

## Senate Subcommittee Report

**Agency:** Postsecondary Education Systemwide

**Bill No.** SB 267

**Bill Sec.** 61-70

**Analyst:** Morrow

**Analysis Pg. No.** Vol. II, Pg. 787

**Budget Page No.** 352-379

Expenditure Summary	Agency Request FY 2022	Governor Recommendation* FY 2022	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 877,774,686	\$ 875,707,721	\$ 0
Other Funds	2,119,407,500	2,119,407,500	0
<i>Subtotal</i>	<u>\$ 2,997,182,186</u>	<u>\$ 2,995,115,221</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 609,656	\$ 609,656	\$ 0
Other Funds	111,214,165	111,214,165	0
<i>Subtotal</i>	<u>\$ 111,823,821</u>	<u>\$ 111,823,821</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 3,109,006,007</b></u>	<u><b>\$ 3,106,939,042</b></u>	<u><b>\$ 0</b></u>

FTE positions

19,001.8

19,001.8

0.0

\*Includes GBA No.4, Item 1 adding \$53.0 million, all SGF for Maintenance of Effort for FY 2022.

### Agency Request

FY 2022 -□Budget Year. The agencies request an operating budget of \$3.0 billion, including \$877.8 million SGF for FY 2022. This is an all funds decrease of \$34.4 million, or 1.1 percent, and an SGF increase of \$50.4 million, or 6.1 percent, from the FY 2021 revised estimate. The all funds decrease is due to the reduction of the federal funds provided in FY 2021 due to the COVID-19 outbreak. The increase of SGF moneys is due to the enhancement request of \$49.3 million and the increased expenditures in salaries and wages for fringe benefits.

The agencies request a capital improvements budget of \$111.8 million, including \$609,656 SGF for FY 2022. This is an all funds decrease of \$35.0 million, or 23.8 percent, and an SGF increase of \$2,306, or 0.4 percent, from the FY 2021 revised estimate. The all funds decrease is due to an overall decrease in planned capital improvement expenditures. The SGF increase is for debt service principal payments for FY 2022.

### Governor's Recommendation

The **Governor** recommends expenditures of \$2.9 billion, including \$822.7 million SGF, for FY 2022. This is an all funds decrease of \$55.1 million, or 1.8 percent, and an SGF decrease of \$55.1 million, or 7.8 percent, below the agencies' requests. The decrease is due to the Governor not recommending the enhancement requests and recommending inclusion of 55.0 percent of the reduced resources budgets submitted by the universities and approximately \$4.0 million from the Board of Regents, which does not include scholarships and the majority of the community and technical college expenditure reduction. In addition, the Governor added a 2.5

percent increase to the Board of Regents Administration program (\$76,770) and a 2.5 percent increase (\$10.3 million) to the University Operating Grant, which is equivalent to the proposed 2.5 percent employee pay plan to be spent at the Board's discretion. The Governor also added \$26.3 million SGF to restore the SGF allotment from FY 2021 when the Governor provided the universities with the federal Governor's Emergency Education Relief (GEER) funds.

The Governor concurs with the agencies' capital improvements budgets for FY 2022.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation for FY 2022 with the following adjustments:

1. Review the status of the SGF and the COVID-19 federal relief funding distribution at Omnibus.
2. Review the deferred maintenance of the universities at Omnibus.
3. Review the funding of the Excel in Career Technical Education program (SB 155) at Omnibus.
4. Review the status of HB 2101, Kan-Grow Engineering Initiative, which will expire as of June 30, 2022 at Omnibus. Request the agency provide information on how many students leave the state after graduating from the program at Omnibus. Review adding the Private/Independent colleges to the program at Omnibus.
5. Review the funding of the Kansas Comprehensive Grant program at Omnibus.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee recommendation with the following adjustment:

1. Delete \$76,770 SGF in the Board of Regents administration program and \$10.3 million SGF in the University Operating Grant for the state universities, which is equivalent to the proposed 2.5 percent employee pay plan to be spent at the Board's discretion. The Committee also recommends eliminating the 2.5 percent statewide salary adjustment recommended by the Governor for implementation by the State Finance Council.

### **Further Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee recommendation with the following adjustments:

1. Add \$24.9 million SGF to restore approximately 3.0 percent of the reduced resources to the Board of Regents and universities for FY 2022.

### **Board of Regents**

1. Add \$10.3 million, SGF and a new State University Capital Renewal Initiative fund in the Board of Regents for deferred maintenance for FY 2022.
2. Delete language on the distribution of the Educational Building Fund in the Board of Regents for FY 2022.
3. Review a deferred maintenance report from the Board of Regents at Omnibus.

**University of Kansas**

1. Review the possible addition of \$100,000 SGF and current proviso for seismic surveys in the Geological Survey fund at Omnibus.

**Wichita State University**

1. Add language allowing the university to move money between SGF accounts for FY 2022.

**Senate Committee of the Whole**

The **Committee of the Whole** concurs with the Senate Committee's recommendation for FY 2022.

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House Budget Committee Report

Agency: Postsecondary Education Systemwide Bill No. HB 2397 Bill Sec. 61-70

Analyst: Morrow Analysis Pg. No. Vol. II, Pg. 787 Budget Page No. 352-379

Table with 4 columns: Expenditure Summary, Agency Request FY 2022, Governor Recommendation\* FY 2022, House Budget Committee Adjustments. Rows include Operating Expenditures (State General Fund, Other Funds, Subtotal), Capital Improvements (State General Fund, Other Funds, Subtotal), and a TOTAL row.

FTE positions 19,001.8 19,001.8 0.0

\*Includes GBA No. 4, Item 1. Add \$53.0 million , all SGF, for Maintenance of Effort for FY 2022.

Agency Request

FY 2022 - Budget Year. The agencies request an operating budget of \$3.0 billion, including \$877.8 million SGF for FY 2022. This is an all funds decrease of \$34.4 million, or 1.1 percent, and an SGF increase of \$50.4 million, or 6.1 percent, from the FY 2021 revised estimate.

The agencies request a capital improvements budget of \$111.8 million, including \$609,656 SGF for FY 2022. This is an all funds decrease of \$35.0 million, or 23.8 percent, and an SGF increase of \$2,306, or 0.4 percent, from the FY 2021 revised estimate.

Governor's Recommendation

The Governor recommends expenditures of \$2.9 billion, including \$822.7 million SGF, for FY 2022. This is an all funds decrease of \$55.1 million, or 1.8 percent, and an SGF decrease of \$55.1 million, or 7.8 percent, below the agencies' requests.

percent of the reduced resources budgets submitted by the universities and approximately \$4.0 million from the Board of Regents, which does not include scholarships and the majority of the community and technical college expenditure reduction. In addition, the Governor added a 2.5 percent increase to the Board of Regents Administration program (\$76,770) and a 2.5 percent increase (\$10.3 million) to the University Operating Grant, which is equivalent to the proposed 2.5 percent employee pay plan to be spent at the Board's discretion. The Governor also added \$26.3 million SGF to restore the SGF allotment from FY 2021 when the Governor provided the universities with the federal Governor's Emergency Education Relief (GEER) funds.

The Governor concurs with the agencies' capital improvements budgets for FY 2022.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

#### **Board of Regents**

1. Add \$8.3 million, all SGF, for the Excel in Career Technical Education Tuition fund (SB 155) for FY 2022. This addition would result in a total appropriation of \$36.8 million for the program for FY 2022.
2. Add \$1,399,566, all SGF, for the National Guard Scholarship program for FY 2022. This addition would result in a total appropriation of \$4.4 million for this program for FY 2022.
3. Add language not allowing the Board of Regents to transfer funds from the following accounts: tuition for technical education (561-00-1000-0120); non-tiered course credit hour grant account (561-00-1000-0550); or postsecondary tiered technical education state aid account (561-00-1000-0760) for FY 2022.
4. Add language to the tuition for technical education (561-00-1000-0120) account that the payments will be made within 60 days after the student class start date for FY 2022.
5. Recommend the Committee review adding \$10.0 million, to the University Operating Grant within the Board of Regents for the universities at Omnibus for FY 2022.
6. Request the Committee review the Governor's entire 2.5 percent pay plan for FY 2022. This would include \$76,770 in the Board of Regents administration program and \$10.3 million in the University Operating Grant for the state universities, which is equivalent to the proposed 2.5 percent employee pay plan to be spent at the Board's discretion. The request also includes the 2.5 percent statewide salary adjustment recommended by the Governor for implementation by the State Finance Council and not included in this budget.

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2022.

### **Further House Committee Recommendation**

The Committee concurs with the Budget Committee's recommendation with the following adjustments:

1. Delete \$10.3 million, all SGF, from the University Operating Grant for FY 2022.
2. Add \$10.3 million, all SGF, for the State University Capital Renewal Initiative for FY 2022.
3. Add \$10.0 million, all SGF, to the Board of Regents new Need-based Aid Scholarship and Recruitment fund to be distributed to state universities and Washburn if the state universities and Washburn provide in-person classes for classes previously taught in-person; refund Fall 2020 and Spring 2021 funds to applicable students in the form of direct reimbursements; and the state universities follow the Board policies for deferred maintenance. The state universities and Washburn are directed to use the funds for need-based scholarships and student recruitment per Board policies for FY 2022.

### **House Committee of the Whole Recommendation**

The **Committee of the Whole** concurs with the Committee's recommendation with the following adjustment:

1. Add language to delete 2.0 percent of SGF appropriations and reappropriations, excluding debt service, for FY 2022.

### **Conference Committee Recommendation (HB 2007)**

The **Conference Committee** concurs with the Governor's recommendation with the following adjustments for FY 2022.

#### **Board of Regents**

1. Add \$8.3 million, all SGF, for the Excel in Career Technical Education Tuition fund (SB 155) for FY 2022.
2. Add \$10.3 million, all SGF, for the State University Capital Renewal Initiative for FY 2022.
3. Delete \$10.3 million, all SGF, from the University Operating Grant for FY 2022.
4. Add \$1,399,566, all SGF, for the National Guard Scholarship program for FY 2022.
5. Delete \$76,770 SGF in the Board of Regents administration program for FY 2022.
6. Add \$3.9 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.
7. Add language not allowing the Board of Regents to transfer funds from the following accounts: tuition for technical education (561-00-1000-0120); non-tiered course credit

hour grant account (561-00-1000-0550); or postsecondary tiered technical education state aid account (561-00-1000-0760) for FY 2022.

8. Add language to the tuition for technical education (561-00-1000-0120) account that the payments will be made within 60 days after the student class start date for FY 2022.
9. Delete language from the Kansas Educational Building Fund allocating the transfer of the funds to the institutions using the adjusted gross square footage calculation of mission critical buildings for FY 2022.

### **Kansas State University**

1. Add \$3.5 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.
1. Add \$235,973, all SGF, to partially restore the reduced resources adjustment the Polytechnic Campus for FY 2022.

### **KSU - Extension Systems and Agricultural Research Program**

1. Add \$1.7 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.
1. Add language to not allow the agency to expend funds to require participants to wear a face covering while participating in any 4-H organization, unit, event, or activity for FY 2022.

### **KSU - Veterinary Medical Center**

1. Add \$531,287, all SGF, to partially restore the reduced resources adjustment for FY 2022.

### **University of Kansas**

1. Add \$4.8 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.

### **University of Kansas Medical Center**

1. Add \$3.8 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.

### **Fort Hays State University**

1. Add \$1.2 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.

### **Emporia State University**

1. Add \$1.1 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.

### **Pittsburg State University**

1. Add \$1.3 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.

### **Wichita State University**

1. Add \$2.8 million, all SGF, to partially restore the reduced resources adjustment for FY 2022.
2. Add language authorizing the agency to transfer funds between SGF accounts for FY 2022.

### **Governor's Veto (HB 2007)**

The **Governor** veto's the following:

1. Delete \$10,292,230, all SGF, from the State University Capital Renewal Initiative for deferred maintenance for FY 2022.
2. Delete the language to not allow the agency to expend funds to require participants to wear a face covering while participating in any 4-H organization, unit, event, or activity for KSU-ESARP for FY 2022.

### **Omnibus Action (SB 159)**

#### **Board of Regents**

1. Add \$10.0 million, all SGF, and reappropriation language for the passage of HB 2064, the Kansas Promise Scholarship Act, for FY 2022 and FY 2023.
2. Add \$215,343, all SGF, and reappropriation language for the Tuition Waiver Fund for FY 2022 due to the passage of HB 2021 concerning the reimbursement of tuition and fees for spouses and dependents of public safety officers.
3. Add language to provide that the Career Technical Education Fund include payment of technical education tuition for adult students pursuing a high school equivalency credential for FY 2022.
4. Do not adopt GBA No. 4, Item 1, and delete \$53.0 million, all SGF, from the Board of Regents for maintenance of effort for FY 2022.
5. Add \$10.0 million, all SGF, to the Board of Regents new Need-based Aid Scholarship and Recruitment fund to be distributed to state universities and Washburn if the state universities and Washburn provide in-person classes for classes that were previously in-person; refund Fall 2020 and Spring 2021 funds to applicable students in the form of direct reimbursement; and the state universities follow the Board policies for deferred maintenance. The state universities and Washburn are directed to use the funds for need-based scholarships and student recruitment per Board policies for FY 2022.



6. Add \$8.0 million, all SGF, for the Comprehensive Grant Program for FY 2022.
7. Add \$4.3 million, all SGF, for capital outlay within the Technical Colleges to be dispersed equally and language directing it to be used for equipment only and does not require a match for FY 2022.
8. Add \$5.0 million, all SGF, for the Community College Maintenance of Effort Fund to use for expenditures that meet with the federal maintenance of effort guidance for FY 2022.
9. Add \$665,000 all SGF, for Washburn University, for scholarships, student success and retention, utilities, minority student engagement, economic development, and forecasting for FY 2022.
10. Add \$15.0 million, all SGF, in the Postsecondary Education Operating Grant, with language that the funding is to be used by the universities as reimbursement for the 2021 utility payments, staff buy-outs, retention and recruitment (KUMC), economic development, and scholarships for FY 2022.

#### **University of Kansas Medical Center**

1. Add \$500,000, all SGF, for the Midwest Stem Cell Therapy Center to conduct clinical trials to treat COVID-19 patients using MSCTC-0010 cells for FY 2022, and add language to lapse that funding if it is not used for such trials.

#### **Governor's Veto (SB 159)**

The **Governor** veto's the following from the University of Kansas Medical Center:

1. Delete \$500,000, all SGF, for the Midwest Stem Cell Therapy Center to conduct clinical trials to treat COVID-19 patients using MSCTC-0010 cells for FY 2022, and add language to lapse that funding if it is not used for such trials.

	Governor's Recommendation FY 2022	Legislative Action	Legislative Approved FY 2022	Governor's Veto FY 2022	Veto Override	Final Legislative Approved FY 2022
<b>All Funds</b>						
State Operations	\$ 2,432,354,258	\$ 22,051,107	\$ 2,454,405,365	\$ (500,000)	\$ 0	\$ 2,453,905,365
Aid to Local Units	193,978,895	22,023,455	216,002,350	0	0	216,002,350
Other Assistance	368,282,068	(18,677,321)	349,604,747	0	0	349,604,747
<i>Subtotal - Operating</i>	<i>\$ 2,994,615,221</i>	<i>\$ 25,397,241</i>	<i>\$ 3,020,012,462</i>	<i>\$ (500,000)</i>	<i>\$ 0</i>	<i>\$ 3,019,512,462</i>
Capital Improvements	111,823,821	10,292,230	122,116,051	(10,292,230)	0	111,823,821
<b>TOTAL</b>	<b>\$ 3,106,439,042</b>	<b>\$ 35,689,471</b>	<b>\$ 3,142,128,513</b>	<b>\$ (10,792,230)</b>	<b>\$ 0</b>	<b>\$ 3,131,336,283</b>

**State General Fund**

State Operations	\$ 598,930,512	\$ 22,051,107	\$ 620,981,619	\$ (500,000)	\$ 0	\$ 620,481,619
Aid to Local Units	181,543,781	22,023,455	203,567,236	0	0	203,567,236
Other Assistance	94,733,428	(18,677,321)	76,056,107	0	0	76,056,107
<i>Subtotal - Operating</i>	<i>\$ 875,207,721</i>	<i>\$ 25,397,241</i>	<i>\$ 900,604,962</i>	<i>\$ (500,000)</i>	<i>\$ 0</i>	<i>\$ 900,104,962</i>
Capital Improvements	609,656	10,292,230	10,901,886	(10,292,230)	0	609,656
<b>TOTAL</b>	<b>\$ 875,817,377</b>	<b>\$ 35,689,471</b>	<b>\$ 911,506,848</b>	<b>\$ (10,792,230)</b>	<b>\$ 0</b>	<b>\$ 900,714,618</b>

FTE Positions	19,001.8	0.0	19,001.8	0.0	0.0	19,001.8
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