

# POSTSECONDARY EDUCATION SYSTEMWIDE

	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	\$ 753,699,829	\$ 790,417,277	\$ 792,280,120	\$ 835,676,156	\$ 783,499,401	\$ 859,552,611	\$ 798,076,176
Other Funds	1,689,386,429	1,797,973,234	1,796,930,015	1,790,758,388	1,783,339,876	1,827,633,024	1,819,992,388
TOTAL	\$ 2,443,086,258	\$ 2,588,390,511	\$ 2,589,210,135	\$ 2,626,434,544	\$ 2,566,839,277	\$ 2,687,185,635	\$ 2,618,068,564
Capital Improvements:							
State General Fund	\$ 8,229,748	\$ 7,301,244	\$ 7,301,244	\$ 7,515,903	\$ 4,695,616	\$ 7,125,559	\$ 4,305,272
Other Funds	78,184,419	133,059,591	131,896,591	148,192,977	108,192,977	117,741,757	87,024,757
TOTAL	\$ 86,414,167	\$ 140,360,835	\$ 139,197,835	\$ 155,708,880	\$ 112,888,593	\$ 124,867,316	\$ 91,330,029
<b>GRAND TOTAL</b>	<b>\$ 2,529,500,425</b>	<b>\$ 2,728,751,346</b>	<b>\$ 2,728,407,970</b>	<b>\$ 2,782,143,424</b>	<b>\$ 2,679,727,870</b>	<b>\$ 2,812,052,951</b>	<b>\$ 2,709,398,593</b>
Percentage Change:							
Operating Expenditures							
State General Fund	(1.1) %	4.9 %	5.1 %	5.7 %	(1.1) %	2.9 %	1.9 %
All Funds	1.8	5.9	6.0	1.5	(0.9)	2.3	2.0
FTE Positions	17,974.5	17,969.7	17,969.7	17,969.7	17,969.7	17,970.7	17,970.7
Non-FTE							
Perm.Uncl.Pos.	55.0	55.0	55.0	55.0	55.0	55.0	55.0
TOTAL	18,029.5	18,024.7	18,024.7	18,024.7	18,024.7	18,025.7	18,025.7

## AGENCY OVERVIEW

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Postsecondary Education Systemwide summarizes state expenditures for higher education. The state operates six state universities under the control of the Board of Regents. The state universities are divided into nine budget units. Separate analysis for each of these units follow this overview. The state also

provides financial assistance to local postsecondary educational institutions and student financial aid through the budget of the Board of Regents. Only the state's share of the local postsecondary educational institutions' budgets are reflected in the state budget.

### MAJOR ISSUES FROM PRIOR YEARS

The **1999 Legislature** passed the Higher Education Coordination Act (SB 345) which 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 responsibilities of the Board of Regents also changed to include coordination of all postsecondary education in the state including Washburn University and private colleges and universities.

The legislation outlined several funding components which were designed to be adjusted annually over four years.

- An operating grant formula was established to provide state funding for the community colleges and Washburn University beginning in FY 2001. The grant amount would be calculated based upon the State General Fund appropriations at the regional Regents' universities (Emporia, Fort Hays, or Pittsburg) and the institutions' FTE enrollment and would increase incrementally over four years. County out-district tuition would be phased out over the four years and be replaced by state aid which would be added to

the operating grant. Only the first three years of this provision have been implemented.

- An amount equal to the increase in the community college operating grant would be given to the Regents' institutions for faculty salary increases.
- A performance funding mechanism was established through which an institution could receive up to an additional 2.0 percent of its State General Fund appropriation based upon its performance as compared to pre-specified indicators. This provision has not been implemented at any funding level.

The **2001 Legislature** adopted a proposal which provided for the state universities to be funded through an operating or block grant rather than the multiple line-item appropriations which 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** amended the provisions of the Higher Education Coordination Act (1999 SB 345) relating to institutional improvement plans. The legislation authorized the Board of Regents to review and approve institutional improvement plans and to use those plans to implement a performance agreement with each institution. Each performance agreement is to include specific performance measures and, beginning in FY 2007, any new state funds will be based upon compliance with those measures.

The **2002 Legislature** passed the University Research and Development Act (2002 HB 2690) which 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 legislation also directed the Board of Regents to form a subsidiary corporation to oversee and implement these projects.

- The proceeds of the research bonds were to be used for four specific projects.
- Constructing the Food Safety and Security Research Facility at Kansas State University.
- Constructing the Biomedical Research Facility at the University of Kansas Medical Center.
- Expanding the Aviation Engineering Complex at Wichita State University.
- Equipping the Biosciences Research Building at the University of Kansas.

The debt service on the bonds began in FY 2006 and is to be funded through a transfer from the State General Fund to a fund designated for that specific purpose. The transfer is limited to not more than \$10.0 million per year and not more than \$50.0 million over the course of the repayment. The balance of the repayment is the responsibility of the Board of Regents and the state universities.

The legislation also provided for additional bond authority of \$13.0 million for capital improvements and equipment purchases for the National Institute of Aviation Research at Wichita State University. The capital improvement projects outlined in the legislation included laboratories and equipment for icing and wind tunnels, crash testing, and advanced manufacturing. Debt service on this bond issuance is to be paid through State General Fund appropriations or special revenue fund expenditures.

The **2003 Legislature** passed a bill that required technical colleges to replace its existing governing boards (typically the local school board) with an independent governing board (SB 7). An implementation plan was required to be presented to the Board of Regents by July 1, 2005, and agreement reached on the plan by June 30, 2007. The plan was required to include: composition of the new governing board; territory of the technical college; method of election of the new board; date the new board will assume management of the college; and issues relating to the transfer. The governance change was sought to facilitate the North Central Association accreditation of the technical colleges.

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 **2006 Legislature** passed legislation for the establishment and operation of the Kansas Academy of Mathematics and Science (KAMS), subject to appropriation of funds for that purpose. The academy provides an accelerated residential program for Kansas high school juniors or seniors who are academically talented in science or math. The two-year

curriculum includes course work designed to meet both high school graduation requirements and requirements for associate of arts or associate of science degrees. The academy is conducted at a Kansas postsecondary educational institution (state university, municipal university, community college, technical college, or technical school) designated by the Board of Regents.

The **2006 Legislature** passed legislation authorizing public colleges, universities and technical schools to purchase insurance, other than employee health insurance, independently of the Committee on Surety Bonds and Insurance. An institution that purchases insurance pursuant to the legislation must make that purchase using a competitive bid or competitive negotiation in accordance with procedures prescribed by the State Board of Regents. The legislation requires that the insurance be purchased from an insurance company authorized to do business in Kansas. Under prior law, most state agencies, including state universities, were prohibited from separately purchasing insurance.

The same legislation also authorizes the Board of Regents to enter into contracts for accident and health insurance or the services of a health maintenance organization for students of state universities and their dependents. Purchase of coverage would be voluntary on the part of the student. Universities would continue to pay an employer contribution for those students who are employees of that university. The employer contribution rate would be set by the Board of Regents.

Under prior law, health insurance for student employees at state universities was provided through the Kansas State Employees Health Care Commission. The legislation transfers that authority to the Board of Regents. In addition, the Kansas State Employees Health Care Commission no longer will be able to charge the state universities for employer contributions for health care benefits for student employees. The legislation

requires the Kansas State Employees Health Care Commission to continue coverage for the student employees until any contracts entered into by the Board of Regents become effective. Health insurance purchased pursuant to the legislation cannot cover elective procedures.

The **2006 Legislature** passed legislation establishing the Veterinary Training Program for Rural Kansas at the College of Veterinary Medicine at Kansas State University (KSU). The purpose of the program is to provide encouragement, opportunities and incentives for persons pursuing a veterinary medicine degree program at KSU to locate their veterinary practices in rural Kansas communities and receive specialized training to meet the needs of livestock producers. Preference is given to those students who are Kansas residents and who agree to serve in specified counties. The program is to be administered by the College of Veterinary Medicine at KSU.

The **2007 Legislature** passed legislation increasing the number of months—from 12 months to 60 months—Kansas residents who move out of the state and then return are allowed to be gone and still be considered state residents for tuition purposes at any of the state educational institutions under the control and supervision of the Kansas Board of Regents. The legislation does not apply to certain persons without lawful immigration status.

The legislation increased the stipend for students participating in the Medical Student Loan Agreement from a maximum of \$1,500 per month to a maximum of \$2,000 per month. It also allows loans to be awarded retroactively for any academic year that a student has completed successfully, but for which a loan had not been awarded previously. The legislation required the University of Kansas School of Medicine to report to the 2008 Legislature on its evaluation of criteria for identifying underserved areas to be served by recipients of the Medical Student Loans.

The legislation also created the Nurse Educator Service Scholarship Program Act, initially created by proviso in the 2006 Legislative Session. This Act provides funding for registered nurses in graduate level degree-granting programs leading to a master of science or doctorate degree in nursing, and who plan to teach nursing.

The legislation also consolidated the existing four teacher service scholarship programs into a single program, the Teacher Service Scholarship program. The four programs consolidated include the following.

- The Kansas Teacher Service Scholarship.
- The Math and Science Teacher Service Scholarship.
- The Special Education Teacher Service Scholarship.
- The Teacher Education Scholarship.

Finally, the legislation established the Teacher Education Competitive Grant program for state universities and Washburn University, with the intent of increasing the number of students in courses of study leading to licensure to teach in hard-to-fill teaching disciplines or who agree to teach in an underserved area. The Kansas Board of Regents was required to submit a report to the Legislature by January 14, 2009, describing program activity.

The **2007 Legislature** passed legislation establishing the State Educational Institution Long-Term Infrastructure Maintenance program. The program has three components - direct funding, bond funding, and tax credits - to fund deferred maintenance at Regents governed institutions and Regents coordinated institutions. The direct funding, which is provided only for the state universities, totals \$90.0 million, including \$47.0 million from the State General Fund, over five years.

\$100.0 million in bond funding was made available to Washburn University, the community colleges and the technical colleges, over a five-year period. The bond principal payments will be made by the institutions, while the bond interest payments will be made by the state, for a total state investment of \$38.1 million. The legislation further authorized new tax credits effective for tax years 2008-2012 for contributions earmarked for deferred maintenance at post-secondary educational institutions; certain capital improvements at community colleges (excluding new construction and real property acquisition); and deferred maintenance and certain technology or equipment at technical colleges which represent a five-year total state investment of \$62.5 million.

The **2007 Legislature** passed legislation establishing the Postsecondary Technical Education Authority, which would be composed of the following 12 members: 4 appointed by the Board of Regents, 3 appointed by the Governor, including the chairman, one appointed by the President of the Senate, and one appointed by the Speaker of the House. There are also three *ex-officio* members: the Commissioner of Education, the Secretary of Commerce, and the Secretary of Labor.

The legislation required the governing bodies of Northeast Kansas Technical College; Kansas City Area Technical School; Kaw Area Technical School; Salina Area Technical School; and Southwest Kansas Technical School to submit a plan to merge or affiliate with a postsecondary education institution, or become an accredited technical college with an independent governing board by July 1, 2008. Salina Area Technical School became Salina Area Technical College, Southwest Kansas Technical School merged with Seward Community College, Northeast Kansas Technical School merged with Highland Community College, Kansas City Area Technical School merged with Kansas City Kansas Community College and Kaw Area Technical School merged with Washburn University.

The Legislation originally set a sunset date of June 30, 2014 but the 2013 Legislature amended the sunset to June 30, 2017.

The **2008 Legislature** passed legislation authorizing a pilot investment program for idle funds at the state universities. The Board of Regents is authorized to designate one university to invest the core balance of that state educational institution's idle funds. This core balance is defined as non-State General Fund dollars legally available for investment for a period of not less than twelve months. Further, the Board of Regents can establish and adopt procedures, standards, and criteria for the program. The amount invested under the pilot program is limited to \$40.0 million at any one time and the core balance invested must be approved by the Board of Regents. The investment funds under the pilot program are managed by an independent investment entity, designated by the university. The independent investment entity and the university will make quarterly reports to the Board of Regents, or report on the request of the Board of Regents.

The **2008 Legislature** passed legislation amending the law concerning the Kansas Academy of Mathematics and Science (KAMS). The legislation requires KAMS pupils to pay tuition in addition to fees. For pupils enrolled in a Kansas school district, the tuition and fees are paid by the school district in which the pupil is enrolled but does not exceed the total of an amount equal to the current base state aid per pupil. The procedure for selecting pupils for admission to KAMS provides for admission of 20 pupils selected on a congressional district basis, with no more than five pupils from each of the four congressional districts and 20 other pupils on a state-wide basis. (KAMS will have a total of 80 students in its two classes.) The Board of Regents has the authority to expand the number of pupils specified by law and could authorize admission of nonresident and international academically talented pupils, as well as additional Kansas residents. However, at least three-fourths of the total number of pupils enrolled in KAMS must be Kansas residents. In addition, a school district sending a pupil to KAMS

will not receive school finance weightings or the amount of local option budget attributable to the pupil.

Additional language was passed appropriating State General Fund funding to the Board of Regents for the Kansas Academy for Math and Science (KAMS) for fiscal years 2009 through 2014, as follows.

- FY 2009 - \$295,000.
- FY 2010 - \$713,000.
- FY 2011 - \$754,000.
- FY 2012 - \$792,000.
- FY 2013 - \$835,000.
- FY 2014 - \$938,000.

KAMS is an accelerated residential program for Kansas high school juniors and seniors who are academically talented in science and mathematics. The purpose of KAMS is to provide an opportunity for academically talented pupils to work in a community of peers and to earn simultaneously college credits and a high school diploma at a state educational institution designated by the Board of Regents. The Board designated Fort Hays State University as the site for KAMS in December of 2007. The appropriation of funding for the program is based on estimates provided by Fort Hays State University and the Board of Regents.

The **2010 Legislature** passed legislation amending the Private and Out-of-State Postsecondary Educational Institutions Act. Under previous law, each institution would have to apply to the State Board of Regents for a certificate of approval, but would not have to obtain additional approval for a branch campus. The legislation requires that institutions notify the State Board of Regents about the existence of the branch campus. The branch campus is subject to fees and review by the Board

to ensure it is in compliance with laws and regulations. Other provisions of the legislation include new definitions of regulated institutions, changes to the application and renewal process for branch campuses, clarification of the types of degrees requiring a certificate of approval, and greater penalties for violations of the Act. The legislation also establishes a broad range of fees for degree and non-degree granting institutions. The fee increases are in effect for one year only, for FY 2011. Finally, the legislation requires any faculty member employed by a state educational institution who receives an annual salary of \$150,000 or more, other than an adjunct faculty member, file a statement of substantial interests with the Kansas Governmental Ethics Commission.

The **2010 Legislature** passed legislation exempting all Regents institutions from state purchasing laws and regulations, including the Prison Made Goods Act. It also exempts universities from the statutes covering the procurement of professional services, negotiated procurement processes, and the mandated use of the State Division of Printing. However, universities are not exempt from procurement requirements related to architectural, engineering, construction management, or ancillary technical services.

The **2011 Legislature** passed legislation making technical corrections and updates related to postsecondary technical education. The bill updated terminology, removed definitions for terms no longer used, eliminated vocational school references, added individual institution specific references, updated and removed obsolete sections of identified statutes, and repealed statutes no longer needed.

The bill created the Postsecondary Tiered Technical Education State Aid Act, replacing the current funding structure. 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 that includes all of the following concepts.

- Arrange into categories or tiers, technical education programs, recognizing cost differentials, e.g. programs with similar costs comprise one of six tiers.
- Consider target industries critical to the Kansas economy.
- Respond to program growth.
- Consider local taxing authority for credit hours generated by in-district students.
- Include other factors and considerations determined necessary by the State Board of Regents.

The bill provides that each community college and technical college is eligible for a grant from the State General Fund, in an amount determined by the State Board of Regents for non-tiered course credit hours approved by the Board of Regents after dialogue with community college and technical college presidents.

The **2011 Legislature** passed legislation allowing revenues from rents, boarding fees, and other charges related to university student housing at state universities, to go to either the Housing System Suspense Fund or directly to the Housing System Operations Fund, at the discretion of the university.

In addition, the bill allows interest earned from the Housing System Operations Fund and Housing System Repairs Fund to be transferred into those funds. The bill requires that the interest

earnings from the Johnson County Education Research Triangle sales tax be transferred from the State General Fund to the Johnson County Education Triangle Fund of the University of Kansas, the University of Kansas Medical Center, and Kansas State University.

The bill requires that the interest earnings be transferred by the tenth day of each month, and is determined by the average daily balance in each of the respective funds in the preceding month, and the net earnings rate for the Pooled Money Investment Board portfolio for the preceding month.

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 counties receiving the ROZ designation are: Barber, Chautauqua, Cheyenne, Clark, Cloud, Comanche, Decatur, Edwards, Elk, Gove, Graham, Greeley, Greenwood, Hamilton, Harper, Hodgeman, Jewell, Kearny, Kingman, Kiowa, Lane, Lincoln, Logan, Marion, Mitchell, Morton, Ness, Norton, Osborne, Pawnee, Phillips, Pratt, Rawlins, Republic, Rooks, Rush, Russell, Scott, Sheridan, Sherman, Smith, Stafford, Stanton, Trego, Thomas, Wallace, Washington, Wichita, Wilson and Woodson.

ROZ counties are authorized to adopt resolutions prior to January 1, 2012 (and every subsequent year through January 1, 2016) irrevocably obligating the counties to pay half of certain extant student loan costs, up to a maximum of \$15,000, in equal increments over a five-year period. A state matching program, subject to appropriations, will provide for matching payments. (If the maximum \$15,000 amount were to be adopted in a ROZ

county resolution, the state and the county would each repay \$7,500 in equal increments over a five-year period, or \$1,500 per year per governmental entity.)

Resident individuals are entitled to apply for the loan repayments relative to payments made to attend institutions of higher learning where they obtained an associate, bachelor or post-graduate degree, provided they have established domicile in a ROZ county on or after the date such county commenced participation in the program, and prior to July 1, 2016. Eligibility for the loan repayment program terminates upon relocation outside of the ROZ county from which initial eligibility was obtained.

The **2011 Legislature** passed legislation replacing the Kansas Bioscience Authority with the Kansas Department of Administration in that section of law giving authority to issue revenue bonds and to make expenditures from the proceeds of the bonds for the purpose of land acquisition, site preparation, fencing, central utility plant facility construction and improvements in anticipation of the construction of the National Bio and Agro-Defense Facility (NBAF) at Kansas State University. The bill adds a provision predicated issuance of the bonds on approval by the State Finance Council.

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 **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 bill replaces the existing Vocational Education Scholarship with the new Career Technical Workforce Grant. The grant is available for students at or accepted into a designated career technical education program at the postsecondary level as designated by the Kansas Board of Regents. The Kansas Board of Regents, within the limits of appropriations, could award grants to those applicants who exhibit financial need. Under the bill, a grant for a full-time student will be up to \$1,000 per year, but could not exceed the cost of tuition and fees.

The bill extends the authority until June 30, 2017, for the Kansas Board of Regents to fix, charge, and collect fees for Kansas private and out-of-state postsecondary institutions operating in Kansas.

The bill prohibits State General Fund dollars from being used for remedial courses at state universities effective August 15, 2015, but does not prohibit the courses from being provided with funding from other sources. It also allows the development of individual student plans for success by each state educational institution admitting a student under the 10.0 percent exception to the minimum admissions standards.

The bill requires the Kansas Board of Regents to conduct a study regarding the retention and graduation rates of students who are accepted into state universities through the exception to the minimum admissions standards. The Kansas Board of Regents is required to report the study's findings to the Senate and House Committees on Education by January 13 2014.

The **2013 Legislature** reduced all universities and Board of Regents State General Fund overall operating budgets and salaries and wages all funds expenditures.

The **2014 Legislature** created the GED Accelerating Opportunity program. This program allows the funds from the tuition for technical education fund to be used for adult students to enroll in technical education classes while obtaining a GED.

The **2014 Legislature** created performance-based incentives program to award individuals receiving a GED or technical certification from a postsecondary educational institution.

The **2014 Legislature** added \$500,000 to the Board of Regents to create information technology educational opportunities in cooperation with the Department of Education.

## BUDGET SUMMARY AND KEY POINTS

### FY 2015 Agency Estimate

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

The postsecondary education systemwide revised estimate for capital improvements in FY 2015 is \$140.4 million, including

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

### FY 2015 Governor Recommendation

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

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

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

### FY 2016 Agency Request

The **agency** requests operating expenditures of \$2.6 billion, including \$835.7 million from the State General Fund. This is an overall increase of \$38.0 million, or 1.5 percent, all funds and

\$45.3 million, or 5.7 percent, from the State General Fund above the FY 2015 revised estimate. There is an enhancement

request of \$64.6 million, including \$44.6 million from the State General Fund.

The budget is an overall increase of \$6.5 million, or 0.4 percent, in salaries and wages, \$5.6 million, or 17.3 percent, in debt service and \$31.7 million, or 12.0 percent, in other assistance. This is offset with decreases of \$11.8 million, or 3.2 percent, in contractual services and \$3.1 million, or 3.0 percent, in commodities.

### **FY 2016 Governor Recommendation**

The **Governor** recommends operating expenditures of \$2.6 billion, including \$783.5 million from the State General Fund. This is a decrease of \$22.4 million, or 0.9 percent, all funds and \$8.8 million, or 1.1 percent, State General Fund below the FY 2015 recommendation.

The Governor recommends a reduction of \$11.7 million, including \$4.3 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of \$1.5 million from the Incentive for Career Technical Education program.

### **FY 2017 Agency Request**

The **agency** requests operating expenditures of \$2.7 billion, including \$859.6 million from the State General Fund. This is an overall increase of \$60.8 million, or 2.3 percent, all funds and \$23.9 million, or 2.9 percent, from the State General Fund. There is an enhancement request of \$73.8 million, including \$53.8 million from the State General Fund.

The postsecondary education systemwide requests \$155.7 million, including \$7.5 million from the State General Fund, in capital improvements for FY 2016. This is an increase of \$15.3 million, or 10.9 percent, all funds and \$ 214,659, or 2.9 percent, State General Fund above the FY 2015 revised request. The increase is mainly due to the budget for the Board of Regents showing the \$35.0 million request for the Educational Building Fund and an additional \$20.0 million enhancement for deferred maintenance. The increase in State General Fund expenditures is mainly due to increased debt service payments.

The **Governor** recommends capital improvements of \$112.9 million, including \$4.7 million from the State General Fund. This is a decrease of \$42.8 million, or 27.5 percent, all funds and \$2.8 million, or 37.5 percent, State General Fund below the agency requests. The recommendation does not include newly requested State General Fund debt service payments for the Fort Hays State Art and Education building project which has changed and will be resubmitted at a later date. The recommendation also includes a decrease of \$6.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

The budget includes increases of \$43.9 million, or 2.8 percent, in salaries and wages and \$7.8 million, or 2.2 percent, in contractual services. This is offset with a decrease of \$1.1 million, or 2.8 percent, in debt service.

The postsecondary education systemwide requests \$124.9 million, including \$7.1 million from the State General Fund, in capital improvement for FY 2017. This is a decrease of \$30.8

million, or 19.8 percent, all funds and \$390,344, or 5.2 percent, below the FY 2016 request. The decrease is due to fewer capital improvement projects at most universities including the

completion of the Weist Hall replacement project at Fort Hays State.

### **FY 2017 Governor Recommendation**

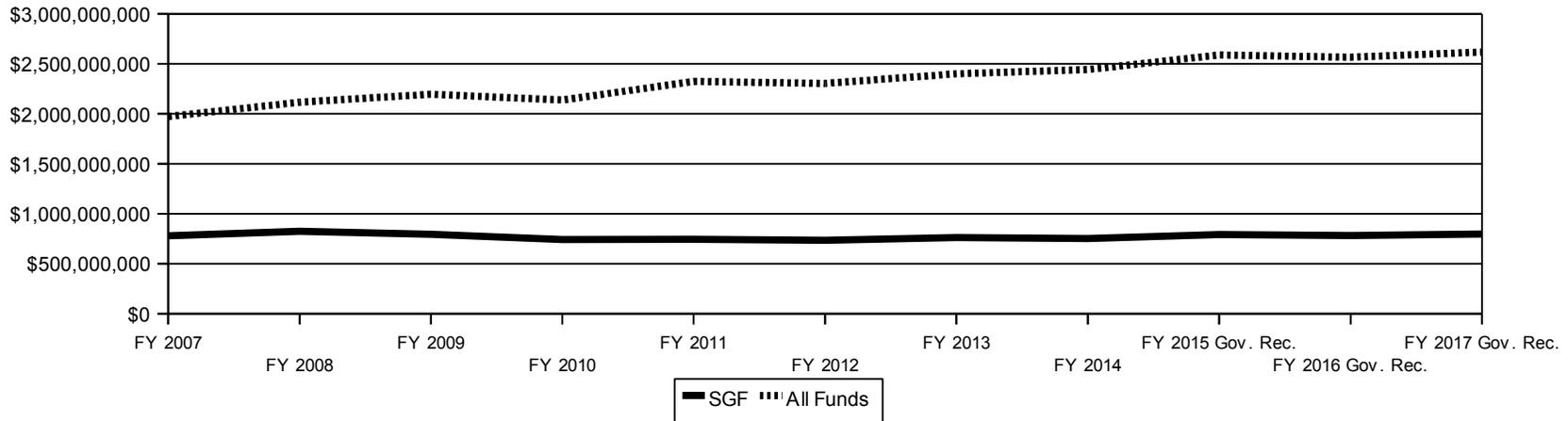
The **Governor** recommends operating expenditures of \$2.6 billion, including \$798.1 million from the State General Fund. This is an increase of \$51.2 million, or 2.0 percent, all funds and \$14.6 million, or 1.9 percent, above the FY 2016 recommendation. The increase is mainly attributable to the 27<sup>th</sup> pay period expenditure in this year.

The Governor recommends a reduction of \$12.1 million, including \$4.4 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of \$1.5 million from the Incentive for Career Technical Education program.

The **Governor** recommends \$91.3 million, including \$4.3 million from the State General Fund for capital improvements. This is a decrease of \$33.5 million, or 26.9 percent, all funds and \$2.8 million, or 39.6 percent, State General Fund below the agency requests. The recommendation did not include newly requested State General Fund debt service payments or the Fort Hays State Art and Education building project which has changed and will be submitted at a later date. The recommendation also includes a decrease of \$3.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 778,960,828	4.9 %	\$ 1,972,729,949	3.6 %	17,699.7
2008	825,079,439	5.9	2,116,647,735	7.3	17,699.7
2009	794,816,142	(3.7)	2,195,650,938	3.7	17,653.1
2010	741,672,175	(6.7)	2,138,265,805	(2.6)	17,779.2
2011	745,910,105	0.6	2,324,306,207	8.7	16,996.0
2012	734,513,248	(1.5)	2,304,122,481	(0.9)	17,189.1
2013	762,051,658	3.7	2,400,661,542	4.2	18,025.3
2014	753,699,829	(1.1)	2,443,086,258	1.8	17,974.5
2015 Gov. Rec.	792,280,120	5.1	2,589,210,135	6.0	17,969.7
2016 Gov. Rec.	783,499,401	(1.1)	2,566,839,277	(0.9)	17,969.7
2017 Gov. Rec.	798,076,176	1.9	2,618,068,564	2.0	17,970.7
Eleven-Year Change	\$ 19,115,348	2.5 %	\$ 645,338,615	32.7 %	271.0

**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>									
Board of Regents	\$ 213,048,672	\$ 219,386,259	\$ 260,682,135	\$ 41,295,876	18.8 %	\$ 222,161,179	\$ 214,953,678	\$ (7,207,501)	(3.2)%
University of Kansas	672,585,831	699,279,983	690,519,284	(8,760,699)	(1.3)	698,775,976	687,327,646	(11,448,330)	(1.6)
KU Medical Center	318,598,774	336,050,325	335,359,879	(690,446)	(0.2)	335,907,238	333,151,367	(2,755,871)	(0.8)
Kansas State University	510,908,147	560,329,053	566,703,903	6,374,850	1.1	559,789,865	562,064,810	2,274,945	0.4
KSU - ESARP	131,953,182	132,457,679	131,335,502	(1,122,177)	(0.8)	132,349,032	130,654,010	(1,695,022)	(1.3)
KSU - VMC	41,261,154	45,787,925	46,257,157	469,232	1.0	45,723,032	46,025,728	302,696	0.7
Emporia State University	80,061,487	87,278,890	85,926,440	(1,352,450)	(1.5)	87,165,906	85,359,277	(1,806,629)	(2.1)
Fort Hays State University	112,295,259	114,063,141	115,827,779	1,764,638	1.5	113,965,062	115,307,066	1,342,004	1.2
Pittsburg State University	99,334,735	105,656,728	105,942,048	285,320	0.3	105,513,450	105,397,518	(115,932)	(0.1)
Wichita State University	263,039,017	288,100,528	287,880,417	(220,111)	(0.1)	287,859,395	286,598,177	(1,261,218)	(0.4)
<b>TOTAL</b>	<b>\$ 2,443,086,258</b>	<b>\$ 2,588,390,511</b>	<b>\$ 2,626,434,544</b>	<b>\$ 38,044,033</b>	<b>1.5 %</b>	<b>\$ 2,589,210,135</b>	<b>\$ 2,566,839,277</b>	<b>\$ (22,370,858)</b>	<b>(0.9)%</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 1,482,200,173	\$ 1,562,113,605	\$ 1,568,604,126	\$ 6,490,521	0.4 %	\$ 1,560,174,952	\$ 1,556,699,178	\$ (3,475,774)	(0.2)%
Contractual Services	342,492,380	370,555,566	358,709,003	(11,846,563)	(3.2)	370,488,242	361,329,911	(9,158,331)	(2.5)
Commodities	90,910,559	102,437,777	99,383,308	(3,054,469)	(3.0)	102,437,777	98,427,314	(4,010,463)	(3.9)
Capital Outlay	62,442,020	69,903,573	69,828,796	(74,777)	(0.1)	69,903,573	68,036,694	(1,866,879)	(2.7)
Debt Service	23,475,468	32,395,208	37,996,763	5,601,555	17.3	32,370,809	35,824,651	3,453,842	10.7
Subtotal - Operations	\$ 2,001,520,600	\$ 2,137,405,729	\$ 2,134,521,996	\$ (2,883,733)	(0.1) %	\$ 2,135,375,353	\$ 2,120,317,748	\$ (15,057,605)	(0.7)%
Aid to Local Units	179,195,948	185,948,300	195,203,536	9,255,236	5.0	188,798,300	183,431,536	(5,366,764)	(2.8)
Other Assistance	262,369,710	265,036,482	296,709,012	31,672,530	12.0	265,036,482	263,089,993	(1,946,489)	(0.7)
<b>TOTAL</b>	<b>\$ 2,443,086,258</b>	<b>\$ 2,588,390,511</b>	<b>\$ 2,626,434,544</b>	<b>\$ 38,044,033</b>	<b>1.5 %</b>	<b>\$ 2,589,210,135</b>	<b>\$ 2,566,839,277</b>	<b>\$ (22,370,858)</b>	<b>(0.9)%</b>
<b>Financing:</b>									
State General Fund	\$ 753,699,829	\$ 790,417,277	\$ 835,676,156	\$ 45,258,879	5.7 %	\$ 792,280,120	\$ 783,499,401	\$ (8,780,719)	(1.1)%
General Fees Fund	661,282,473	719,307,819	722,377,126	3,069,307	0.4	718,857,167	719,131,008	273,841	0.0
All Other Funds	1,028,103,956	1,078,665,415	1,068,381,262	(10,284,153)	(1.0)	1,078,072,848	1,064,208,868	(13,863,980)	(1.3)
<b>TOTAL</b>	<b>\$ 2,443,086,258</b>	<b>\$ 2,588,390,511</b>	<b>\$ 2,626,434,544</b>	<b>\$ 38,044,033</b>	<b>1.5 %</b>	<b>\$ 2,589,210,135</b>	<b>\$ 2,566,839,277</b>	<b>\$ (22,370,858)</b>	<b>(0.9)%</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>								
Board of Regents	\$ 260,682,135	\$ 269,879,156	\$ 9,197,021	3.5 %	\$ 214,953,678	\$ 214,965,640	\$ 11,962	0.0 %
University of Kansas	690,519,284	710,608,446	20,089,162	2.9	687,327,646	707,352,975	20,025,329	2.9
KU Medical Center	335,359,879	348,936,729	13,576,850	4.0	333,151,367	346,580,419	13,429,052	4.0
Kansas State University	566,703,903	569,643,150	2,939,247	0.5	562,064,810	564,955,700	2,890,890	0.5
KSU - ESARP	131,335,502	133,700,217	2,364,715	1.8	130,654,010	133,005,325	2,351,315	1.8
KSU - VMC	46,257,157	47,360,563	1,103,406	2.4	46,025,728	47,124,584	1,098,856	2.4
Emporia State University	85,926,440	87,505,295	1,578,855	1.8	85,359,277	86,926,811	1,567,534	1.8
Fort Hays State University	115,827,779	118,441,894	2,614,115	2.3	115,307,066	117,910,769	2,603,703	2.3
Pittsburg State University	105,942,048	107,141,952	1,199,904	1.1	105,397,518	106,585,991	1,188,473	1.1
Wichita State University	287,880,417	293,968,233	6,087,816	2.1	286,598,177	292,660,350	6,062,173	2.1
<b>TOTAL</b>	<b>\$ 2,626,434,544</b>	<b>\$ 2,687,185,635</b>	<b>\$ 60,751,091</b>	<b>2.3 %</b>	<b>\$ 2,566,839,277</b>	<b>\$ 2,618,068,564</b>	<b>\$ 51,229,287</b>	<b>2.0 %</b>
<b>By Major Object of Expenditure:</b>								
Salaries and Wages	\$ 1,568,604,126	\$ 1,612,483,463	\$ 43,879,337	2.8 %	\$ 1,556,699,178	\$ 1,600,240,923	\$ 43,541,745	2.8 %
Contractual Services	358,709,003	366,493,056	7,784,053	2.2	361,329,911	369,109,289	7,779,378	2.2
Commodities	99,383,308	100,255,675	872,367	0.9	98,427,314	99,299,749	872,435	0.9
Capital Outlay	69,828,796	70,692,057	863,261	1.2	68,036,694	68,900,300	863,606	1.3
Debt Service	37,996,763	36,940,218	(1,056,545)	(2.8)	35,824,651	34,768,106	(1,056,545)	(2.9)
Subtotal - Operations	\$ 2,134,521,996	\$ 2,186,864,469	\$ 52,342,473	2.5 %	\$ 2,120,317,748	\$ 2,172,318,367	\$ 52,000,619	2.5 %
Aid to Local Units	195,203,536	203,203,536	8,000,000	4.1	183,431,536	183,431,536	0	0.0
Other Assistance	296,709,012	297,117,630	408,618	0.1	263,089,993	262,318,661	(771,332)	(0.3)
<b>TOTAL</b>	<b>\$ 2,626,434,544</b>	<b>\$ 2,687,185,635</b>	<b>\$ 60,751,091</b>	<b>2.3 %</b>	<b>\$ 2,566,839,277</b>	<b>\$ 2,618,068,564</b>	<b>\$ 51,229,287</b>	<b>2.0 %</b>
<b>Financing:</b>								
State General Fund	\$ 835,676,156	\$ 859,552,611	\$ 23,876,455	2.9 %	\$ 783,499,401	\$ 798,076,176	\$ 14,576,775	1.9 %
General Fees Fund	722,377,126	731,776,307	9,399,181	1.3	719,131,008	728,460,734	9,329,726	1.3
All Other Funds	1,068,381,262	1,095,856,717	27,475,455	2.6	1,064,208,868	1,091,531,654	27,322,786	2.6
<b>TOTAL</b>	<b>\$ 2,626,434,544</b>	<b>\$ 2,687,185,635</b>	<b>\$ 60,751,091</b>	<b>2.3 %</b>	<b>\$ 2,566,839,277</b>	<b>\$ 2,618,068,564</b>	<b>\$ 51,229,287</b>	<b>2.0 %</b>

# BUDGET OVERVIEW

## A. FY 2015 – Current Year

### Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$795,657,677 for the Postsecondary Education Systemwide in FY 2015. Several adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of \$2,060,844, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

- A reduction of \$987,157, as the result of the Governor’s December 9, State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to \$796,731,364. 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.

	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	\$ 796,731,364	\$ 797,718,521	\$ 987,157	\$ 799,581,364	\$ 2,850,000
All Other Funds	1,786,250,579	1,931,032,825	144,782,246	1,928,826,606	142,576,027
TOTAL	<u>\$ 2,582,981,943</u>	<u>\$ 2,728,751,346</u>	<u>\$ 145,769,403</u>	<u>\$ 2,728,407,970</u>	<u>\$ 145,426,027</u>
FTE Positions	17,769.1	17,969.7	200.6	17,969.7	200.6

The **agency’s** revised estimate in FY 2015 is \$2.7 billion, including \$797.7 million from the State General Fund for total expenditures including capital improvements. This is an

increase of \$144.8 million, or 5.6 percent, all from special revenue funds above the approved amount. The State General Fund estimate remains the same as the approved amount. The

increase is mainly in salaries and wages (\$62.8 million), other assistance (\$12.5 million), and capital improvements (\$35.2 million).

The postsecondary education systemwide revised estimate for capital improvements in FY 2015 is \$140.4 million, including \$7.3 million from the State General Fund. This is an increase of \$42.8 million, or 43.9 percent, all funds and a decrease of \$1.2 million, or 14.1 percent, State General Fund from the FY 2015 approved amount.

The **Governor** recommends total expenditures of \$2.7 billion, including \$799.6 million from the State General Fund. This is an increase of \$146.6 million, or 5.7 percent, all funds and \$2.9 million, or 0.4 percent, State General Fund above the approved amount. The State General Fund increase is for the Board of Regents Career Technical Education tuition program. The other funds increase is mainly due to increased expenditures for salaries and wages and other assistance.

### Supplemental Detail

FY 2015 SUPPLEMENTALS						
Supplementals	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KSU \$75.0 million in Bonding Authority for the College of Architecture	\$ 0	\$ 0	0.0	\$ 0	\$ 0	0.0
KSU \$25.0 million in Bonding Authority for the Student Union Expansion	0	0	0.0	0	0	0.0
KU \$51.2 million in Bonding Authority for a New Residence Hall with Dining	0	0	0.0	0	0	0.0
KU \$19.7 million in Bonding Authority for Mechanical /Electrical Improvements	0	0	0.0	0	0	0.0
KU \$14.5 million in Bonding Authority for Corbin Hall	0	0	0.0	0	0	0.0
FHSU Art and Education Building	0	1,163,000	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 1,163,000</b>	<b>0.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>

The **agency** requests \$1.2 million, all from special revenue funds for the Art and Education Building at Fort Hays State. There is also a request in bonding authority of \$185.4 million in total for five projects. The Kansas State University College of Architecture project is requesting debt service payments from the State General Fund in the amount of \$5.0 million annually.

All other projects request debt service payments with special revenue funds.

The **Governor** recommends bonding authority for the KSU Student Union, KU Residence Hall and Dining, and KU Corbin Hall. The Fort Hays State Art and Education Building plans have been changed and will be resubmitted at the later time.

## 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.

<b>GOVERNOR'S ALLOTMENTS</b>			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Employer Contribution Rate	\$ (895,434)	\$ (895,434)	0.0
Reduce Board of Regents SGF Funding by 4.0 Percent	\$ (67,324)	\$ (67,324)	0.0
Refinance Bonds	(24,399)	(24,399)	0.0
<b>TOTAL</b>	<b>\$ (987,157)</b>	<b>\$ (987,157)</b>	<b>0.0</b>

### Kansas Public Employees Retirement System (KPERS) Reduction

A reduction of \$895,434 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 \$1.0 million from special revenue funds is reduced in the Governor's budget recommendation resulting in a total reduction of \$1.9 million.

### 4.0 Percent Reduction to Cabinet-level and Other SGF Funded Agencies

A reduction of \$67,324, as a result of the Governor's State General Fund allotment of 4.0 percent to Cabinet and other State General Funded agencies in FY 2015. The reduction is in the Board of Regents budget. This allotment will be managed by possibly delaying the filling of two positions currently open and finding other efficiencies in operating expenditures throughout the remainder of the year.

**Refinancing of Bonds:**

Classroom/Recreation Center project in the Pittsburg State University budget.

A reduction of \$24,399, all from the State General Fund, to decrease interest payments on bonds issued to fund the Armory

**B. FY 2016 – Budget Year**

<b>FY 2016 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 2,626,434,544	\$ 2,566,839,277	\$ (59,595,267)
<b>FTE Positions</b>	17,969.7	17,969.7	0.0
<b><i>Change from FY 2015:</i></b>			
<i>Dollar Change:</i>			
State General Fund	\$ 45,258,879	\$ (8,780,719)	
All Other Funds	(7,214,846)	(13,590,139)	
TOTAL	<u>\$ 38,044,033</u>	<u>\$ (22,370,858)</u>	
<i>Percent Change:</i>			
State General Fund	5.7 %	(1.1) %	
All Other Funds	(0.4)	(0.8)	
TOTAL	<u>1.5 %</u>	<u>(0.9) %</u>	
Change in FTE Positions	0.0	0.0	

The **agency** requests operating expenditures of \$2.6 billion, including \$835.7 million from the State General Fund. This is an overall increase of \$38.0 million, or 1.5 percent, all funds and \$45.3 million, or 5.7 percent, from the State General Fund

above the FY 2015 revised estimate. There is an enhancement request of \$64.6 million, including \$44.6 million from the State General Fund.

The budget is an overall increase of \$6.5 million, or 0.4 percent, in salaries and wages, \$5.6 million, or 17.3 percent, in debt service and \$31.7 million, or 12.0 percent, in other assistance. This is offset with decreases of \$11.8 million, or 3.2 percent, in contractual services and \$3.1 million, or 3.0 percent, in commodities.

The **Governor** recommends operating expenditures of \$2.6 billion, including \$783.5 million from the State General Fund.

### **Enhancements Detail**

The **Agency** requests \$64.6 million, including \$44.6 million from the State General Fund for additional enhancement funding. The enhancement requests are for the individual

This is a decrease of \$22.4 million, or 0.9 percent, all funds and \$8.8 million, or 1.1 percent, State General Fund below the FY 2015 recommendation.

The **Governor** recommends a reduction of \$11.7 million, including \$4.3 million from the State General Fund, to reduce employer contributions for state employee health insurance. The recommendation also includes a reduction of \$1.5 million from the Incentive for Career Technical Education program. One enhancement of \$555,738, all from the State General Fund for the Board of Regents data system is recommended for FY 2016.

universities as well as the Board of Regents and the details for each enhancement are described below the table.

**FY 2016 ENHANCEMENTS**

Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KU - Drug and Vaccine Discovery Institute	\$ 5,000,000	\$ 5,000,000	0.0	\$ 0	\$ 0	0.0
KUMC - Merit-Based Salary Enhancements	3,400,000	3,400,000	0.0	0	0	0.0
KSU - Strengthen the College of Architecture, Planning & Design	5,000,000	5,000,000	0.0	0	0	0.0
WSU - Support for Economic, Innovation, Diversification, Technology Transfer	4,700,000	4,700,000	0.0	0	0	0.0
ESU - Newman Division of Nursing	500,000	500,000	0.0	0	0	0.0
PSU - Expand Capacity and Excellence in Health-Related Programs	1,000,000	1,000,000	0.0	0	0	0.0
FHSU - Retention, Graduation and Enrollment Enhancements	1,008,568	1,008,568	0.0	0	0	0.0
Washburn University - KBI Crime Lab Partnership Project	920,000	920,000	0.0	0	0	0.0
Close the Gap in Tiered Technical Education Formula	8,000,000	8,000,000	0.0	0	0	0.0
Fort Hays State and Dodge City Community College Merger	10,000,000	10,000,000	0.0	0	0	0.0
Developmental Education Working Group Budget-Related Recommendations	988,000	988,000	0.0	0	0	0.0
Adult Education - Restore Cuts to Maintain Current Services and Add New Funding to Increase Enrollments	632,000	632,000	0.0	0	0	0.0
KBOR Office Space - 32.0 Percent Increase in State Lease Rate	109,728	109,728	0.0	0	0	0.0
Sustain Regents Data System and Staffing Capacity	555,738	555,738	0.0	555,738	555,738	0.0
Midwest Higher Education Compact Annual State Commitment Increase	20,000	20,000	0.0	0	0	0.0
Increase State Support for Need-Based Financial Aid in Kansas	2,500,000	2,500,000	0.0	0	0	0.0
Increase State Support for National Guard Educational Assistance Program	250,000	250,000	0.0	0	0	0.0
Increase State Support for State University Deferred Maintenance	0	20,000,000	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 44,584,034</b>	<b>\$ 64,584,034</b>	<b>0.0</b>	<b>\$ 555,738</b>	<b>\$ 555,738</b>	<b>0.0</b>

- KU - Drug and Vaccine Discovery Institute.**  
 The University of Kansas requests \$5.0 million, all from the State General Fund, in recurring funding to begin for FY 2016. The University of Kansas seeks support to create a Drug and

Vaccine Discovery Institute that would build on KU's strengths in pharmaceutical research. According to KU, in addition to improving human health, the drugs and vaccines produced by this institute would benefit the Kansas economy by

fostering KU collaborations with pharmaceutical firms, encouraging companies to move to Kansas, creating new startups, and fostering partnerships between other KU institutions such as the Midwest Stem Cell Therapy Center.

The **Governor** does not recommend this enhancement request.

- **KUMC - Merit-Based Salary Enhancements.** The University of Kansas Medical Center requests \$3.4 million, all from the State General Fund, in recurring funding to begin for FY 2016. KUMC seeks support for a 3-percent merit-based salary enhancement for faculty and staff at the KU Medical Center, where state-funded employees have received just one institutionally supported annual raise in the past five fiscal years.

The **Governor** does not recommend this enhancement request.

- **KSU - Strengthen the College of Architecture, Planning, and Design.** Kansas State University requests \$5.0 million, all from the State General Fund, in recurring funding to begin in FY 2016. KSU's number one priority is to support the College of Architecture, Planning and Design Renovation and expansion of Seaton hall and to provide program support.

The **Governor** does not recommend this enhancement request.

- **WSU - Support for Economic, Innovation, Diversification, Technology Transfer.** Wichita State University requests \$4.7 million, all from the State General Fund for FY 2016. WSU seeks base budget funding to rapidly expand the innovation research capacity of the university to support new company formation, product innovation, and economic expansion (\$1.5 million); base funding to support technology transfer and business development infrastructure (\$1.7 million); and funding for state participation for construction of the College of Business and Innovation Center on the Innovation Campus (\$1.5 million).

The **Governor** does not recommend this enhancement request.

- **ESU - Newman Division of Nursing.** Emporia State University requests \$500,000, all from the State General Fund, in recurring funding to begin in FY 2016. According to ESU, Newman Division of Nursing is the only state university nursing program in Kansas with no State General Fund support. Since 1993, Newman has provided financial support to ESU's baccalaureate program in the form of Medicare pass-through funding. Starting in FY 2015, Newman Regional Health is ineligible for this funding due to changes in the Centers the Medicare and Medicaid Services criteria for Medicare pass-through.

The **Governor** does not recommend this enhancement request.

- **PSU - Expand Capacity and Excellence in Health-Related Programs.** Pittsburg State University requests \$1.0 million, all from the State General Fund, for FY 2016. According to the university, as the University of Kansas expands the number of doctors it produces, PSU will need to see a similar increase in premed students. PSU would also grow other pre-professional programs and solidify the Doctor of Nursing Practice program and provide the space to expand and serve a growing nursing program.

The **Governor** does not recommend this enhancement request.

- **FHSU - Retention, Graduation, and Enrollment Enhancements.** Fort Hays State University requests \$1.0 million, all from the State General Fund, for FY 2016. FHSU requests funding to support their achievement of Foresight 2020 Goal 1 by expanding the Freshman seminar model; expanding the living and learning communities; expand the Freshman Advising Center; and provide a focused approach on at-risk students.

The **Governor** does not recommend this enhancement request.

- **Washburn University - KBI Crime Lab Partnership Project.** Washburn University requests \$920,000, all from the State General Fund, in recurring funding to begin in FY 2016. The university seeks state funding for a joint venture between the university and the Kansas

Bureau of Investigation to create a state of the art forensic laboratory and forensic program.

The **Governor** does not recommend this enhancement request.

- **Close the Gap in Tiered Technical Education Formula.** The Board requests \$8.0 million, all from the State General Fund, for FY 2016 to close the gap in the Tiered Technical Education formula. The gap is the difference between the Board's calculated state amount and the actual amount received by each college.

The **Governor** does not recommend this enhancement request.

- **Fort Hays State and Dodge City Community College Merger.** The Board requests \$10.0 million, all from the State General Fund, for FY 2016 for a new Institute of Applied Technology building.

The **Governor** does not recommend this enhancement request.

- **Developmental Education Working Group Budget-Related Recommendation.** The Board requests \$988,000, all from the State General Fund, per year for three years beginning in FY 2016. The Development Education Working Group recommends that the Board seek funding to provide the necessary time, resources, and opportunity for institutions to develop, scale, and implement research-based recommendations

and best practices to reform developmental education in Kansas.

The **Governor** does not recommend this enhancement request.

- **Adult Education - Restore Cuts to Maintain Current Services and Add New Funding to Increase Enrollments.** The Board requests \$632,000, all from the State General Fund, in recurring funding to begin for FY 2016. This budget increase would help increase enrollment for Adult Education programs in Kansas in order to serve more learners and prepare more of them to transition to higher education.

The **Governor** does not recommend this enhancement request.

- **KBOR Office Space - 32.0 Percent Increase in State Lease Rate.** The Board requests \$109,728, all from the State General Fund, for FY 2016 due to the increase of office space rental rates by the Office of Facilities Management.

The **Governor** does not recommend this enhancement request.

- **Sustain Regents Data System and Staffing Capacity.** The Board requests \$555,738, all from the State General Fund, for FY 2016 to sustain the Board's data and reporting system. The Board is responsible for the planning, development, and maintenance of a data and

reporting system for postsecondary institutions in the State.

The **Governor** recommends this enhancement request.

- **Midwest Higher Education Compact (MHEC) Annual State Commitment Increase.** The Board requests \$20,000, all from the State General Fund, in recurring funding to begin for FY 2016 for increased annual commitment rate by the Compact. MHEC is a statutorily created entity in each of twelve member states driven by its mission to advance collaboration and resource sharing in higher education.

The **Governor** does not recommend this enhancement request.

- **Increase State Support for Need-Based Financial Aid in Kansas.** The Board requests \$2.5 million, all from the State General Fund, for FY 2016 to increase the expenditures through the Kansas Comprehensive Grant program. This is a need-based student financial aid program available to Kansas resident students attending the state's four-year public and independent colleges.

The **Governor** does not recommend this enhancement request.

- **Increase State Support for National Guard Educational Assistance Program.** The Board requests \$250,000, all from the State General Fund, in recurring funding beginning for FY 2016. According to the agency, Adjutant General Lee

Tafanelli has requested additional funding be added to the National Guard Education Assistance Program due to the increased number of applicants.

The **Governor** does not recommend this enhancement request.

### Higher Education Institution Performance Agreements

The **2002 Legislature** passed amended the provisions of the Higher Education Coordination Act (1999 SB 345) relating to institutional improvement plans. The bill authorized the Board of Regents to review and approve institutional improvement plans and to use those plans to implement a performance agreement with each institution. Each performance agreement is to include specific performance measures and, beginning in FY 2006, any new state funds will be based upon compliance with those measures. Allocations of additional state funding in FY 2015 will be based upon performance agreements in effect from January 1, 2012 through December 31, 2012.

The Board of Regents has established six systemwide goals.

- System Goal A: Increase System Efficiency/Effectiveness/Seamlessness.
- System Goal B: Improve Learner Outcomes.

- **Increase State Support for State University Deferred Maintenance.** The Board requests \$20.0 million from the Expanded Lottery Act Revenue Fund for FY 2016 for deferred maintenance for the universities..

The **Governor** does not recommend this enhancement request.

- System Goal C: Improve Workforce Development.
- System Goal D: Increase Targeted Participation/Access.
- System Goal E: Increase External Resources.
- System Goal F: Improve Community/Civic Engagement.

Each institution must address System Goal A and at least two of System Goals B through D. System Goals E and F are to be considered in future years. A summary of all of the performance agreements are available in the Kansas Legislative Research Department.

The following are additional items that the Board of Regents did not include in its submitted budget but would like considered.

**FY 2016 ADDITIONAL CONSIDERATIONS**

Item for Consideration	Agency Amount			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KUMC - Strengthening Community-Based Medical Education in Wichita	\$ 2,400,000	\$ 2,400,000	0.0	\$ 0	\$ 0	0.0
WSU - Innovation Equipment and Operations	12,500,000	12,500,000	0.0	0	0	0.0
ESU - Establish Master of Science, Forensics	284,300	284,300	0.0	0	0	0.0
PSU - Create the PSU School of Transportation	1,000,000	1,000,000	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 16,184,300</b>	<b>\$ 16,184,300</b>	<b>0.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>

**Items for Consideration**

- **KUMC - Strengthening Community-Based Medical Education in Wichita.** The Board would like considered \$2.4 million, all from the State General Fund, for FY 2016 to address Kansas' critical shortage of doctors.

The **Governor** does not recommend this additional request.

- **WSU - Innovation Equipment.** The Board would like considered \$12.5 million, all from the State General Fund, for FY 2016. Of the request, \$7.5 million would be for equipment and \$5.0 million would be recurring funding for operations, This would include funding for new economy innovation, based strongly in electronics, advanced manufacturing, and biomedical technologies.

The **Governor** does not recommend this additional request.

- **ESU - Establish Master of Science, Forensics.** The Board would like considered \$284,300, all from the State General Fund, for FY 2016 for a new Master of Science in Forensic Science program.

The **Governor** does not recommend this additional request.

- **PSU - Create the PSU School of Transportation.** The Board would like considered \$1.0 million, all from the State General Fund, for FY 2016 to continue to develop the transportation programs.

The **Governor** does not recommend this additional request.

**C. FY 2017 – Budget Year**

<b>FY 2017 OPERATING BUDGET SUMMARY</b>			
	Agency Request	Governor's Recommendation	Difference
<b>Total Request/Recommendation</b>	\$ 2,687,185,635	\$ 2,618,068,564	\$ (69,117,071)
<b>FTE Positions</b>	17,970.7	17,970.7	0.0
<b>Change from FY 2016:</b>			
<i>Dollar Change:</i>			
State General Fund	\$ 23,876,455	\$ 14,576,775	
All Other Funds	36,874,636	36,652,512	
TOTAL	<u>\$ 60,751,091</u>	<u>\$ 51,229,287</u>	
<i>Percent Change:</i>			
State General Fund	2.9 %	1.9 %	
All Other Funds	2.1	2.1	
TOTAL	<u>2.3 %</u>	<u>2.0 %</u>	
Change in FTE Positions	1.0	1.0	

The **agency** requests operating expenditures of \$2.7 billion, including \$859.6 million from the State General Fund. This is an overall increase of \$60.8 million, or 2.3 percent, all funds and \$23.9 million, or 2.9 percent, from the State General Fund. There is an enhancement request of \$73.8 million, including \$53.8 million from the State General Fund.

The budget includes increases of \$43.9 million, or 2.8 percent, in salaries and wages and \$7.8 million, or 2.2 percent, in contractual services. This is offset with a decrease of \$1.1 million, or 2.8 percent, in debt service.

The **Governor** recommends operating expenditures of \$2.6 billion, including \$798.1 million from the State General Fund. This is an increase of \$51.2 million, or 2.0 percent, all funds and

\$14.6 million, or 1.9 percent, above the FY 2016 recommendation. The increase is mainly attributable to the 27<sup>th</sup> pay period expenditure in this year.

The Governor recommends a reduction of \$12.1 million, including \$4.4 million from the State General Fund, to reduce

### **Enhancements Detail**

The **Agency** requests \$73.8 million, including \$53.8 million from the State General Fund for additional enhancement funding. The enhancement requests are for the individual

employer contributions for state employee health insurance. The recommendation also includes a reduction of \$1.5 million from the Incentive for Career Technical Education program. One enhancement of \$555,738, all from the State General Fund for the Board of Regents data system is recommended for FY 2017.

universities as well as the Board of Regents and the details for each enhancement are described below the table.

**FY 2017 ENHANCEMENTS**

Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KU - Drug and Vaccine Discovery Institute	\$ 5,000,000	\$ 5,000,000	0.0	\$ 0	\$ 0	0.0
KUMC - Merit-Based Salary Enhancements	3,400,000	3,400,000	0.0	0	0	0.0
KSU - Strengthen the College of Architecture, Planning & Design	5,000,000	5,000,000	0.0	0	0	0.0
WSU - Support for Economic, Innovation, Diversification, Technology Transfer	6,200,000	6,200,000	0.0	0	0	0.0
ESU - Newman Division of Nursing	500,000	500,000	0.0	0	0	0.0
PSU - Expand Capacity and Excellence in Health-Related Programs	2,000,000	2,000,000	0.0	0	0	0.0
FHSU - Retention, Graduation and Enrollment Enhancements	2,188,568	2,188,568	0.0	0	0	0.0
Washburn University - KBI Crime Lab Partnership Project	920,000	920,000	0.0	0	0	0.0
Close the Gap in Tiered Technical Education Formula	16,000,000	16,000,000	0.0	0	0	0.0
Fort Hays State and Dodge City Community College Merger	5,000,000	5,000,000	0.0	0	0	0.0
Developmental Education Working Group Budget-Related Recommendations	988,000	988,000	0.0	0	0	0.0
Adult Education - Restore Cuts to Maintain Current Services and Add New Funding to Increase Enrollments	632,000	632,000	0.0	0	0	0.0
KBOR Office Space - 32.0 Percent Increase in State Lease Rate	113,940	113,940	0.0	0	0	0.0
Sustain Regents Data System and Staffing Capacity	555,738	555,738	0.0	555,738	555,738	0.0
Midwest Higher Education Compact Annual State Commitment Increase	20,000	20,000	0.0	0	0	0.0
Increase State Support for Need-Based Financial Aid in Kansas	5,000,000	5,000,000	0.0	0	0	0.0
Increase State Support for National Guard Educational Assistance Program	250,000	250,000	0.0	0	0	0.0
Increase State Support for State University Deferred Maintenance	0	20,000,000	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 53,768,246</b>	<b>\$ 73,768,246</b>	<b>0.0</b>	<b>\$ 555,738</b>	<b>\$ 555,738</b>	<b>0.0</b>

- KU - Drug and Vaccine Discovery Institute.** The University of Kansas requests \$5.0 million, all from the State General Fund, in recurring funding for FY 2017. The University of Kansas seeks support to create a Drug and Vaccine

Discovery Institute that would build on KU's strengths in pharmaceutical research. According to KU, in addition to improving human health, the drugs and vaccines produced by this institute would benefit the Kansas economy by fostering

KU collaborations with pharmaceutical firms, encouraging companies to move to Kansas, creating new startups, and fostering partnerships between other KU institutions such as the Midwest Stem Cell Therapy Center.

The **Governor** does not recommend this enhancement request.

- **KUMC - Merit-Based Salary Enhancements.** The University of Kansas Medical Center requests \$3.4 million, all from the State General Fund, in recurring funding for FY 2017. KUMC seeks support for a 3-percent merit-based salary enhancement for faculty and staff at the KU Medical Center, where state-funded employees have received just one institutionally supported annual raise in the past five fiscal years.

The **Governor** does not recommend this enhancement request.

- **KSU - Strengthen the College of Architecture, Planning, and Design.** Kansas State University requests \$5.0 million, all from the State General Fund, in recurring funding for FY 2017. KSU's number one priority is to support the College of Architecture, Planning and Design Renovation and expansion of Seaton Hall and to provide program support.

The **Governor** does not recommend this enhancement request.

- **WSU - Support for Economic, Innovation, Diversification, Technology Transfer.** Wichita

State University requests \$6.2 million, all from the State General Fund, for FY 2017. WSU seeks base budget funding to rapidly expand the innovation research capacity of the university to support new company formation, product innovation, and economic expansion (\$3.0 million); base funding to support technology transfer and business development infrastructure (\$1.7 million); and funding for state participation for construction of the College of Business and Innovation Center on the Innovation Campus (\$1.5 million).

The **Governor** does not recommend this enhancement request.

- **ESU - Newman Division of Nursing.** Emporia State University requests \$500,000, all from the State General Fund, in recurring funding for FY 2017. According to ESU, Newman Division of Nursing is the only state university nursing program in Kansas with no State General Fund support. Since 1993, Newman has provided financial support to ESU's baccalaureate program in the form of Medicare pass-through funding. Starting in FY 2015, Newman Regional Health is ineligible for this funding due to changes in the Centers the Medicare and Medicaid Services criteria for Medicare pass-through.

The **Governor** does not recommend this enhancement request.

- **PSU - Expand Capacity and Excellence in Health-Related Programs.** Pittsburg State

University requests \$2.0 million, all from the State General Fund, for FY 2017. According to the university, as the University of Kansas expands the number of doctors it produces, PSU will need to see a similar increase in premed students. PSU would also grow other pre-professional programs and solidify the Doctor of Nursing Practice program and provide the space to expand and serve a growing nursing program.

The **Governor** does not recommend this enhancement request.

- **FHSU - Retention, Graduation, and Enrollment Enhancements.** Fort Hays State University requests \$2.2 million, all from the State General Fund, for FY 2017. FHSU requests funding to support their achievement of Foresight 2020 Goal 1 by expanding the Freshman seminar model; expanding the living and learning communities; expand the Freshman Advising Center; and provide a focused approach on at-risk students.

The **Governor** does not recommend this enhancement request.

- **Washburn University - KBI Crime Lab Partnership Project.** Washburn University requests \$920,000, all from the State General Fund, in recurring funding beginning for FY 2017. The university seeks state funding for a joint venture between the university and the Kansas Bureau of Investigation to create a state of the art forensic laboratory and forensic program.

The **Governor** does not recommend this enhancement request.

- **Close the Gap in Tiered Technical Education Formula.** The Board requests \$16.0 million, all from the State General Fund, for FY 2017 to close the gap in the Tiered Technical Education formula. The gap is the difference between the Board's calculated state amount and the actual amount received by each college.

The **Governor** does not recommend this enhancement request.

- **Fort Hays State and Dodge City Community College Merger.** The Board requests \$5.0 million, all from the State General Fund, for FY 2017 for operations of the institution and an upper-division college in Dodge City.

The **Governor** does not recommend this enhancement request.

- **Developmental Education Working Group Budget-Related Recommendation.** The Board requests \$988,000, all from the State General Fund, for FY 2017. The Development Education Working Group recommends that the Board seek funding to provide the necessary time, resources, and opportunity for institutions to develop, scale, and implement research-based recommendations and best practices to reform developmental education in Kansas.

The **Governor** does not recommend this enhancement request.

- **Adult Education - Restore Cuts to Maintain Current Services and Add New Funding to Increase Enrollments.** The Board requests \$632,000, all from the State General Fund, recurring funding for FY 2017. This budget increase would help increase enrollment for Adult Education programs in Kansas in order to serve more learners and prepare more of them to transition to higher education.

The **Governor** does not recommend this enhancement request.

- **KBOR Office Space - 32.0 Percent Increase in State Lease Rate.** The Board requests \$113,940, all from the State General Fund, for FY 2017 due to the increase of office space rental rates by the Office of Facilities Management.

The **Governor** does not recommend this enhancement request.

- **Sustain Regents Data System and Staffing Capacity.** The Board requests \$555,738, all from the State General Fund, for FY 2017 to sustain the Board's data and reporting system. The Board is responsible for the planning, development, and maintenance of a data and reporting system for postsecondary institutions in the State.

The **Governor** recommends this enhancement request.

- **Midwest Higher Education Compact (MHEC) Annual State Commitment Increase.** The

Board requests \$20,000, all from the State General Fund, in recurring funding beginning for FY 2017 for increased annual commitment rate by the Compact. MHEC is a statutorily created entity in each of twelve member states driven by its mission to advance collaboration and resource sharing in higher education.

The **Governor** does not recommend this enhancement request.

- **Increase State Support for Need-Based Financial Aid in Kansas.** The Board requests \$5.0 million, all from the State General Fund, for FY 2017 to increase the expenditures through the Kansas Comprehensive Grant program. This is a need-based student financial aid program available to Kansas resident students attending the state's four-year public and independent colleges.

The **Governor** does not recommend this enhancement request.

- **Increase State Support for National Guard Educational Assistance Program.** The Board requests \$250,000, all from the State General Fund, for FY 2017. According to the agency, Adjutant General Lee Tafanelli has requested additional funding be added to the National Guard Education Assistance Program due to the increased number of applicants.

The **Governor** does not recommend this enhancement request.

- **Increase State Support for State University Deferred Maintenance.** The Board requests \$20.0 million from the Expanded Lottery Act Revenue Fund for FY 2017 for deferred maintenance for the universities..

The **Governor** does not recommend this enhancement request.

The following are additional items that the Board of Regents did not include in its submitted budget but would like considered.

FY 2017 ADDITIONAL CONSIDERATIONS						
Item for Consideration	Agency Amount			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
KU - Innovation Way Development - Operations Support	\$ 7,000,000	\$ 7,000,000	0.0	\$ 0	\$ 0	0.0
KUMC - Strengthening Community-Based Medical Education in Wichita	\$ 4,900,000	\$ 4,900,000	0.0	\$ 0	\$ 0	0.0
KSU - Geoscience Support in the College of Arts and Sciences	5,000,000	5,000,000	0.0	0	0	0.0
KSU - Planning for Food Systems Research and Educational Facility	5,000,000	5,000,000	0.0	0	0	0.0
WSU - Innovation Equipment and Operations	7,500,000	7,500,000	0.0	0	0	0.0
ESU - Establish Master of Science, Forensics	284,300	284,300	0.0	0	0	0.0
ESU - STEM Programming for Kansas Economy	715,700	715,700	0.0	0	0	0.0
PSU - Create the PSU School of Transportation	1,000,000	1,000,000	0.0	0	0	0.0
PSU - Initiative to Better Serve Small Business	1,300,000	1,300,000	0.0	0	0	0.0
PSU - Create a Workforce Language Institute	1,000,000	1,000,000	0.0	0	0	0.0
Technical Education Fund - Excel in CTE Initiative	--	--	0.0	0	0	0.0
<b>TOTAL</b>	<b>\$ 33,700,000</b>	<b>\$ 33,700,000</b>	<b>0.0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0</b>

### Items for Consideration

- **KU - Innovation Way Development - Operations Support.** The University of Kansas would like considered \$7.0 million, all from the State General Fund, for FY 2017, for operating expenditures for the new Innovative Way development, including replacing outdated science teaching and research facilities and

linking basic sciences in the College of Liberal Arts and Sciences, engineering, pharmacy and many life and earth sciences work that is currently underway.

The **Governor** does not recommend this additional request.

- **KUMC - Strengthening Community-Based Medical Education in Wichita.** The University of Kansas Medical Center would like considered \$4.9 million, all from the State General Fund, for FY 2017 to address Kansas' crucial shortage of doctors.

The **Governor** does not recommend this additional request.

- **KSU - Geoscience Support in the College of Arts and Sciences.** Kansas State University would like considered \$5.0 million, all from the State General Fund, for FY 2017 to construct a new facility, install state-of-the-art training and research equipment, and provide resources for faculty, staff and students to accommodate added recruitment, teaching, advising, research and retention activities.

The **Governor** does not recommend this additional request.

- **KSU - Planning for New Foods Systems research and Education Facility.** Kansas State University would like considered \$5.0 million, all from the State General Fund, for FY 2017 to provide state funding for the College of Agriculture and K-State Research and Extension to plan and build a new Food Systems Research and Education Facility.

The **Governor** does not recommend this additional request.

- **WSU - Innovation Equipment.** Wichita State University would like considered \$7.5 million, all from the State General Fund, for FY 2017. Of the request, \$2.5 million would be for equipment and \$5.0 million would be reoccurring funding for

operations. This would include funding for new economy innovation, based strongly in electronics, advanced manufacturing, and biomedical technologies.

The **Governor** does not recommend this additional request.

- **ESU - Establish Master of Science, Forensics.** Emporia State University would like considered \$284,300, all from the State General Fund, for FY 2017, for a new Master of Science in Forensic Science program.

The **Governor** does not recommend this additional request.

- **ESU - STEM (Science, Technology, Engineering and Mathematics) Programming for Kansas Economy.** Emporia State University would like considered \$715,000, all from the State General Fund, for FY 2017 for updated facilities, better equipped laboratories, and additional faculty to meet the university's needs.

The **Governor** does not recommend this additional request.

- **PSU - Create the PSU School of Transportation.** Pittsburg State University would like considered \$1.0 million, all from the State General Fund, for FY 2017 to provide continued development of the Automotive Department and increase opportunities with the School of Transportation.

The **Governor** does not recommend this additional request.

- **PSU - Initiative to Better Serve Small Business.** Pittsburg State University would like

considered \$1.3 million, all from the State General Fund, for FY 2017 to develop a Bachelors of Business Administration in Small Business Leadership.

The **Governor** does not recommend this additional request.

- **PSU - Create a Workforce Language Institute.** Pittsburg State University would like considered \$1.0 million, all from the State General Fund, for FY 2017 to provide contextual language instruction for learners who are currently in or preparing to enter into a workforce where the understanding of English can be a barrier to job performance.

## Higher Education Institution Performance Agreements

Legislation was passed in 2002 that amended the provisions of the Higher Education Coordination Act (1999 SB 345) relating to institutional improvement plans. The bill authorized the Board of Regents to review and approve institutional improvement plans and to use those plans to implement a performance agreement with each institution. Each performance agreement is to include specific performance measures and, beginning in FY 2006, any new state funds will be based upon compliance with those measures. Allocations of additional state funding in FY 2014 will be based upon performance agreements in effect from January 1, 2012 through December 31, 2012.

The Board of Regents has established six systemwide goals.

- System Goal A: Increase System Efficiency/Effectiveness/Seamlessness.

The **Governor** does not recommend this additional request.

- **Community and Technical Colleges - Continued Support to Fully Fund the CTE Initiative.** The Board would like considered additional expenditures, all from the State General Fund, for FY 2017 for tuition for the Career Technical Education Initiative. Approximately \$22 million is currently appropriated for the program and as enrollments are reported for the current year, supplemental funding may need to be requested.

The **Governor** does not recommend this additional request.

- System Goal B: Improve Learner Outcomes.
- System Goal C: Improve Workforce Development.
- System Goal D: Increase Targeted Participation/Access.
- System Goal E: Increase External Resources.
- System Goal F: Improve Community/Civic Engagement.

Each institution must address System Goal A and at least two of System Goals B through D. System Goals E and F are to be considered in future years. A summary of all of the performance agreements are available in the Kansas Legislative Research Department.

## 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 these agencies, the FY 2015 bonus totals \$4.6 million, including \$1.6 million from the State General Fund, and affects 14,836 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 the Board of Regents, FY 2016 longevity payments total \$2,240, including \$1,387 from the State General Fund, and FY 2017 longevity payments total \$2,320, including \$1,434 from the State General Fund.**

**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 these agencies this is a reduction of \$11.7 million, including \$4.3 million from the State General**

**Fund for FY 2016. This is a reduction of \$12.1 million, including \$4.4 million 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	31.8 %	30.5 %	32.0 %	30.5 %
General Fees Fund	27.5	28.0	27.2	27.8
All Other Funds	40.7	41.5	40.8	41.7
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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

## UNIFIED OPERATING GRANT

	Actual FY 2014	Agency Estimate FY 2015	Gov. Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
University of Kansas	\$ 135,402,775	\$ 137,384,253	\$ 137,168,039	\$ 136,930,098	\$ 135,932,220	\$ 140,371,391	\$ 139,353,553
University of Kansas Medical Center	103,377,756	109,917,083	109,843,406	109,996,170	109,196,122	114,217,114	113,371,323
Kansas State University	99,857,422	106,220,367	106,009,763	108,137,463	105,216,062	110,507,193	107,571,209
Kansas State University ESARP	46,908,989	47,527,208	47,473,775	47,419,568	47,101,546	48,185,281	47,861,006
Kansas State University Veterinary Medical Center	12,074,595	14,548,313	14,527,057	15,008,743	14,936,939	15,301,771	15,228,556
Emporia State University	30,300,629	31,693,517	31,623,452	31,592,958	31,289,444	32,309,591	32,000,018
Fort Hays State University	32,656,997	34,036,691	33,988,112	33,921,728	33,670,607	34,497,892	34,241,748
Pittsburg State University	33,788,292	35,814,451	35,734,655	35,447,467	35,177,727	36,410,934	36,135,897
Wichita State University	63,335,814	72,622,953	72,481,613	74,428,373	73,897,534	75,843,728	75,302,274
Subtotal	\$ 557,703,269	\$ 589,764,836	\$ 588,849,872	\$ 592,882,568	\$ 586,418,201	\$ 607,644,895	\$ 601,065,584
Technical Colleges	\$ 71,585	\$ 71,585	\$ 71,585	\$ 71,585	\$ 71,585	\$ 71,585	\$ 71,585
Washburn University	11,130,920	11,130,920	11,130,920	12,050,920	11,130,920	12,050,920	11,130,920
Non-Tiered Course Credit Hour Grant	76,496,329	76,496,329	76,496,329	76,496,329	76,496,329	76,496,329	76,496,329
Postsecondary Tiered Technical Education State Aid	58,300,961	58,300,961	58,300,961	66,300,961	58,300,961	74,300,961	58,300,961
Unified Operating Grant Increase	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 703,703,064</b>	<b>\$ 735,764,631</b>	<b>\$ 734,849,667</b>	<b>\$ 747,802,363</b>	<b>\$ 732,417,996</b>	<b>\$ 770,564,690</b>	<b>\$ 747,065,379</b>

The **Postsecondary Educational Institutions**, which include the state universities, community colleges, technical colleges, and Washburn University, request \$747.8 million from the State General Fund for Unified Operating Grants for FY 2016, an increase of \$12.0 million, or 1.6 percent, above the FY 2015 revised estimate. The increase is due to an additional \$8.0 million for Postsecondary Tiered Technical Education State Aid, an enhancement of \$920,000 for Washburn University and an additional \$3.1 million in expenditures from the universities to the State General Fund.

The **Governor** recommends \$732.4 million, all from the State General Fund for the Postsecondary Educational Institutions. This is a decrease of \$15.4 million, or 2.1 percent, below the FY 2016 agency's request. The reduction is attributable to the Governor not recommending any of the operating enhancements the Board of Regents requested.

## **Other State Funding**

The Board and universities request \$4.5 million from the other centrally appropriated state funds for the benefit of the universities for each of FY 2016 and FY 2017 as follows.

### ***Economic Development Initiatives Fund***

- \$2,547,726 for Technical Education Capital Outlay.
- \$179,284 for Technology Innovation and Internship Program.
- \$993,265 for EPSCOR.

The **Postsecondary Educational Institutions** request \$770.6 million from the State General Fund for Unified Operating Grants for FY 2017, an increase of \$22.8 million, or 3.0 percent, above the FY 2016 request. The increase is due to an additional \$16.0 million for Postsecondary Tiered Technical Education State Aid, an enhancement of \$920,000 for Washburn University and additional \$14.8 million in expenditures from the universities to the State General Fund.

The **Governor** recommends \$748.0 million, all from the State General Fund for the Postsecondary Educational Institutions. This is a decrease of \$22.6 million, or 2.9 percent, below the FY 2017 agency's request. The reduction is attributable to the Governor not recommending any of the operating enhancements the Board of Regents requested.

- \$500,000 for Community College Comparative Grants.
- \$299,686 for research at Kansas State University-ESARP.

### ***State Water Plan Fund***

- \$26,841 for the geological survey at the University of Kansas.

The **Governor** concurs with the agency's request for FY 2016 and FY 2017.

## State Universities

**Faculty of Distinction Program.** The Faculty of Distinction program provides a transfer of the equivalent of interest earnings on designated donations to public postsecondary institutions. FY 2003 was the first year of the program. Beginning in FY 2004, the transfers were treated under the Governor's recommendation as a revenue transfer instead of a State General Fund demand transfer. **The agency and the Governor estimate that transfers will total \$155,184 in FY 2015, \$150,000 for FY 2016 and \$150,000 for FY 2017.**

**Tuition and General Fees.** State university tuition and fees are set with the approval of the State Board of Regents. With the exception of certain designated fees that are credited to

restricted use funds, tuition and general fees are credited to the General Fees Fund of each institution. Although subject to appropriation, under the State University Operating Grant Plan, the General Fees Fund are appropriated to the institutions without an expenditure limit, permitting maximum flexibility in the use of those funds. For FY 2015, the Board of Regents set tuition rates after the adjournment of the 2014 Legislative Session and the same schedule is anticipated for FY 2016. The budgets submitted by the universities assume no increase in tuition rates in FY 2016. The following compares estimated General Fees Fund expenditures for the current year as presented to the 2014 Legislature, the revised current year estimate and the current estimate for FY 2016.

### STATE UNIVERSITY GENERAL FEE FUND EXPENDITURES

Institution	Original Estimate FY 2015	Revised Est. and Gov. Rec FY 2015	Difference	Gov. Rec. for FY 2016
University of Kansas	\$ 262,493,433	\$ 282,689,288	\$ 20,195,855	\$ 281,074,900
KU - Medical Center	38,996,501	41,161,751	2,165,250	41,202,592
Kansas State University	191,795,012	207,572,390	15,777,378	212,633,789
KSU - Veterinary Medical Center	17,522,794	19,646,617	2,123,823	18,158,215
KSU - ESARP	0	0	0	0
Emporia State University	25,213,410	27,441,595	2,228,185	26,367,950
Fort Hays State University	36,216,759	39,708,526	3,491,767	39,763,943
Pittsburg State University	34,570,846	36,003,578	1,432,732	35,854,841
Wichita State University	74,713,905	81,645,282	6,931,377	81,307,925
<b>TOTAL</b>	<b>\$ 681,522,660</b>	<b>\$ 735,869,027</b>	<b>\$ 54,346,367</b>	<b>\$ 736,364,155</b>

## Community Colleges, Technical Colleges, and Washburn University

**Community and Technical College Operating Grants.** The **Board** requests \$76.5 million from the State General Fund for FY 2016 for non-tiered course credit hour grants for general

education and \$66.3 million for postsecondary tiered technical education state aid for technical education courses to support the 19 community colleges and seven technical colleges in the

state. The request is an increase of \$8.0 million above the revised request in FY 2015 due to an enhancement request. The request for postsecondary tiered technical education state aid for FY 2017 is \$74.3 million, which includes an additional \$8.0 million enhancement request over the FY 2016 request and \$16.0 million over the FY 2017 request..

The **Governor** recommends \$76.5 million from the State General Fund for FY 2016 and FY 2017 for non-tiered course credit hour grants for general education and \$58.3 million for postsecondary tiered technical education state aid for technical education courses. The recommendation does not include the enhancement of \$8.0 million in FY 2016 or \$16.0 million in FY 2107 from the State General Fund as additional funding.

**Municipal University Operating Grant.** The **Board** requests \$12.1 million for FY 2016 for the Municipal University Operating Grant. 1999 SB 345 applies the same funding formula for state support for Washburn University as is used for

## Student Financial Aid

**Student Financial Aid.** The **Board** administers a number of student financial aid programs, as well as other special programs. The agency requests \$21.3 million, all from the State General Fund, to support state sponsored student financial aid programs for FY 2016 and FY 2017. This is a decrease of \$1.4 million, or 6.0 percent, from the State General Fund below the FY 2015 revised request.

The **Governor** concurs with the agency requests for FY 2016 and FY 2017.

community colleges. The request is an increase of \$920,000, or 8.3 percent, from the State General Fund above the FY 2016 and FY 2017 request. The increase is due to an enhancement request for equipment for the Kansas Bureau of Investigation crime lab that was just constructed on the Washburn campus.

The **Governor** recommends \$11.1 million for FY 2016 and FY 2017 and does not recommend the \$920,000 enhancement.

**Adult Basic Education.** The **Board** requests \$5.1 million, including \$2.1 million from the State General Fund and \$3.0 million in federal funds, to support the 30 adult education centers in the state for FY 2016 and FY 2017. The request is an increase of \$544,942, or 11.9 percent, all funds and \$632,000, or 43.3 percent, percent State General Fund above the FY 2015 revised estimate.

The **Governor** recommends \$4.5 million, including \$1.5 million from the State General Fund. for FY 2016 and FY 2017.

**Enrollment Trends.** Student enrollment at the public universities, private colleges and universities, community colleges, technical colleges, and other institutions in the Fall of 2014 totaled 211,081, a decrease of 1,324 students, or 0.6 percent, below the Fall of 2013. Not included in this data are students enrolled in proprietary schools and vocational education students who are not attending a community college or technical college. The following table compares headcount enrollments for the Fall of 2012, 2013, and 2014.

### Headcount Students

Institution	Fall 2012	Fall 2013	Fall 2014	Change Fall 2012- Fall 2014	Percent
University of Kansas	24,577	24,435	24,612	35	0.1 %
University of Kansas Medical Center	3,362	3,349	3,371	9	0.3
Kansas State University	23,914	24,116	24,290	376	1.6
KSU Veterinary Medical Center	464	465	476	12	2.6
Emporia State University	5,867	6,033	6,114	247	4.2
Fort Hays State University	13,310	13,441	13,825	515	3.9
Pittsburg State University	7,289	7,400	7,479	190	2.6
Wichita State University	14,898	14,550	15,003	105	0.7
Subtotal-Regents Institutions	93,681	93,789	95,170	1,489	1.6
Washburn University	7,204	6,973	6,722	(482)	(6.7)
Community Colleges	80,848	77,879	74,931	(5,917)	(7.3)
Technical Colleges	5,985	6,464	6,859	874	14.6
Washburn Institute of Technology	920	1,162	1,217	297	9.8
Independent Colleges and Universities	25,993	26,138	26,182	189	0.7
TOTAL	120,950	118,616	115,911	(5,039)	(4.2)
GRAND TOTAL	214,631	212,405	211,081	(3,550)	(1.7)

**Peer Comparisons.** The Regents institutions use a system of peer comparisons based upon the concept of comparing themselves to similar institutions. A similar method is used by institutions and systems in many states. Peer institutions were first selected by a Regents task force in 1976 with the weighted basis for selection being similarity in degree programs (60 percent); enrollment levels (30 percent); and financial expenditures (10 percent). The peer institutions for Wichita

State University; Emporia State University; Fort Hays State University and Pittsburg State University were adjusted in 1995 using the same weightings. Each regents university conducts a comprehensive cost study of its peer institutions each year. Peer comparisons are used for a number of purposes at the institutional and system level including local program review and comparative references related to faculty salaries, OOE support, and tuition rates.

**REGENTS PEER INSTITUTIONS**

**University of Kansas**

University of Colorado  
 University of Iowa  
 University of North Carolina-Chapel Hill  
 University of Oklahoma  
 University of Oregon

**Wichita State University**

University of Akron (Ohio)  
 Portland State University (Oregon)  
 University of Nevada - Las Vegas  
 Oakland University (Michigan)  
 Old Dominion University (Virginia)

**Kansas State University**

Colorado State University  
 Iowa State University  
 North Carolina State University  
 Oklahoma State University  
 Oregon State University

**Emporia State University, Fort Hays State University, Pittsburg State University**

Eastern Washington University  
 Northern Michigan University  
 Northwest Missouri State University  
 Salisbury State University  
 Western Carolina State University

**RELATIVE FUNDING OF SALARY - BY INSTITUTION**

Institution	Salaries FY 2010	Salaries FY 2014
KU	90.8 %	92.7 %
KSU	90.7	88.3
ESU	89.0	89.4
FHSU	89.6	98.7
PSU	92.7	88.4
WSU	87.6	86.4
<b>Systemwide</b>	<b>92.2 %</b>	<b>91.1 %</b>

Peer comparisons are also made with regard to the level of both resident and nonresident tuition and fees charged to students during an academic year (AY) at the Regents

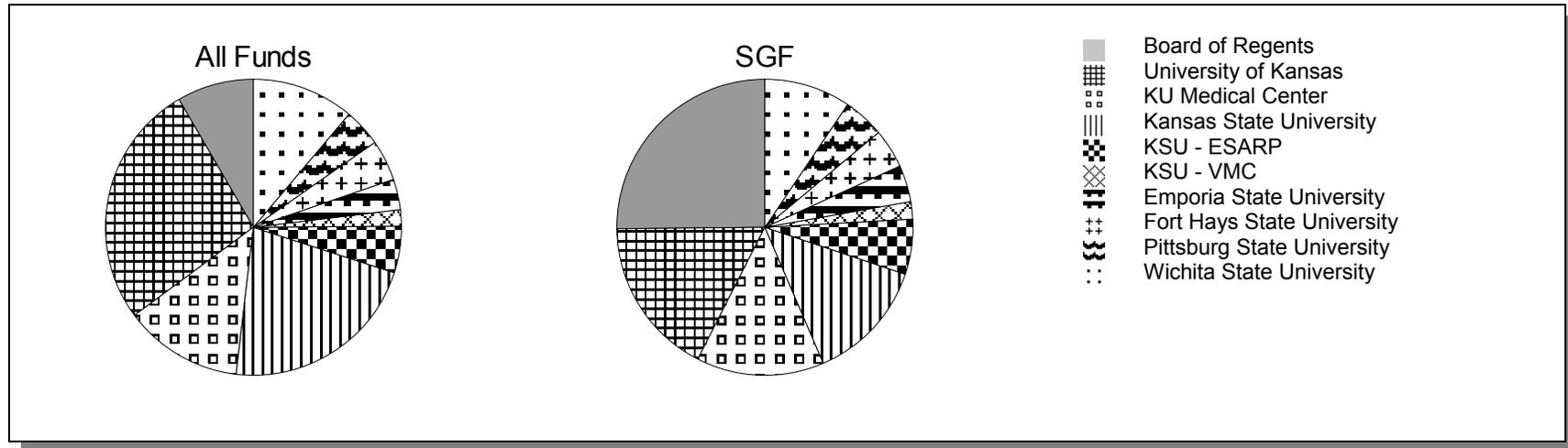
institutions. Historically, tuition for both resident and nonresidents at Kansas schools has been less than that at the peer institutions.

**TUITION AND FEES RELATIVE TO PEER INSTITUTIONS**

Institution	Resident Tuition AY 2010	Resident Tuition AY 2015	Nonresident Tuition AY 2010	Nonresident Tuition AY 2015
KU	112.1 %	106.8 %	84.5 %	85.1 %
KSU	114.9	110.2	95.6	102.2
ESU	76.7	76.0	107.8	115.5
FHSU	66.0	59.1	94.6	84.9
PSU	71.2	72.7	94.2	97.2
WSU	80.1	83.0	75.3	69.4

# PROGRAM DETAIL

## EXPENDITURES BY INSTITUTION—GOVERNOR’S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Board of Regents	\$ 214,953,678	8.4 %	\$ 197,081,200	25.2 %
University of Kansas	687,327,646	26.8	135,932,220	17.3
KU Medical Center	333,151,367	13.0	109,196,122	13.9
Kansas State University	562,064,810	21.9	105,216,062	13.4
KSU - ESARP	130,654,010	5.1	47,101,546	6.0
KSU - VMC	46,025,728	1.8	14,936,939	1.9
Emporia State University	85,359,277	3.3	31,289,444	4.0
Fort Hays State University	115,307,066	4.5	33,670,607	4.3
Pittsburg State University	105,397,518	4.1	35,177,727	4.5
Wichita State University	286,598,177	11.2	73,897,534	9.4
<b>TOTAL</b>	<b>\$ 2,566,839,277</b>	<b>100.0 %</b>	<b>\$ 783,499,401</b>	<b>100.0 %</b>

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

<u>Program</u>	<u>Actual FY 2014</u>	<u>Agency Est. FY 2015</u>	<u>Gov. Rec. FY 2015</u>	<u>Agency Req. FY 2016</u>	<u>Gov. Rec. FY 2016</u>	<u>Agency Req. FY 2017</u>	<u>Gov. Rec. FY 2017</u>
Board of Regents	62.5	62.5	62.5	62.5	62.5	62.5	62.5
University of Kansas	5,342.1	5,342.1	5,342.1	5,342.1	5,342.1	5,342.1	5,342.1
KU Medical Center	2,837.8	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4	2,632.4
Kansas State University	3,785.3	3,861.7	3,861.7	3,861.7	3,861.7	3,861.7	3,861.7
KSU - ESARP	1,116.9	1,125.1	1,125.1	1,125.1	1,125.1	1,125.1	1,125.1
KSU - VMC	323.8	332.6	332.6	332.6	332.6	332.6	332.6
Emporia State University	794.2	796.7	796.7	796.7	796.7	796.7	796.7
Fort Hays State University	827.0	841.0	841.0	841.0	841.0	841.0	841.0
Pittsburg State University	934.5	958.5	958.5	958.5	958.5	959.5	959.5
Wichita State University	1,950.4	2,017.1	2,017.1	2,017.1	2,017.1	2,017.1	2,017.1
<b>TOTAL</b>	<u>17,974.5</u>	<u>17,969.7</u>	<u>17,969.7</u>	<u>17,969.7</u>	<u>17,969.7</u>	<u>17,970.7</u>	<u>17,970.7</u>

## 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
Board of Regents	\$ 0	\$ 0	\$ 55,000,000	\$ 29,000,000	\$ 55,000,000	\$ 32,000,000
University of Kansas	29,810,237	29,810,237	28,313,161	28,313,161	20,145,046	20,145,046
KU Medical Center	12,848,366	12,848,366	5,827,170	5,827,170	4,914,581	4,914,581
Kansas State University	34,251,955	34,251,955	17,833,430	15,013,143	21,245,407	18,425,120
KSU - ESARP	1,250,000	1,250,000	1,450,000	1,450,000	0	0
KSU - VMC	4,805,500	4,805,500	2,700,000	2,700,000	0	0
Emporia State University	6,952,511	6,952,511	2,283,000	2,283,000	2,338,000	2,338,000
Fort Hays State University	25,523,119	24,360,119	33,360,224	19,360,224	10,612,862	2,895,862
Pittsburg State University	6,264,075	6,264,075	3,838,093	3,838,093	4,268,604	4,268,604
Wichita State University	18,655,072	18,655,072	5,103,802	5,103,802	6,342,816	6,342,816
<b>TOTAL</b>	<b>\$ 140,360,835</b>	<b>\$ 139,197,835</b>	<b>\$ 155,708,880</b>	<b>\$ 112,888,593</b>	<b>\$ 124,867,316</b>	<b>\$ 91,330,029</b>
<b>Financing:</b>						
State General Fund	\$ 7,301,244	\$ 7,301,244	\$ 7,515,903	\$ 4,695,616	\$ 7,125,559	\$ 4,305,272
All Other Funds	133,059,591	131,896,591	148,192,977	108,192,977	117,741,757	87,024,757
<b>TOTAL</b>	<b>\$ 140,360,835</b>	<b>\$ 139,197,835</b>	<b>\$ 155,708,880</b>	<b>\$ 112,888,593</b>	<b>\$ 124,867,316</b>	<b>\$ 91,330,029</b>

### Current Year Agency Estimate

**FY 2015 – Current Year.** The postsecondary education systemwide revised estimate for capital improvements in FY 2015 is \$140.4 million, including \$7.3 million from the State General Fund. This is an increase of \$42.8 million, or 43.9 percent, all funds and a decrease of \$1.2 million, or 14.1 percent, State General Fund from the FY 2015 approved amount. The increase includes additional expenditures at

Kansas State University Veterinary Medical Center for the equine performance testing facility and small animal clinic renovations (\$1.5 million); Fort Hays State University Weist Hall (\$11.7 million); Emporia State University Singular and Tresler Halls (\$1.1 million); and other special revenue expenditures for projects at the universities.

## Current Year Governor Recommendation

The **Governor** recommends \$139.2 million, including \$7.3 million from the State General Fund. This is a decrease of \$1.2 million, all from special revenue funds, below the agency's

revised estimate for the Art and Education Building project at Fort Hays State, which is being revised and will be resubmitted in the future.

## Budget Year Agency Request

**FY 2016 – Budget Year.** The postsecondary education systemwide requests \$155.7 million, including \$7.5 million from the State General Fund, in capital improvements for FY 2016. This is an increase of \$15.3 million, or 10.9 percent, all funds and \$214,659, or 2.9 percent, State General Fund above the FY 2015 revised request. The increase is mainly due to the budget

for the Board of Regents showing the \$35.0 million request for the Educational Building Fund and an additional \$20.0 million enhancement for deferred maintenance. The increase in State General Fund expenditures is mainly due to increased debt service payments.

## Budget Year Governor Recommendation

The **Governor** recommends \$112.9 million, including \$4.7 million from the State General Fund. This is a decrease of \$42.8 million, or 27.5 percent, all funds and \$2.8 million, or 37.5 percent, State General Fund below the agency requests. The recommendation did not include newly requested State General

Fund debt service payments or the Fort Hays State Art and Education building project since it has changed. The recommendation also includes a decrease of \$6.0 million from the Educational Building Fund due to lower than expected revenues into the fund.

## Budget Year Agency Request

**FY 2017 – Budget Year.** The postsecondary education systemwide requests \$124.9 million, including \$7.1 million from the State General Fund, in capital improvements for FY 2017. This is a decrease of \$30.8 million, or 19.8 percent, all funds

and \$390,344, or 5.2 percent, below the FY 2016 request. The decrease is due to fewer capital improvement projects at most universities including the completion of the Weist Hall replacement project at Fort Hays State.

## **Budget Year Governor Recommendation**

The **Governor** recommends \$91.3 million, including \$4.3 million from the State General Fund. This is a decrease of \$33.5 million, or 26.9 percent, all funds and \$2.8 million, or 39.6 percent, State General Fund below the agency requests. The recommendation did not include newly requested State General

Fund debt service payments or the Fort Hays State Art and Education building project since it has changed. The recommendation also includes a decrease of \$3.0 million from the Educational Building Fund due to lower than expected revenues into the fund.