

# KANSAS STATE UNIVERSITY VETERINARY MEDICAL CENTER

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	\$ 14,728,160	\$ 14,891,022	\$ 14,688,197	\$ 15,159,612	\$ 15,159,612
Other Funds	31,351,648	31,976,329	32,179,154	32,718,482	32,718,482
<b>TOTAL</b>	<b>\$ 46,079,808</b>	<b>\$ 46,867,351</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 47,878,094</b>
<b>Capital Improvements:</b>					
State General Fund	\$ 6,356	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	2,213,279	3,395,328	3,395,328	0	0
<b>TOTAL</b>	<b>\$ 2,219,635</b>	<b>\$ 3,395,328</b>	<b>\$ 3,395,328</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>GRAND TOTAL</b>	<b>\$ 48,299,443</b>	<b>\$ 50,262,679</b>	<b>\$ 50,262,679</b>	<b>\$ 47,878,094</b>	<b>\$ 47,878,094</b>
<b>Percentage Change:</b>					
<b>Operating Expenditures</b>					
State General Fund	22.0 %	1.1 %	(0.3) %	1.8 %	3.2 %
All Funds	11.7	1.7	1.7	2.2	2.2
FTE Positions	332.6	342.6	342.6	342.6	342.6
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>332.6</b>	<b>342.6</b>	<b>342.6</b>	<b>342.6</b>	<b>342.6</b>

## AGENCY OVERVIEW

The Veterinary Medical Center was established at Kansas State University in 1905. It was included within the main campus budget of Kansas State University until 1978. The institution trains veterinarians, conducts broad-based interdisciplinary research, provides continuing education for veterinarians, and provides hospital and diagnostic services to the public. Its academic programs are fully accredited by the Council on Education of the American Veterinary Medical Association. **A total of 468 students attended the institution during the Fall 2015 semester, a decrease of 8, or 1.7 percent below the Fall 2014 semester.**

### 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 **2006 Legislature** also 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 administered by the College of Veterinary Medicine at KSU.

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. This act exempts certain construction projects and construction project services at state universities from many of the requirements imposed on other state agencies.

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

The **2013 Legislature** reduced the agency's State General Fund operating expenditures by 1.5 percent and further reduced the salaries and wages all funds expenditures by approximately 0.8 percent in FY 2014.

## **BUDGET SUMMARY AND KEY POINTS**

**FY 2016 – Current Year.** The **agency** requests a revised estimate of \$50.3 million, including \$14.9 million from the State General Fund in FY 2016. This is an all funds increase of \$1.7 million above the approved amount. This includes an operating expenditures increase of \$984,349, or 2.1 percent, for salaries and wages (\$340,193), contractual services (\$513,650) and commodities (\$431,836) with offsetting decreases in capital outlay (\$129,340) and other assistance (\$171,990). There is also an increase of \$695,328, or 25.8 percent, all other funds for additional capital improvements expenditures for the Small Animal Clinic renovations.

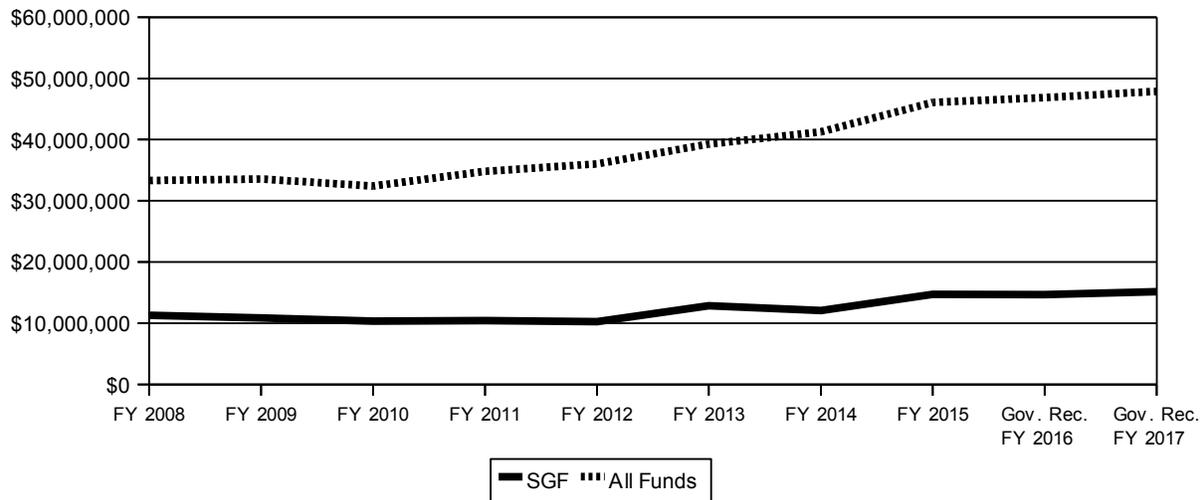
The **Governor** concurs with the agency's revised estimate but offsets the State General Fund expenditures with the Educational Building Fund in the amount of \$202,825 to be used for information technology operations. There would need to be legislative authorization to expend from the Educational Building Fund for state operations.

**FY 2017 – Budget Year.** The **agency** requests a revised estimate of \$47.9 million, including \$15.2 million from the State General Fund for FY 2017. This is an all funds increase of \$967,193, or 2.1 percent, above the FY 2017 approved amount. The increase is primarily in contractual services (\$514,585) and commodities (\$456,612). There is no capital improvement expenditure request. The State General Fund expenditures are the same as the approved amount.

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	\$ 11,281,788	5.1 %	\$ 33,312,590	1.3 %	323.1
2009	10,850,535	(3.8)	33,563,347	0.8	314.9
2010	10,336,516	(4.7)	32,410,739	(3.4)	309.1
2011	10,415,617	0.8	34,818,811	7.4	310.9
2012	10,251,459	(1.6)	36,027,437	3.5	312.7
2013	12,832,430	25.2	39,273,500	9.0	320.1
2014	12,074,595	(5.9)	41,261,154	5.1	323.8
2015	14,728,160	22.0	46,079,808	11.7	332.6
2016 Gov. Rec.	14,688,197	(0.3)	46,867,351	1.7	342.6
2017 Gov. Rec.	15,159,612	3.2	47,878,094	2.2	342.6
Ten-Year Change Dollars/Percent	\$ 3,877,824	34.4 %	\$ 14,565,504	43.7 %	19.5

Note: The increase in 2013 was due to a \$5.0 million operating enhancement for the Veterinary Medical Center.

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

Kansas State University Veterinary Medical Center

	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>									
Instructional Services	\$ 32,314,487	\$ 34,713,733	\$ 35,438,302	\$ 724,569	2.1 %	\$ 34,713,733	\$ 35,438,302	\$ 724,569	2.1 %
Academic Support	5,865,077	5,469,980	5,620,130	150,150	2.7	5,469,980	5,620,130	150,150	2.7
Research	495	298,445	305,161	6,716	2.3	298,445	305,161	6,716	2.3
Public Service	5,374,277	3,896,996	3,986,610	89,614	2.3	3,896,996	3,986,610	89,614	2.3
Student Aid	397,046	400,000	400,000	0	0.0	400,000	400,000	0	0.0
Physical Plant/Central Services	2,128,426	2,088,197	2,127,891	39,694	1.9	2,088,197	2,127,891	39,694	1.9
<b>TOTAL</b>	<b>\$ 46,079,808</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 1,010,743</b>	<b>2.2 %</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 1,010,743</b>	<b>2.2 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 35,063,698	\$ 33,309,567	\$ 34,393,101	\$ 1,083,534	3.3 %	\$ 33,309,567	\$ 34,393,101	\$ 1,083,534	3.3 %
Contractual Services	5,629,368	7,087,214	7,014,423	(72,791)	(1.0)	7,087,214	7,014,423	(72,791)	(1.0)
Commodities	2,831,778	3,350,083	3,350,083	0	0.0	3,350,083	3,350,083	0	0.0
Capital Outlay	1,996,244	2,456,491	2,456,491	0	0.0	2,456,491	2,456,491	0	0.0
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 45,521,088	\$ 46,203,355	\$ 47,214,098	\$ 1,010,743	2.2 %	\$ 46,203,355	\$ 47,214,098	\$ 1,010,743	2.2 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	558,720	663,996	663,996	0	0.0	663,996	663,996	0	0.0
<b>TOTAL</b>	<b>\$ 46,079,808</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 1,010,743</b>	<b>2.2 %</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 1,010,743</b>	<b>2.2 %</b>
<b>Financing:</b>									
State General Fund	\$ 14,728,160	\$ 14,891,022	\$ 15,159,612	\$ 268,590	1.8 %	\$ 14,688,197	\$ 15,159,612	\$ 471,415	3.2 %
General Fees Fund	17,554,911	17,079,808	17,585,089	505,281	3.0	17,079,808	17,585,089	505,281	3.0
Restricted Fees Fund	7,129,244	7,270,166	7,432,062	161,896	2.2	7,270,166	7,432,062	161,896	2.2
All Other Funds	6,667,493	7,626,355	7,701,331	74,976	1.0	7,829,180	7,701,331	(127,849)	(1.6)
<b>TOTAL</b>	<b>\$ 46,079,808</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 1,010,743</b>	<b>2.2 %</b>	<b>\$ 46,867,351</b>	<b>\$ 47,878,094</b>	<b>\$ 1,010,743</b>	<b>2.2 %</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 \$14,891,022 for Kansas State University Veterinary Medical Center in FY 2016. No adjustments have subsequently been made to that amount.

	<b>CHANGE FROM APPROVED BUDGET</b>				
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 14,891,022	\$ 14,891,022	\$ 0	\$ 14,688,197	\$ (202,825)
All Other Funds	33,691,980	35,371,657	1,679,677	35,574,482	1,882,502
<b>TOTAL</b>	<b>\$ 48,583,002</b>	<b>\$ 50,262,679</b>	<b>\$ 1,679,677</b>	<b>\$ 50,262,679</b>	<b>\$ 1,679,677</b>
FTE Positions	332.6	342.6	10.0	342.6	10.0

The **agency** requests a revised estimate of \$50.3 million, including \$14.9 million from the State General Fund. This is an all funds increase of \$1.7 million. This includes an operating expenditure increase of \$984,349, or 2.1 percent, for salaries and wages (\$340,193), contractual services (\$513,650) and commodities (\$431,836) with offsetting decreases in capital outlay (\$129,340) and other assistance (\$171,990). There is also an increase of \$695,328, or 25.8 percent, all other funds for additional capital improvements expenditures for the Small Animal Clinic renovations.

The **Governor** concurs with the agency's revised estimate but offsets the State General Fund expenditures with the Educational Building Fund in the amount of \$202,825 to be used for information technology operations. There would need to be legislative authorization to expend from the Educational Building Fund for state operations.

## B. FY 2017 – Budget Year

### Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$15,159,612 for Kansas State Veterinary Medical Center 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	\$ 15,159,612	\$ 15,159,612	\$ 0	\$ 15,159,612	\$ 0
All Other Funds	31,751,289	32,718,482	967,193	32,718,482	967,193
<b>TOTAL</b>	<b>\$ 46,910,901</b>	<b>\$ 47,878,094</b>	<b>\$ 967,193</b>	<b>\$ 47,878,094</b>	<b>\$ 967,193</b>
FTE Positions	332.6	342.6	10.0	342.6	10.0

The **agency** requests a revised estimate of \$47.9 million, including \$15.2 million from the State General Fund. This is an all funds increase of \$967,193, or 2.1 percent, above the FY 2017 approved amount. The increase is primarily in contractual services (\$514,585) and commodities (\$456,612). There is no capital improvement expenditure request. The State General Fund expenditures are the same as the approved amount.

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	31.7 %	31.7 %
General Fees Fund	36.7	36.7
Restricted Fees Fund	15.5	15.5
All Other Funds	16.1	16.1
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

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

### General Fees Fund Analysis

Under KSA 76-719, the Board of Regents has the authority to set tuition rates at each university and the funds from tuition are deposited in the general fees fund, excluding the student activity fees that are deposited in the restricted fees fund. Tuition is set by the Board of Regents after the Legislative Session has concluded each year.

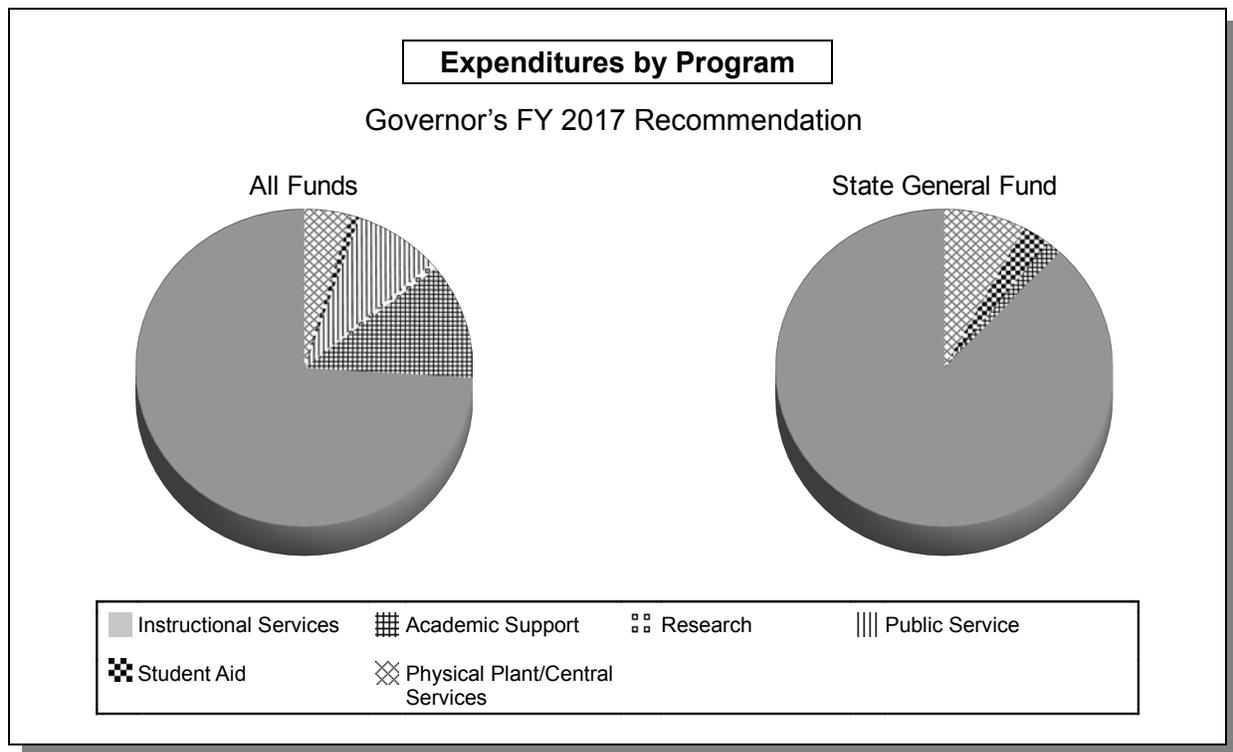
Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 4,233,531	\$ 4,681,191	\$ 4,681,191	\$ 4,939,870	\$ 4,939,870
Revenue	18,536,487	17,348,487	17,348,487	17,348,487	17,348,487
Transfers in	0	0	0	0	0
Total Funds Available	\$ 22,770,018	\$ 22,029,678	\$ 22,029,678	\$ 22,288,357	\$ 22,288,357
Less: Expenditures	18,063,648	17,079,808	17,079,808	17,585,089	17,585,089
Transfers Out	25,179	10,000	10,000	10,000	10,000
Off Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 4,681,191</u>	<u>\$ 4,939,870</u>	<u>\$ 4,939,870</u>	<u>\$ 4,693,268</u>	<u>\$ 4,693,268</u>
Ending Balance as Percent of Expenditures	25.9%	28.9%	28.9%	26.7%	26.7%
Month Highest Ending Balance	January \$ 11,420,000	January \$ 11,305,800	January \$ 11,305,800	January \$ 11,192,000	January \$ 11,192,000
Month Lowest Ending Balance	May \$ 4,580,000	May \$ 4,534,200	May \$ 4,534,200	May \$ 4,488,000	May \$ 4,488,000

## Enrollment Trends

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

	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2010 to Fall 2015
<b>Headcount</b>	<b>462</b>	<b>457</b>	<b>464</b>	<b>465</b>	<b>476</b>	<b>468</b>	
Change	25	(5)	7	1	11	(8)	6
%Change	5.7 %	(1.1)%	1.5 %	0.2 %	2.4 %	(1.7)%	1.3 %
<b>FTE Students</b>	<b>721</b>	<b>723</b>	<b>723</b>	<b>712</b>	<b>719</b>	<b>717</b>	
Change	34	2	0	(11)	7	(2)	(4)
%Change	4.9 %	0.3 %	0.0 %	(1.5)%	1.0 %	(0.3)%	(0.6)%
<b>Student Credit Hours</b>	<b>8,649</b>	<b>8,675</b>	<b>8,680</b>	<b>8,546</b>	<b>8,628</b>	<b>8,601</b>	
Change	406	26	5	(134)	82	(27)	(48)
%Change	4.9 %	0.3 %	0.1 %	(1.5)%	1.0 %	(0.3)%	(0.6)%

# PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Instructional Services	\$ 35,438,302	74.0 %	\$ 13,348,321	88.1 %
Academic Support	5,620,130	11.7	216,606	1.4
Research	305,161	0.6	0	0.0
Public Service	3,986,610	8.3	0	0.0
Student Aid	400,000	0.8	400,000	2.6
Physical Plant/Central Services	2,127,891	4.4	1,194,685	7.9
<b>TOTAL</b>	<b>\$ 47,878,094</b>	<b>100.0 %</b>	<b>\$ 15,159,612</b>	<b>100.0 %</b>

<b>FTE POSITIONS BY PROGRAM FY 2015 – FY 2017</b>					
<b>Program</b>	<b>Actual FY 2015</b>	<b>Agency Est. FY 2016</b>	<b>Gov. Rec. FY 2016</b>	<b>Agency Est. FY 2017</b>	<b>Gov. Rec. FY 2017</b>
Instructional Services	214.2	212.7	212.7	212.7	212.7
Academic Support	53.1	57.5	57.5	57.5	57.5
Research	2.0	5.1	5.1	5.1	5.1
Public Service	33.3	37.3	37.3	37.3	37.3
Student Aid	0.0	0.0	0.0	0.0	0.0
Physical Plant/Central Services	30.0	30.0	30.0	30.0	30.0
<b>TOTAL</b>	<b>332.6</b>	<b>342.6</b>	<b>342.6</b>	<b>342.6</b>	<b>342.6</b>

### **A. Instructional Services**

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

The **agency** requests revised FY 2017 operating expenditures of \$35.4 million, including \$13.3 million from the State General Fund. The overall request is an increase of \$161,106, or 0.5 percent, all funds and a decrease of \$313,283, or 2.3 percent, State General Fund, from the FY 2017 approved amount. The increase is in commodities (\$395,176) and capital outlay (\$375,471) with offsetting decreases in salaries and wages (\$340,807) and contractual services (\$288,318).

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

### **B. Academic Support**

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

The **agency** requests revised FY 2017 operating expenditures of \$5.6 million, including \$216,606 from the State General Fund. This is an increase of \$553,817, or 10.9 percent, all funds and \$52,015, or 31.6 percent, State General Fund, above the FY 2017 approved amount. The increases are in all expenditure categories.

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

### **C. 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 \$305,161, all from special revenue funds. This is an increase of \$127,834, or 72.1 percent, above the FY 2017 approved amount. The increase is primarily in salaries and wages (\$127,831).

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

#### ***D. 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 \$4.0 million, all from special revenue funds. This is an increase of \$144,881, or 3.8 percent, above the FY 2017 approved amount. The increase is primarily in contractual services (\$748,807) and salaries and wages (\$222,271) with offsetting decreases in capital outlay (\$518,964) and other assistance (\$300,633).

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

#### ***E. Student Aid***

The Student Aid program consists of the service scholarships that were established in the Veterinary Training Program for Rural Kansas by 2006 HB 3005. The College is authorized, subject to appropriations to enter into agreements with up to five first-year veterinary students per year for a loan in the amount of \$20,000 per year for not more than four years for tuition, books, supplies, and other school expenses, and travel and training expenses incurred by the student. The program requires that the persons receiving the loans, complete the veterinary medicine degree program at the College; complete all advanced training in public health, livestock biosecurity, foreign animal disease diagnosis, and other requirements outlined in the bill; and engage in the full-time practice of veterinary medicine in any county in Kansas that has a population not exceeding 35,000 for a period of one year for each year of assistance provided.

The **agency** requests revised FY 2017 operating expenditures of \$400,000, all from State General Fund. This is the same amount as the approved amount.

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

#### ***F. 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 \$2.1 million, including \$1.2 million from the State General Fund. The overall request is a decrease of \$20,445, or 1.0 percent, all funds and an increase of \$261,268, or 28.0 percent, State General Fund, from the FY 2017 approved amount. The decrease is primarily in salaries and wages (\$9,669) and contractual services (\$18,267) with an offsetting increase in commodities (\$7,504).

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
Equine Performance Testing Facility	\$ 1,735,000	\$ 1,735,000	\$ 0	\$ 0
Small Animal Clinic Renovations	1,660,328	1,660,328	0	0
<b>TOTAL</b>	<b>\$ 3,395,328</b>	<b>\$ 3,395,328</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Financing:</b>				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	3,395,328	3,395,328	0	0
<b>TOTAL</b>	<b>\$ 3,395,328</b>	<b>\$ 3,395,328</b>	<b>\$ 0</b>	<b>\$ 0</b>

**FY 2016 – Current Year.** The agency requests a revised capital improvement budget of \$3.4 million, all from special revenue funds. This is an increase of \$695,328, or 25.8 percent, above the FY 2017 approved amount. The increase is due to additional expenditures for the Small Animal Clinic renovations.

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

**FY 2017 – Budget Year.** The agency requests no capital improvement expenditures for FY 2017.

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

PERFORMANCE MEASURES				
Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Four-year graduation rate	98.0%	97.0%	98.0%	98.0%
Number of animals treated at veterinary teaching hospital	16,500	16,661	16,500	16,500
Research funding (in millions)	\$15.0	\$12.1	\$13.0	\$13.0