

UNIVERSITY OF KANSAS

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:					
State General Fund	\$ 134,463,063	\$ 135,510,583	\$ 133,635,355	\$ 138,755,895	\$ 138,755,895
Other Funds	559,961,633	570,929,587	572,804,815	580,601,964	580,601,964
TOTAL	\$ 694,424,696	\$ 706,440,170	\$ 706,440,170	\$ 719,357,859	\$ 719,357,859
Capital Improvements:					
State General Fund	\$ 2,082,429	\$ 2,165,000	\$ 2,165,000	\$ 2,255,000	\$ 2,255,000
Other Funds	26,649,149	35,657,719	35,657,719	24,395,741	24,395,741
TOTAL	\$ 28,731,578	\$ 37,822,719	\$ 37,822,719	\$ 26,650,741	\$ 26,650,741
GRAND TOTAL	<u>\$ 723,156,274</u>	<u>\$ 744,262,889</u>	<u>\$ 744,262,889</u>	<u>\$ 746,008,600</u>	<u>\$ 746,008,600</u>
Percentage Change:					
Operating Expenditures					
State General Fund	(0.7) %	0.8 %	(0.6) %	2.4 %	3.8 %
All Funds	3.2	1.7	1.7	1.8	1.8
FTE Positions	5,342.1	5,342.1	5,342.1	5,342.1	5,342.1
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>5,342.1</u>	<u>5,342.1</u>	<u>5,342.1</u>	<u>5,342.1</u>	<u>5,342.1</u>

AGENCY OVERVIEW

The University of Kansas (KU) was established in 1864 by the Kansas Legislature. KU is a major comprehensive research and teaching university. It is the only Kansas Regents university to hold membership in the Association of American Universities (AAU), a group of sixty public and private research universities that represent excellence in graduate and professional education and the highest achievements in research internationally. In addition to the main campus in Lawrence, the University includes the Medical Center in Kansas City and Wichita, the Regents Center in Overland Park, and other education and research facilities throughout the state. KU has fourteen major academic divisions including Liberal Arts and Sciences; Graduate School; Allied Health; Architecture and Urban Design; Business; Education; Engineering; and Social Welfare. **A total of 24,708 students attended KU during the Fall 2015 semester. This represents an increase of 96 students or 0.4 percent above the Fall 2014 semester.** The University of Kansas Medical Center submits a separate budget and a separate budget analysis is prepared for that institution.

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 for 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 University's State General Fund operating expenditures by 1.5 percent and there was an additional reduction to salaries and wages all funds expenditures of approximately 0.5 percent in FY 2014 and less than 0.1 percent for FY 2015.

The **2014 Legislature** deleted \$2.0 million, all from the State General Fund for the Translational Chemical Biology program, added language allowing the University \$25.0 million in bonding authority for the Earth Energy Environment project, and allowed the University to exchange property with the University of Kansas Endowment.

The **2015 Legislature** added bonding authority for a new dorm and dining hall and Corbin Hall.

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** requests a revised estimate of \$744.3 million, including \$137.7 million from the State General Fund in FY 2016. This is an increase of \$29.9 million, or 4.2 percent, all from special revenue funds, above the 2016 approved amount. The

increase includes \$20.4 million, or 3.0 percent, operating expenditures and \$9.5 million, or 33.6 percent, capital improvement expenditures. Increased operating expenditures are primarily for salaries and wages (\$1.8 million), contractual services (\$3.9 million), capital outlay (\$8.8 million), and other assistance (\$4.8 million). Capital improvement increases are mainly due to the Education Building Fund expenditures (\$11.4 million). There was no change from the State General Fund approved amount.

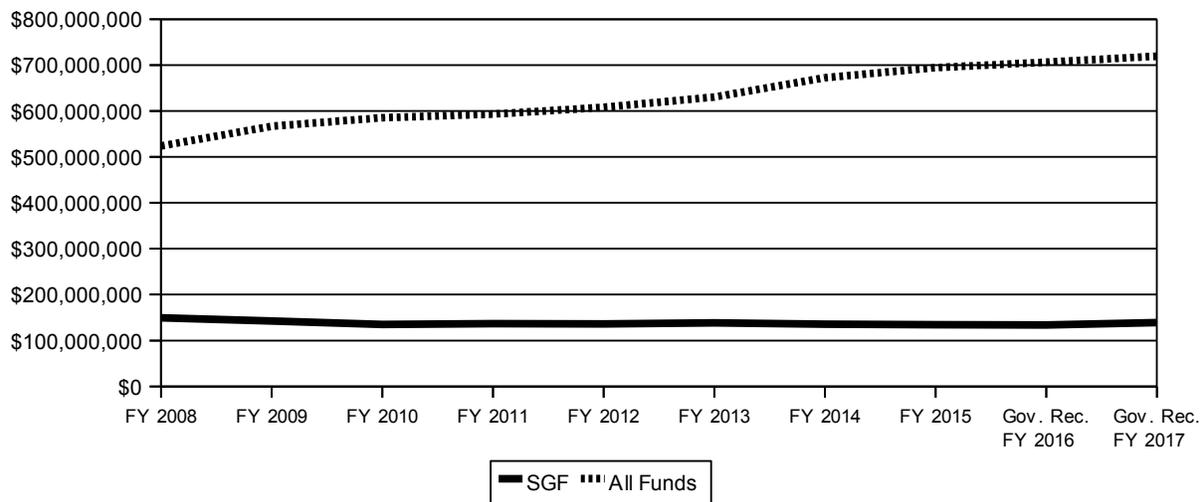
The **Governor** concurs with the agency's revised estimate but offsets the State General Fund expenditures with the Educational Building Fund in the amount of \$1.9 million to be used for information technology operations. There would need to be legislative authorization to expend from the Educational Building Fund for state operations.

FY 2017 – Budget Year. The **agency** requests a revised estimate of \$746.0, including \$141.0 million, from the State General Fund for FY 2017. This is an all funds increase of \$20.2 million, or 2.8 percent, all from special revenue funds. The increase includes \$13.7 million, or 1.9 percent for operating expenditures and \$6.5 million, or 32.2 percent for capital improvements. Operating expenditure increases were primarily for salaries and wages (\$3.4 million), capital outlay (\$9.5 million), and other assistance (\$4.8 million) with an offsetting decrease for contractual services (\$4.2 million). Capital improvement increases include the Summerfield Hall project (\$2.6 million) and various housing projects. There is no change in State General Fund expenditures from 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	\$ 149,486,691	3.8 %	\$ 523,878,989	3.7 %	5,450.0
2009	142,422,661	(4.7)	566,734,527	8.2	5,515.0
2010	134,699,764	(5.4)	585,433,037	3.3	5,405.0
2011	136,517,080	1.3	593,230,936	1.3	4,949.0
2012	136,019,806	(0.4)	607,975,534	2.5	4,793.4
2013	138,096,993	1.5	630,471,832	3.7	5,342.1
2014	135,402,775	(2.0)	672,585,831	6.7	5,342.1
2015	134,463,063	(0.7)	694,424,696	3.2	5,342.1
2016 Gov. Rec.	133,635,355	(0.6)	706,440,170	1.7	5,342.1
2017 Gov. Rec.	138,755,895	3.8	719,357,859	1.8	5,342.1
Ten-Year Change Dollars/Percent	\$ (10,730,796)	(7.2)%	\$ 195,478,870	37.3 %	(107.9)

Summary of Operating Budget FY 2015 - FY 2017

University of Kansas

	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
By Program:									
Institutional Support	\$ 41,586,360	\$ 45,231,446	\$ 46,512,376	\$ 1,280,930	2.8 %	\$ 45,231,446	\$ 46,512,376	\$ 1,280,930	2.8 %
Instructional Services	248,525,095	263,222,282	267,681,102	4,458,820	1.7	263,222,282	267,681,102	4,458,820	1.7
Academic Support	49,963,160	52,959,478	54,491,899	1,532,421	2.9	52,959,478	54,491,899	1,532,421	2.9
Student Services	44,625,292	44,632,968	45,485,930	852,962	1.9	44,632,968	45,485,930	852,962	1.9
Research	114,986,866	103,009,045	106,419,169	3,410,124	3.3	103,009,045	106,419,169	3,410,124	3.3
Public Service	9,532,989	10,519,761	10,794,038	274,277	2.6	10,519,761	10,794,038	274,277	2.6
Student Aid	60,613,212	62,215,375	62,218,754	3,379	0.0	62,215,375	62,218,754	3,379	0.0
Auxiliary	58,582,586	60,239,449	60,870,300	630,851	1.0	60,239,449	60,870,300	630,851	1.0
Physical Plant/Central Services	57,398,631	53,669,596	54,702,052	1,032,456	1.9	53,669,596	54,702,052	1,032,456	1.9
Debt Service	8,610,505	10,740,770	10,182,239	(558,531)	(5.2)	10,740,770	10,182,239	(558,531)	(5.2)
TOTAL	\$ 694,424,696	\$ 706,440,170	\$ 719,357,859	\$ 12,917,689	1.8 %	\$ 706,440,170	\$ 719,357,859	\$ 12,917,689	1.8 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 460,710,834	\$ 461,945,335	\$ 475,165,144	\$ 13,219,809	2.9 %	\$ 461,945,335	\$ 475,165,144	\$ 13,219,809	2.9 %
Contractual Services	121,727,630	119,628,779	118,479,368	(1,149,411)	(1.0)	119,628,779	118,479,368	(1,149,411)	(1.0)
Commodities	19,765,604	23,094,485	23,799,055	704,570	3.1	23,094,485	23,799,055	704,570	3.1
Capital Outlay	18,441,187	24,325,483	25,027,053	701,570	2.9	24,325,483	25,027,053	701,570	2.9
Debt Service	8,610,505	10,740,770	10,182,239	(558,531)	(5.2)	10,740,770	10,182,239	(558,531)	(5.2)
Subtotal - Operations	\$ 629,255,760	\$ 639,734,852	\$ 652,652,859	\$ 12,918,007	2.0 %	\$ 639,734,852	\$ 652,652,859	\$ 12,918,007	2.0 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	65,168,936	66,705,318	66,705,000	(318)	(0.0)	66,705,318	66,705,000	(318)	(0.0)
TOTAL	\$ 694,424,696	\$ 706,440,170	\$ 719,357,859	\$ 12,917,689	1.8 %	\$ 706,440,170	\$ 719,357,859	\$ 12,917,689	1.8 %
Financing:									
State General Fund	\$ 134,463,063	\$ 135,510,583	\$ 138,755,895	\$ 3,245,312	2.4 %	\$ 133,635,355	\$ 138,755,895	\$ 5,120,540	3.8 %
General Fees Fund	278,424,522	289,720,243	293,242,212	3,521,969	1.2	289,720,243	293,242,212	3,521,969	1.2
Restricted Fees Fund	142,870,262	139,896,459	145,610,494	5,714,035	4.1	139,896,459	145,610,494	5,714,035	4.1
All Other Funds	138,666,849	141,312,885	141,749,258	436,373	0.3	143,188,113	141,749,258	(1,438,855)	(1.0)
TOTAL	\$ 694,424,696	\$ 706,440,170	\$ 719,357,859	\$ 12,917,689	1.8 %	\$ 706,440,170	\$ 719,357,859	\$ 12,917,689	1.8 %

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$137,675,583 for the University of Kansas 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	\$ 137,675,583	\$ 137,675,583	\$ 0	\$ 135,800,355	\$ (1,875,228)
All Other Funds	576,669,732	606,587,306	29,917,574	608,462,534	31,792,802
TOTAL	\$ 714,345,315	\$ 744,262,889	\$ 29,917,574	\$ 744,262,889	\$ 29,917,574
FTE Positions	5,342.1	5,342.1	0.0	5,342.1	0.0

The **agency** requests a revised estimate of \$744.3 million, including \$137.7 million from the State General Fund. This is an increase of \$29.9 million, or 4.2 percent, all from special revenue funds, above the 2016 approved amount. The increase includes \$20.4 million, or 3.0 percent, operating expenditures and \$9.5 million, or 33.6 percent, capital improvement expenditures. Increased operating expenditures are primarily for salaries and wages (\$1.8 million), contractual services (\$3.9 million), capital outlay (\$8.8 million), and other assistance (\$4.8 million). Capital improvement increases are mainly due to the Education Building Fund expenditures (\$11.4 million). There was no change from the State General Fund approved amount.

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 \$1.9 million 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 \$141,010,895 for the University of Kansas in FY 2017. No adjustments have subsequently been made to that amount.

CHANGE FROM APPROVED BUDGET					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 141,010,895	\$ 141,010,895	\$ 0	\$ 141,010,895	\$ 0
All Other Funds	584,800,544	604,997,705	20,197,161	604,997,705	20,197,161
TOTAL	\$ 725,811,439	\$ 746,008,600	\$ 20,197,161	\$ 746,008,600	\$ 20,197,161
FTE Positions	5,342.1	5,342.1	0.0	5,342.1	0.0

The **agency** requests a revised estimate of \$746.0, including \$141.0 million, from the State General Fund. This is an all funds increase of \$20.2 million, or 2.8 percent, all from special revenue funds. The increase includes \$13.7 million, or 1.9 percent for operating expenditures and \$6.5 million, or 32.2 percent for capital improvements. Operating expenditure increases were primarily for salaries and wages (\$3.4 million), capital outlay (\$9.5 million), and other assistance (\$4.8 million) with an offsetting decrease for contractual services (\$4.2 million). Capital improvement increases include the Summerfield Hall project (\$2.6 million) and various housing projects. There is no change in State General Fund expenditures from 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	19.3 %	19.3 %
General Fees Fund	40.8	40.8
Restricted Fees Fund	20.2	20.2
All Other Funds	19.7	19.7
TOTAL	100.0 %	100.0 %

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 collected from tuition are deposited in the general fees fund, excluding the student activity fees that are deposited in the restricted fees fund. Tuition is set by the Board of Regents after the Legislative Session is 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	\$ 18,246,524	\$ 17,995,137	\$ 17,995,137	\$ 18,000,000	\$ 18,000,000
Revenue	283,548,331	293,843,342	293,843,342	293,843,342	293,843,342
Transfers in	414	38	38	0	0
Total Funds Available	\$ 301,795,269	\$ 311,838,517	\$ 311,838,517	\$ 311,843,342	\$ 311,843,342
Less: Expenditures	283,256,915	293,477,128	293,477,128	296,461,049	296,461,049
Transfers Out	516,984	361,389	361,389	361,389	361,389
Off Budget Expenditures	26,233	0	0	0	0
Ending Balance	<u>\$ 17,995,137</u>	<u>\$ 18,000,000</u>	<u>\$ 18,000,000</u>	<u>\$ 15,020,904</u>	<u>\$ 15,020,904</u>
Ending Balance as Percent of Expenditures	6.4%	6.1%	6.1%	5.1%	5.1%
Month Highest Ending Balance	September \$ 76,875,449	September \$ 74,916,190	September \$ 74,916,190	September \$ 76,414,514	September \$ 76,414,514
Month Lowest Ending Balance	April \$ 3,216,038	March \$ 4,000,000	March \$ 4,000,000	June \$ 4,080,000	June \$ 4,080,000

Enrollment Trends

The following table summarizes recent enrollment trends at the University of Kansas. 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.

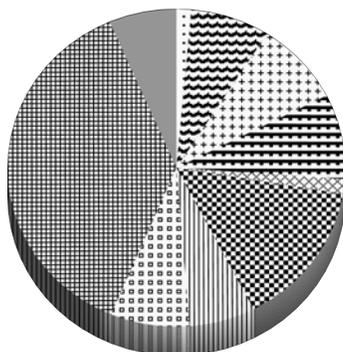
	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2010 to Fall 2015
Headcount	26,266	25,448	24,577	24,435	24,612	24,708	
Change	(560)	(818)	(871)	(142)	177	96	(1,558)
%Change	(2.1)%	(3.1)%	(3.4)%	(0.6)%	0.7 %	0.4 %	(5.9)%
FTE Students	23,989	23,290	22,468	22,327	22,532	22,647	
Change	(351)	(699)	(822)	(822)	205	115	(1,342)
%Change	(1.4)%	(2.9)%	(3.5)%	(3.6)%	0.9 %	0.5 %	(5.6)%
Student Credit Hours	327,539	318,278	307,914	307,169	309,972	310,757	
Change	(6,582)	(9,261)	(10,364)	(10,364)	2,803	785	(16,782)
%Change	(2.0)%	(2.8)%	(3.3)%	(3.3)%	0.9 %	0.3 %	(5.1)%

PROGRAM DETAIL

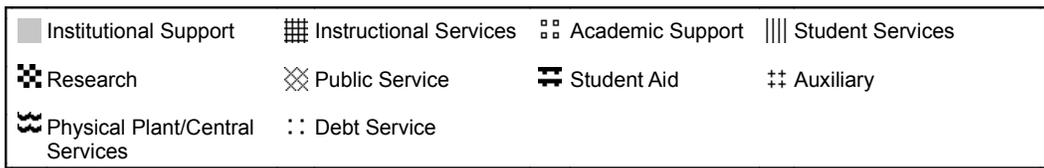
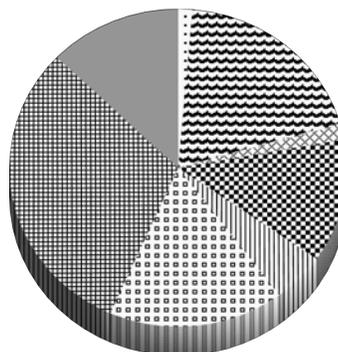
Expenditures by Program

Governor's FY 2017 Recommendation

All Funds



State General Fund



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Institutional Support	\$ 46,512,376	6.5 %	\$ 17,736,599	12.8 %
Instructional Services	267,681,102	37.2	42,484,597	30.6
Academic Support	54,491,899	7.6	23,336,428	16.8
Student Services	45,485,930	6.3	7,045,827	5.1
Research	106,419,169	14.8	17,454,600	12.6
Public Service	10,794,038	1.5	2,112,520	1.5
Student Aid	62,218,754	8.6	0	0.0
Auxiliary	60,870,300	8.5	207,542	0.1
Physical Plant/Central Services	54,702,052	7.6	26,512,130	19.1
Debt Service	10,182,239	1.4	1,865,652	1.3
TOTAL	\$ 719,357,859	100.0 %	\$ 138,755,895	100.0 %

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
Institutional Support	342.2	368.1	368.1	368.1	368.1
Instructional Services	2,603.9	2,621.8	2,621.8	2,621.8	2,621.8
Academic Support	454.5	488.8	488.8	488.8	488.8
Student Services	285.7	297.2	297.2	297.2	297.2
Research	734.5	651.3	651.3	651.3	651.3
Public Service	102.5	103.5	103.5	103.5	103.5
Student Aid	3.0	3.0	3.0	3.0	3.0
Auxiliary	198.5	197.6	197.6	197.6	197.6
Physical Plant/Central Services	617.3	610.8	610.8	610.8	610.8
Debt Service	0.0	0.0	0.0	0.0	0.0
TOTAL	5,342.1	5,342.1	5,342.1	5,342.1	5,342.1

A. Institutional Support

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

The **agency** requests revised FY 2017 operating expenditures of \$46.5 million, including \$17.7 million from the State General Fund. The overall request is an increase of \$5.6 million, or 13.6 percent, all funds and a decrease of \$2.1 million, or 10.5 percent, State General Fund, from the agency's FY 2017 approved amount. The increase is primarily in commodities (\$1.3 million) and capital outlay (\$4.9 million).

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

B. Instructional Services

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

The **agency** requests revised FY 2017 operating expenditures of \$267.7 million, including \$42.5 million from the State General Fund. The overall request is a decrease of \$1.3 million, or 0.5 percent, all funds and an increase of \$1.9 million, or 4.6 percent, State General Fund, from the FY 2017 approved amount. There are increases in salaries and wages (\$1.8 million), commodities (\$1.7 million) and capital outlay (\$2.6 million) with an offsetting decrease in contractual services (\$8.1 million).

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

C. Academic Support

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

The **agency** requests revised FY 2017 operating expenditures of \$54.5 million, including \$23.3 million from the State General Fund. The request is a decrease of \$1.1 million, or 1.9 percent, all funds and \$1.7, or 6.8 percent, State General Fund, below the FY 2017 approved amount. The decrease is primarily in commodities (\$1.3 million).

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

D. Student Services

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

The **agency** requests revised FY 2017 operating expenditures of \$45.5 million, including \$7.0 million from the State General Fund. The request is an increase of \$2.1 million, or 4.8 percent, all funds and a decrease of \$666,769, or 8.6 percent, State General Fund, from the FY 2017 approved amount. The increase is primarily in other assistance (\$1.3 million) and contractual services (\$665,179).

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

E. Research

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

The **agency** requests revised FY 2017 operating expenditures of \$106.4 million, including \$17.5 million from the State General Fund. The request is an increase of \$2.1 million, or 2.0 percent, all funds and \$862,866, or 5.2 percent, State General Fund, above the FY 2017 approved amount. The increase is primarily in salaries and wages (\$769,361), contractual services (\$1.7 million), and capital outlay (\$1.2 million) with an offsetting decrease in commodities (\$1.7 million).

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

F. Public Service

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

The **agency** requests revised FY 2017 operating expenditures of \$10.8 million, including \$2.1 million from the State General Fund. The request is a decrease of \$196,124, or 1.8 percent, all funds and \$319,880, or 13.2 percent, State General Fund, below the FY 2017 approved amount. The decrease is primarily in commodities (\$172,598) and capital outlay (\$130,997).

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

G. Student Aid

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

The **agency** requests revised FY 2017 operating expenditures of \$62.2 million, all from special revenue funds. This is an increase of \$2.4 million, or 4.0 percent, all from special revenue funds above the FY 2017 approved amount.

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

H. Auxiliary

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

The **agency** requests revised FY 2017 operating expenditures of \$60.9 million, including \$207,542 from the State General Fund. The overall request is an increase of \$6.5 million, or 11.9 percent, all funds and a decrease of \$198,005, or 48.8 percent, State General Fund, from the FY 2017 approved amount. The increase is primarily in contractual services (\$3.3 million) and capital outlay (\$2.0 million).

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

I. Physical Plant/Central Services

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

The **agency** requests revised FY 2017 operating expenditures of \$54.7 million, including \$26.5 million from the State General Fund. The request is a decrease of \$2.3 million, or 4.1 percent, all funds and an increase of \$2.2 million, or 9.1 percent, State General Fund, above the FY 2017 approved amount. The decrease is primarily in contractual services (\$1.6 million) and commodities (\$591,863).

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
Rehabilitation and Repair	\$ 11,408,193	\$ 11,408,193	\$ 0	\$ 0
Summerfield Hall	600,000	600,000	2,600,000	2,600,000
School of Business	7,570,000	7,570,000	500,000	500,000
Misc. Housing Projects	551,263	551,263	9,240,000	9,240,000
Other Misc. Projects	2,081,426	2,081,426	190,000	190,000
Parking	2,318,752	2,318,752	1,650,000	1,650,000
Debt Service	13,293,085	13,293,085	12,470,741	12,470,741
TOTAL	\$ 37,822,719	\$ 37,822,719	\$ 26,650,741	\$ 26,650,741
Financing:				
State General Fund	\$ 2,165,000	\$ 2,165,000	\$ 2,255,000	\$ 2,255,000
All Other Funds	35,657,719	35,657,719	24,395,741	24,395,741
TOTAL	\$ 37,822,719	\$ 37,822,719	\$ 26,650,741	\$ 26,650,741

FY 2016 – Current Year. The agency requests a revised capital improvements budget of \$37.8 million, including \$2.1 million from the State General Fund. This is an increase of \$9.5 million, or 33.6 percent, all from special revenue funds. The increase is primarily due to the Educational Building Fund expenditures.

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

FY 2017 – Budget Year. The agency requests a revised capital improvements budget of \$26.7 million, including 2.3 million from the State General Fund. This is an increase of \$6.5 million, or 32.3 percent, all from special revenue funds. The increase is primarily due to the Sumerfield Hall project and additional housing maintenance projects.

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
Five-year graduation rate	57.0%	57.9%	57.0%	57.0%
Percent of credit hours taught by faculty	85.0%	83.6%	85.0%	85.0%