

# KANSAS STATE UNIVERSITY – EXTENSION SYSTEMS AND AGRICULTURE RESEARCH PROGRAMS

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Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
<b>Operating Expenditures:</b>					
State General Fund	\$ 46,265,381	\$ 46,956,273	\$ 46,316,699	\$ 47,658,837	\$ 47,658,837
Other Funds	89,391,794	86,580,290	87,219,864	86,161,633	86,161,633
<b>TOTAL</b>	<b>\$ 135,657,175</b>	<b>\$ 133,536,563</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 133,820,470</b>
<b>Capital Improvements:</b>					
State General Fund	\$ 258,915	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	2,393,643	450,000	450,000	0	0
<b>TOTAL</b>	<b>\$ 2,652,558</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b><u>\$ 138,309,733</u></b>	<b><u>\$ 133,986,563</u></b>	<b><u>\$ 133,986,563</u></b>	<b><u>\$ 133,820,470</u></b>	<b><u>\$ 133,820,470</u></b>
<b>Percentage Change:</b>					
<b>Operating Expenditures</b>					
State General Fund	(1.4) %	1.5 %	0.1 %	1.5 %	2.9 %
All Funds	2.8	(1.6)	(1.6)	0.2	0.2
FTE Positions	1,125.1	1,107.2	1,107.2	1,107.2	1,107.2
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>1,125.1</u></b>	<b><u>1,107.2</u></b>	<b><u>1,107.2</u></b>	<b><u>1,107.2</u></b>	<b><u>1,107.2</u></b>

## AGENCY OVERVIEW

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Kansas State University - Extension Systems and Agricultural Research Programs (ESARP) was established as a separate budget unit in FY 1993 by the merger of the Kansas Agricultural Experiment Station (KAES), the Cooperative Extension Service (CES), the International Grain, and the Meat and Livestock programs. All programs previously part of the KSU budget but under the jurisdiction of the Dean of Agriculture (except for the Office of Academic programs and Office of the Dean) are included in the separate agency administered by the Dean of Agriculture.

The KAES and CES are mandated programs by both federal and state legislation. Involved in the systems are the land grant universities, including KSU, and the U.S. Department of Agriculture (USDA). Base formula funds are provided by the USDA. The KAES conducts research statewide at two research centers, two research-extension centers, and 11 experimental fields in addition to the main station at Manhattan. The research is conducted by KAES in five colleges of KSU: Agriculture; Human Ecology; Engineering; Arts and Sciences; and Veterinary Medicine. The CES is a research-based educational system with extension agents in

each county and with specialists in five area offices and in four colleges on the KSU campus. Specialists are housed in the colleges of Agriculture, Human Ecology, Engineering, and Veterinary Medicine.

## MAJOR ISSUES FROM PRIOR YEARS

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

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

The **2011 Legislature** passed legislation designating 50 counties as Rural Opportunity Zones (ROZ), effectively providing an income tax exemption for certain out-of-state taxpayers who relocate to those counties; and authorizing the counties to participate in a state-matching program to repay student loans of up to \$15,000 for certain students who establish domicile in ROZ counties.

The **2012 Legislature** passed legislation 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 **2013 Legislature** reduced the agency's State General Fund operating expenditures by 1.5 percent and made additional reductions to the agency's salaries and wages all funds expenditures of approximately 3.6 percent in FY 2014 and 2.6 percent for FY 2015.

## BUDGET SUMMARY AND KEY POINTS

**FY 2016 – Current Year.** The **agency** requests a revised budget of \$134.0 million, including \$47.0 million from the State General Fund in FY 2016. This is an all funds increase of \$2.2 million, or 1.7 percent, above the FY 2016 approved amount. There is an increase of \$3.2 million, or 2.4 percent, in operating expenditures and a decrease of \$1.0 million, or 69.0 percent, from capital improvement expenditures. The operating expenditure change includes increases in salaries and wages (\$1.8 million), contractual services (\$2.1 million), and other assistance

(\$3.0 million) with decreases in commodities (\$1.5 million) and capital outlay (\$2.3 million). There is a decrease of \$1.0 million, all from special revenue funds, for the Southeast Research and Extension building project.

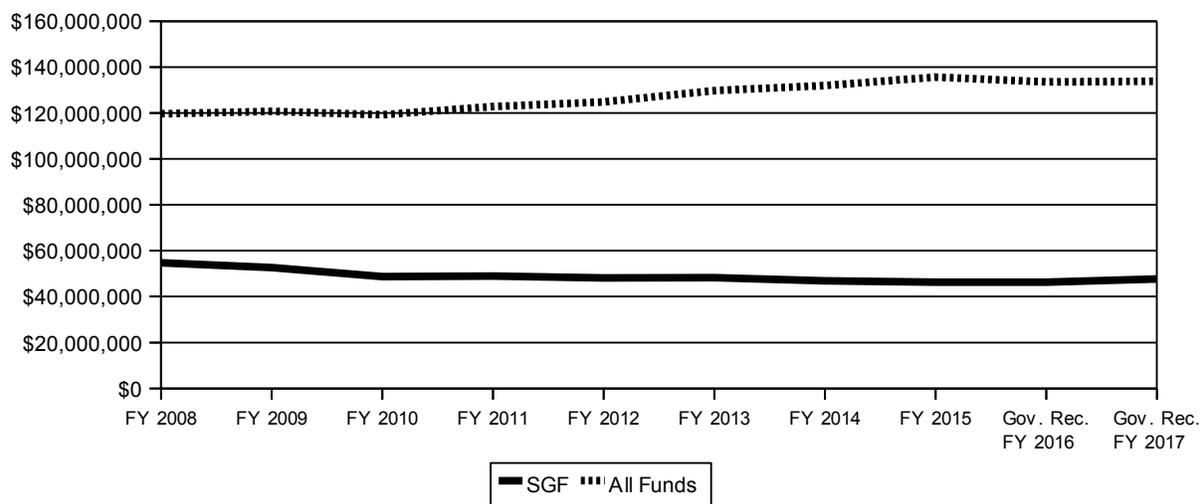
The **Governor** concurs with the agency's revised estimate but offsets the State General Fund with the Educational Building Fund in the amount of \$639,574 to be used for information technology operations. There would need to be legislative authorization to expend from the Educational Building Fund for operations.

**FY 2017 – Budget Year.** The **agency** requests a revised estimate of \$133.8 million, including \$47.7 million from the State General Fund for FY 2017. This is an all funds increase of \$1.2 million, or 0.9 percent, above the FY 2017 approved amount. The increase is in operating expenditures including salaries and wages (\$1.6 million), contractual services (\$1.3 million), and other assistance (\$2.7 million) with offsetting decreases in commodities (\$2.1 million) and capital outlay (\$2.3 million). There is no capital improvement expenditure request.

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

# BUDGET TRENDS

## OPERATING EXPENDITURES FY 2008 – FY 2017



## OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2008	\$ 54,729,340	5.2 %	\$ 119,680,556	0.9 %	1,389.7
2009	52,595,448	(3.9)	120,714,696	0.9	1,285.6
2010	48,699,791	(7.4)	119,232,780	(1.2)	1,198.5
2011	48,951,068	0.5	122,805,825	3.0	1,191.6
2012	48,160,371	(1.6)	124,811,677	1.6	1,173.5
2013	48,182,071	0.0	129,751,842	4.0	1,160.4
2014	46,908,989	(2.6)	131,953,182	1.7	1,116.9
2015	46,265,381	(1.4)	135,657,175	2.8	1,125.1
2016 Gov. Rec.	46,316,699	0.1	133,536,563	(1.6)	1,107.2
2017 Gov. Rec.	47,658,837	2.9	133,820,470	0.2	1,107.2
Ten-Year Change Dollars/Percent	\$ (7,070,503)	(12.9)%	\$ 14,139,914	11.8 %	(282.5)

**Summary of Operating Budget FY 2015 - FY 2017**

Kansas State University – Extension Systems and Agriculture Research Programs

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate 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>									
Academic Support	\$ 137,239	\$ 167,030	\$ 167,768	\$ 738	0.4 %	\$ 167,030	\$ 167,768	\$ 738	0.4 %
Research	83,887,557	78,315,487	77,850,156	(465,331)	(0.6)	78,315,487	77,850,156	(465,331)	(0.6)
Public Service	51,632,379	54,872,941	55,621,441	748,500	1.4	54,872,941	55,621,441	748,500	1.4
Physical Plant/Central Services	0	181,105	181,105	0	0.0	181,105	181,105	0	0.0
<b>TOTAL</b>	<b>\$ 135,657,175</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 283,907</b>	<b>0.2 %</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 283,907</b>	<b>0.2 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 90,956,529	\$ 95,283,288	\$ 97,506,203	\$ 2,222,915	2.3 %	\$ 95,283,288	\$ 97,506,203	\$ 2,222,915	2.3 %
Contractual Services	18,616,448	16,970,967	16,071,209	(899,758)	(5.3)	16,970,967	16,071,209	(899,758)	(5.3)
Commodities	10,624,664	8,935,736	8,338,591	(597,145)	(6.7)	8,935,736	8,338,591	(597,145)	(6.7)
Capital Outlay	5,400,030	3,713,273	3,599,036	(114,237)	(3.1)	3,713,273	3,599,036	(114,237)	(3.1)
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 125,597,671	\$ 124,903,264	\$ 125,515,039	\$ 611,775	0.5 %	\$ 124,903,264	\$ 125,515,039	\$ 611,775	0.5 %
Aid to Local Units	312,965	267,020	267,020	0	0.0	267,020	267,020	0	0.0
Other Assistance	9,746,539	8,366,279	8,038,411	(327,868)	(3.9)	8,366,279	8,038,411	(327,868)	(3.9)
<b>TOTAL</b>	<b>\$ 135,657,175</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 283,907</b>	<b>0.2 %</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 283,907</b>	<b>0.2 %</b>
<b>Financing:</b>									
State General Fund	\$ 46,265,381	\$ 46,956,273	\$ 47,658,837	\$ 702,564	1.5 %	\$ 46,316,699	\$ 47,658,837	\$ 1,342,138	2.9 %
Restricted Fee Fund	39,489,049	40,650,421	41,255,278	604,857	1.5	40,650,421	41,255,278	604,857	1.5
All Other Funds	49,902,745	45,929,869	44,906,355	(1,023,514)	(2.2)	46,569,443	44,906,355	(1,663,088)	(3.6)
<b>TOTAL</b>	<b>\$ 135,657,175</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 283,907</b>	<b>0.2 %</b>	<b>\$ 133,536,563</b>	<b>\$ 133,820,470</b>	<b>\$ 283,907</b>	<b>0.2 %</b>

# BUDGET OVERVIEW

## A. FY 2016 – Current Year

### Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$46,956,273 for Kansas State University - Extension Systems and Agriculture Research Programs in FY 2016. No adjustments have subsequently been made to that amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 46,956,273	\$ 46,956,273	\$ 0	\$ 46,316,699	\$ (639,574)
All Other Funds	84,850,025	87,030,290	2,180,265	87,669,864	2,819,839
<b>TOTAL</b>	<b>\$ 131,806,298</b>	<b>\$ 133,986,563</b>	<b>\$ 2,180,265</b>	<b>\$ 133,986,563</b>	<b>\$ 2,180,265</b>
FTE Positions	1,125.1	1,107.2	(17.9)	1,107.2	(17.9)

The **agency** requests a revised budget of \$134.0 million, including \$47.0 million from the State General Fund. This is an all funds increase of \$2.2 million, or 1.7 percent, above the FY 2016 approved amount. There is an increase of \$3.2 million, or 2.4 percent, in operating expenditures and a decrease of \$1.0 million, or 69.0 percent, from capital improvement expenditures. The operating expenditure change includes increases in salaries and wages (\$1.8 million), contractual services (\$2.1 million), and other assistance (\$3.0 million), with decreases in commodities (\$1.5 million) and capital outlay (\$2.3 million). There is a decrease of \$1.0 million, all from special revenue funds, for the SE Research and Extension building project.

The **Governor** concurs with the agency's revised estimate but offsets the State General Fund with the Educational Building Fund in the amount of \$639,574 to be used for information technology operations. There would need to be legislative authorization to expend from the Educational Building Fund for operations.

## B. FY 2017 – Budget Year

### Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$47,658,837 for Kansas State University - Extension Systems and Agriculture Research Programs in FY 2017. No adjustments have subsequently been made to that amount.

<b>CHANGE FROM APPROVED BUDGET</b>					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 47,658,837	\$ 47,658,837	\$ 0	\$ 47,658,837	\$ 0
All Other Funds	84,931,742	86,161,633	1,229,891	86,161,633	1,229,891
<b>TOTAL</b>	<b>\$ 132,590,579</b>	<b>\$ 133,820,470</b>	<b>\$ 1,229,891</b>	<b>\$ 133,820,470</b>	<b>\$ 1,229,891</b>
FTE Positions	1,125.1	1,107.2	(17.9)	1,107.2	(17.9)

The **agency** requests a revised estimate of \$133.8 million, including \$47.7 million from the State General Fund. This is an all funds increase of \$1.2 million, or 0.9 percent, above the FY 2017 approved amount. The increase is in operating expenditures including salaries and wages (\$1.6 million), contractual services (\$1.3 million), and other assistance (\$2.7 million) with offsetting decreases in commodities (\$2.1 million) and capital outlay (\$2.3 million). There is no capital improvement expenditure request.

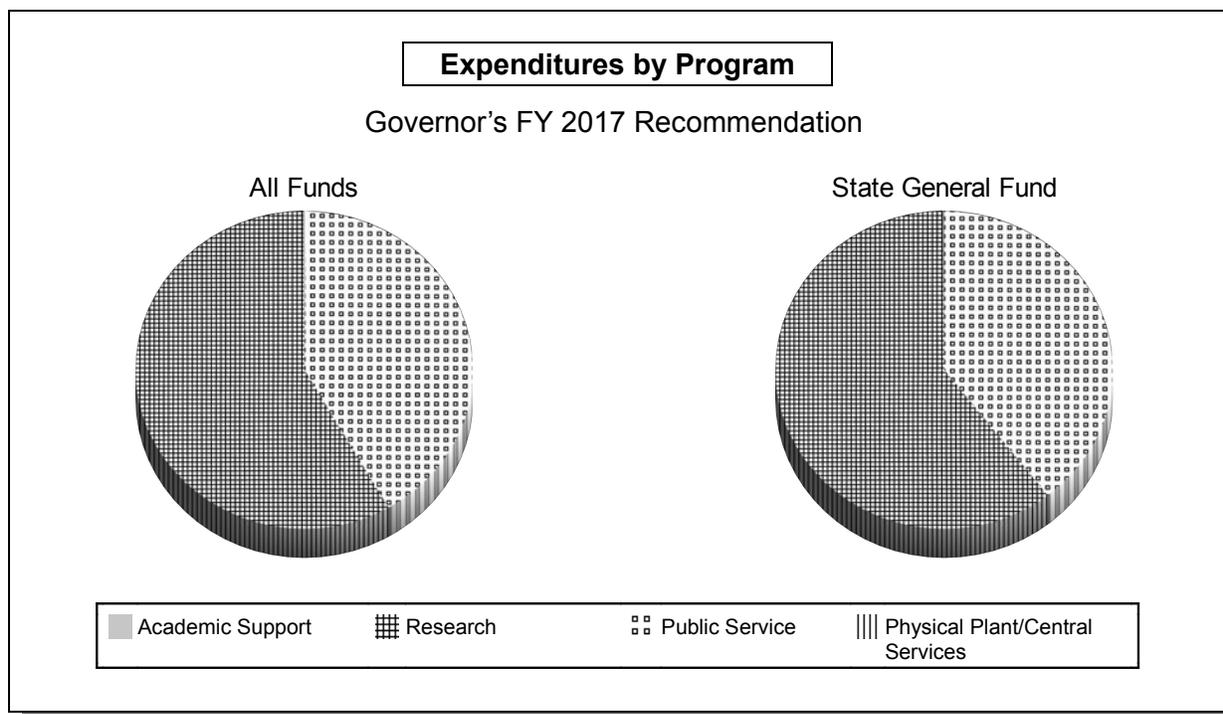
The **Governor** concurs with the agency's revised estimate.

**Funding Sources**

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	35.6 %	35.6 %
All Other Funds	64.4	64.4
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

**Note:** Details may not add to totals due to rounding.

# PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Academic Support	\$ 167,768	0.1 %	\$ 77,132	0.2 %
Research	77,850,156	58.2	28,753,589	60.3
Public Service	55,621,441	41.6	18,828,116	39.5
Physical Plant/Central Services	181,105	0.1	0	0.0
<b>TOTAL</b>	<b>\$ 133,820,470</b>	<b>100.0 %</b>	<b>\$ 47,658,837</b>	<b>100.0 %</b>

**FTE POSITIONS BY PROGRAM FY 2015 – FY 2017**

Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Academic Support	0.5	0.5	0.5	0.5	0.5
Research	547.2	545.5	545.5	545.5	545.5
Public Service	577.4	561.2	561.2	561.2	561.2
Physical Plant/Central Services	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>1,125.1</b>	<b>1,107.2</b>	<b>1,107.2</b>	<b>1,107.2</b>	<b>1,107.2</b>

## **A. Academic Support**

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

The **agency** requests revised FY 2017 operating expenditures of \$167,768, including \$77,132 from the State General Fund. This is a decrease of \$2,998, or 1.8 percent, all funds and \$13,258, or 14.7 percent, State General Fund, below the approved amount. There is a decrease in capital outlay (\$4,902) with an offsetting increase in contractual services (\$2,409).

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

## **B. Research**

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

The **agency** requests revised FY 2017 operating expenditures of \$77.9 million, including \$28.8 million from the State General Fund. This is a decrease of \$5.4 million, or 6.5 percent, all funds and \$50,693, or 0.2 percent, State General Fund, below the FY 2017 approved amount. There are decreases in contractual services (\$2.3 million), commodities (\$2.8 million) and capital outlay (\$2.6 million) with an offsetting increase in salaries and wages (\$1.8 million).

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

## **C. Public Service**

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

The **agency** requests revised FY 2017 operating expenditures of \$55.6 million, including \$18.8 million from the State General Fund. This is an increase of \$6.6 million, or 13.4 percent, all funds and \$63,951, or 0.3 percent, State General Fund, above the FY 2017 approved amount. The increase is primarily in contractual services (\$3.5 million) and other assistance (\$2.0 million).

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

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

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

The **agency** requests revised FY 2017 operating expenditures of \$181,105, all from special revenue funds. This is an increase of \$85,876, or 90.2 percent, above the FY 2017 approved amount, all in contractual services.

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

# CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS				
Project	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Research Extension Center Headquarters	\$ 450,000	\$ 450,000	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	450,000	450,000	0	0
<b>TOTAL</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ 0</b>	<b>\$ 0</b>

**FY 2016 – Current Year.** The agency requests a revised capital improvements budget of \$450,000, all from special revenue funds. This is a decrease of \$1.0 million, or 69.0 percent, below the FY 2016 approved amount due to decreased expenditures for the Research Extension Headquarters.

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

**FY 2017 – Budget Year.** The agency has no capital improvement expenditure requests.

The **Governor** concurs with the agency's request.

PERFORMANCE MEASURES				
Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of new research grants	365	436	450	465
Number of renewed research grants	30	29	32	32
Dollar value of grant receipts (in millions)	\$40.0	\$60.4	\$62.0	\$64.0