

therefore, did not recommend the debt service payments. This is a reduction of \$2.8 million, all from the State General Fund from the agency's request.

## Budget Year Agency Request

**FY 2017 – Budget Year.** The agency requests \$21.2 million, including \$2.8 million from the State General Fund for capital improvements for FY 2017. This is an increase of \$3.4 million, or 19.1 percent, all from special revenue funds. The increase is

mainly due to the additional residence hall construction project. The State General Fund expenditures is an enhancement for debt service payments.

## Budget Year Governor Recommendation

The **Governor** recommends \$18.4 million, all from special revenue funds. The Governor did not recommend the bonding authority for the College of Architecture-Seaton Hall renovation

therefore, did not recommend the debt service payments. This is a reduction of \$2.8 million, all from the State General Fund from the agency's request.

**PERFORMANCE MEASURES**

<u>Measure</u>	<u>Gov. Rec. for FY 2014</u>	<u>Actual FY 2014</u>	<u>Gov. Rec. FY 2015</u>	<u>Gov. Rec. FY 2016</u>	<u>Gov. Rec. FY 2017</u>
Four-year graduation rate	60.0%	59.9%	61.0%	62.0%	61.0%
Extramural support (in millions)	\$155.0	\$140.5	\$145.0	\$145.0	\$145.0
Number of degrees conferred	4,900	5,076	5,100	5,100	5,100