

## Senate Subcommittee Report

**Agency:** Postsecondary Education Systemwide

**Bill No.** SB 422

**Bill Sec.** 43-52

**Analyst:** Morrow

**Analysis** Vol. 2, Pg. 898

**Budget Page No.** 334-361

Expenditure Summary	Agency Request FY 2023	Governor Recommendation* FY 2023	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 996,007,167	\$ 977,681,180	\$ (20,200,000)
Federal Funds	423,389,757	423,389,757	0
Other Funds	1,794,086,418	1,794,086,418	0
<i>Subtotal</i>	<u>\$ 3,213,483,342</u>	<u>\$ 3,195,157,355</u>	<u>\$ (20,200,000)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 25,661,978	\$ 25,661,978	\$ 0
Federal Funds	132,712	132,712	0
Other Funds	127,879,274	127,879,274	0
<i>Subtotal</i>	<u>\$ 153,673,964</u>	<u>\$ 153,673,964</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 3,367,157,306</b></u>	<u><b>\$ 3,348,831,319</b></u>	<u><b>\$ (20,200,000)</b></u>

FTE positions 19,205.5 19,205.5 0.0

\*Includes GBA No. 2, Item 17 adding \$250,000 SGF to KSU-VMC Veterinary Training Program for Rural Kansas for scholarships for FY 2023.

### Agency Request

The agencies request \$3.4 billion, including \$1.0 billion SGF, for FY 2023. This is a decrease of \$43.0 million, or 1.3 percent, below the FY 2022 revised estimate. This is a decrease in all expenditure categories except aid to local units, which increases by \$124.2 million, or 56.8 percent, primarily due to an enhancement request. There is also an SGF increase of \$116.6 million, or 12.9 percent, due to an enhancement request, partially offset by the \$43.0 million included in the FY 2022 budget for the maintenance of effort requirement for federal pandemic relief funds. The decrease is primarily in federal funds of approximately \$139.0 million.

### Governor's Recommendation

The **Governor** recommends \$3.3 billion, including \$1.0 billion SGF, for FY 2023. This is a decrease of \$18.6 million SGF, or 0.6 percent, below the agencies' requests. This is a decrease of \$43.6 million in aid to local units and an increase of \$25.0 million to other assistance, primarily due to the enhancement requests.

### **Senate Subcommittee Recommendation**

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

1. Delete \$11.9 million, SGF from the Two-year colleges special projects fund for FY 2023.
2. Add \$11.9 million, SGF into the Non-tiered course credit hour grant and delete language to allow the Board of Regents the flexibility to transfer any amount to the Postsecondary tiered technical education state aid fund in order to fully fund the two-year colleges, without providing additional funds to the already over funded colleges pursuant to the formula for FY 2023.
3. Add language to establish a working group to create a plan to reduce tiered and non-tiered funding from those colleges currently over funded pursuant to the formula for FY 2023. The working group shall have ten members as follows:
  - Three members representing community colleges appointed by the Kansas association of community college trustees;
  - two members representing technical colleges appointed by the Kansas association of technical colleges;
  - a member of the board of regents or a designee appointed by the state board of regents;
  - the chairperson of the senate education committee;
  - the chairperson of senate ways and means;
  - the chairperson of the house of representatives higher education budget committee; and
  - the ranking minority member of the house of representatives higher education budget committee.

The working group shall report the group's recommendation to the senate ways and means committee and the house of representatives higher education budget committee on or before January 9, 2023.

4. Delete \$10.0 million SGF from the Kansas access partnership grant for FY 2023.
5. Add \$10.0 million SGF to the Comprehensive grant scholarship program for FY 2023.
6. Add \$500,000 SGF to Fort Hays State University to the operating expenditures for the cybersecurity initiative for FY 2023 and review at Omnibus.
7. Delete \$20.7 million SGF from the Postsecondary education operating grant for FY 2023 and review the addition of the funds into the account at Omnibus.
8. The Subcommittee recommends the Committee review funding for demolition projects at the Universities at Omnibus.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation with the following

adjustments:

1. Do not adopt items #1 and #2 from the Subcommittee's recommendation for FY 2023.
2. Delete \$15.0 million SGF from the Two-year colleges special projects for FY 2023.
3. Add \$3.1 million SGF to the Postsecondary tiered technical education state aid for FY 2023.
4. Add \$11.4 million SGF to the Non-tiered course credit hour grant for FY 2023.
5. Add \$490,094 to the career technical education capital outlay aid for FY 2023.
6. Add language to the Postsecondary tiered technical education state aid and Non-tiered course credit hour grant to hold all colleges harmless and funded at no less than the funding amounts in FY 2022.
7. Delete an additional \$15.0 million SGF for a total of \$25.0 million SGF from the Kansas access partnership grant for FY 2023 thereby eliminating the program.
8. Add an additional \$9.0 million for a total of \$19.0 million SGF to the Comprehensive grant program and add language requiring all the funds must have a 1:1 match with non-government (state or federal) funding for FY 2023.
9. Add the Senate Ways and Means ranking minority member to the working group members in item #3 above increasing to eleven members for FY 2023.

**Senate Committee of the Whole Recommendation**

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

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## House Budget Committee Report

**Agency:** Postsecondary Education Systemwide      **Bill No.** HB 2588      **Bill Sec.** 43-52

**Analyst:** Morrow      **Analysis** Vol. 2, Pg. 898      **Budget Page No.** 334-361

Expenditure Summary	Agency Request FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 996,007,167	\$ 977,431,180	\$ (21,119,101)
Federal Funds	423,389,757	423,389,757	0
Other Funds	1,794,086,418	1,794,086,418	0
<i>Subtotal</i>	<u>\$ 3,213,483,342</u>	<u>\$ 3,194,907,355</u>	<u>\$ (21,119,101)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 25,661,978	\$ 25,661,978	\$ 0
Federal Funds	132,712	132,712	0
Other Funds	127,879,274	127,879,274	0
<i>Subtotal</i>	<u>\$ 153,673,964</u>	<u>\$ 153,673,964</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 3,367,157,306</b></u>	<u><b>\$ 3,348,581,319</b></u>	<u><b>\$ (21,119,101)</b></u>
 FTE positions	 19,205.5	 19,205.5	 0.0

### Agency Request

The agencies request \$3.4 billion, including \$1.0 billion SGF, for FY 2023. This is a decrease of \$43.0 million, or 1.3 percent, below the FY 2022 revised estimate. This is a decrease in all expenditure categories except aid to local units, which increases by \$124.2 million, or 56.8 percent, primarily due to an enhancement request. There is also an SGF increase of \$116.6 million, or 12.9 percent, due to an enhancement request, partially offset by the \$43.0 million included in the FY 2022 budget for the maintenance of effort requirement for federal pandemic relief funds. The decrease is primarily in federal funds of approximately \$139.0 million.

### Governor's Recommendation

The **Governor** recommends \$3.3 billion, including \$1.0 billion SGF, for FY 2023. This is a decrease of \$18.6 million SGF, or 0.6 percent, below the agencies' requests. This is a decrease of \$43.6 million in aid to local units and an increase of \$25.0 million to other assistance, primarily due to the enhancement requests.

## House Budget Committee Recommendation

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

1. Delete \$25.7 million SGF from the Postsecondary education operating grant for FY 2023 and review the addition of the funds at Omnibus.
2. Add \$7.0 million SGF to the Career technical education capital outlay to be divided evenly among the 16 technical and community colleges receiving capital outlay aid for FY 2023. The new funds would require a 1:1 match from college or private donations including moneys or equipment. It is the Budget Committee's intent the FY 2024 budget bill include reappropriation language so the colleges would have up to two years to expend the funds.
3. Add \$500,000 SGF to Fort Hays State University to the operating expenditures for the cybersecurity initiative for FY 2023.
4. Add \$200,000 SGF to a newly created Benedictine College Engineering Program account in the Board of Regents for FY 2023.
5. Delete \$15.0 million SGF from the Two-year colleges special projects for FY 2023.
6. Delete \$62.9 million SGF and associated language from the Postsecondary tiered technical state aid for FY 2023.
7. Delete \$84.0 million SGF and associated language from the Non-tiered course credit hour grant for FY 2023.
8. Add \$158.8 million SGF to a newly created fund, Two-Year Colleges Operating Grant for FY 2023 in the Board of Regents budget. Add language stating the colleges would receive an amount not less than the combined amount of tiered and non-tiered amounts pursuant to the formula in FY 2022 and any college currently over-funded in both accounts would receive the exact same amount as their FY 2022 allocation pursuant to the formula for FY 2023.
9. Add language establishing a working group to create a plan to reduce tiered and non-tiered funding from those colleges currently over funded for FY 2023. The working group shall have nine members as follows:
  - Three members representing community colleges appointed by the Kansas association of community college trustees;
  - two members representing technical colleges appointed by the Kansas association of technical colleges;
  - a member of the board of regents or a designee appointed by the state board of regents;
  - the chairperson of the senate education committee;
  - the chairperson of the house of representatives higher education budget committee; and
  - the ranking minority member of the house of representatives higher education budget committee.

The working group shall be limited to no more than four meetings and the chairperson of the house higher education budget committee shall organize and schedule the first meeting. The working group shall report the group's recommendation to the senate education committee and the house of representatives higher education budget committee on or before January 9, 2023.

10. Delete \$25.0 million SGF from the Kansas access partnership grant for FY 2023.
11. Add \$25.0 million SGF to the Comprehensive grant program with language requiring a 1:1 match of local, non-state moneys from either such institution or private funding for FY 2023.
12. The Budget Committee commends Chancellor Girod on his fiscal responsibility, stewardship of the state resources, and efforts to generate revenues at the University of Kansas, while cutting costs for FY 2023.

### **House Committee Recommendation**

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

1. Add \$25.7 million SGF to the Postsecondary education operating grant for FY 2023 taking the fund back to the Governor's recommendation of \$45.7 million SGF and recommend the Board of Regents provide additional detail on the expenditures of these funds with priorities at Omnibus.

### **Further Committee Recommendation**

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

1. Add language to the Postsecondary Tiered Technical Education State Aid and Non-tiered Course Credit Hour Grant to hold all colleges harmless and funded for FY 2023 at no less than funding amounts allocated in FY 2022. For FY 2024, the two-year colleges would have any over-funded amounts reduced by 50.0 percent and the remaining funds distributed based on each eligible institution's calculated gap. For FY 2025, the two-year would be funded by fully implementing the funding formula for the Postsecondary Tiered Technical Education State Aid and Non-tiered Course Credit Hour Grant.
2. Delete language for a working group (number 9 above) for FY 2023.
3. Add \$1.5 million SGF to the Teachers Scholarship Program for FY 2023.

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

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2023.

**Conference Committee Recommendation (House Sub. for Sub. for SB 267)**

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

***Fort Hays State University***

1. Add \$500,000 SGF for cybersecurity initiative operating expenditures for FY 2023.

***Kansas State University***

1. Add language for KSU to conduct a study of the Polytechnic campus including a review of the mission and extent of the campus; degree offerings; and the financial structure of the polytechnic campus. A report shall be submitted to the House Committee on Appropriations and the Senate Committee on Ways and Means before November 1, 2022 for FY 2023.

***Wichita State University***

1. Add \$7.0 million SGF to a new Digital Transformation program account for FY 2023. The same amount will be added to the account for FY 2024, FY 2025, FY 2026, and FY 2027.

***Board of Regents***

1. Add \$1.5 million SGF to the Teachers Scholarship Program for FY 2023.
2. Add \$3.1 million SGF to the Postsecondary Tiered Technical Education State Aid for FY 2023.
3. Add \$11.4 million SGF to the Non-Tiered Course Credit Hour Grant for FY 2023.
4. Delete \$25 million SGF from the Kansas Access Partnership Grant for FY 2023.
5. Add \$19 million SGF to the Comprehensive Grant Program and add language that these funds must have a 1:1 match with non-government funding for FY 2023.
6. Delete \$15 million SGF from the Two-Year Colleges Special Projects for FY 2023.
7. Add \$200,000 SGF to a newly created Benedictine College Engineering Program account for FY 2023.
8. Add language to the Postsecondary Tiered Technical Education State Aid and Non-Tiered Course Credit Hour Grant to hold all colleges harmless and funded for FY 2023 at no less than the funding amount allocated in FY 2022. For FY 2024, the two-year colleges will have any over-funded amounts reduced by 50.0 percent and the remaining funds distributed based on each eligible institutions' calculated gap. For FY 2025, the two-year colleges will be funded by fully implementing the funding formula for the

Postsecondary Tiered Technical Education State Aid and Non-Tiered Course Credit Hour Grant.

9. Add language to establish a working group to review the plan to reduce the tiered and non-tiered funding from those colleges currently over-funded and other formula issues, pursuant to the Board of Regents formula for FY 2023. This working group would be made of 13 members, including: three members from community colleges, two members from technical colleges, one member from the Board of Regents, the Chairperson from the Senate Committee on Education, the Chairperson of the Senate Committee on Ways and Means, the ranking member from the Senate Committee on Ways and Means, the Chairperson from the House Committee on Appropriations, the ranking member from the House Committee on Appropriations, the Chairperson of the House Committee on Higher Education Budget, and the ranking member of the Higher Education Budget.
10. Add \$3.8 million SGF to the Career Technical Education Capital Outlay to be divided evenly among the 16 technical and community colleges receiving capital outlay aid for FY 2023. The new funds would require a 1:1 match from the college or private donations including moneys, or equipment. It is the intent of the Legislature to add language in next years bill for the funds to reappropriate to allow the colleges two years to expend the funds.
11. Delete \$20.7 million SGF from the Postsecondary Education Operating Grant for FY 2023 and review at Omnibus.
12. Add \$10 million SGF to the State Universities Facilities Capital Renewal initiative for FY 2023. Also, add language that the funds require a 1:1 match by the universities.
13. Add \$10 million SGF to a new Demolition account and designate \$750,000 for Washburn University for FY 2023. The funds are to be expended through FY 2025. Also, add language stating the funds are for building demolition only.
14. Add language to add the contents of HB 2600, a land sale/exchange bill including properties owned by KU, KSU, ESU, and PSU in Kansas and Nebraska for FY 2023.

**Governor's Veto (House Sub. for Sub. for SB 267)**

The Governor veto's the following from the Board of Regents:

1. Delete \$200,000 SGF for Benedictine College Engineering Program account for FY 2023.

**Omnibus Action (HB 2510)**

***Board of Regents***

1. Add \$12.5 million SGF to the Postsecondary Education Operating Grant for FY 2023 and remove the language in House Sub. for Sub. for SB 267 to not increase tuition in FY 2023.



2. Add \$1.0 million SGF and appropriate the Computer Science Educator Scholarship account for FY 2023 with the passage of HB 2466.

***Kansas State University Veterinary Medical Center***

1. Adopt GBA No. 2, Item 17, to add \$250,000 SGF to the Veterinary Training Program for Rural Kansas for FY 2023.

***Wichita State University***

1. Transfer \$10.0 million all from federal ARPA funds in the Office of the Governor to the federal Digital Transformation Fund for FY 2023.
2. Add \$10.0 million all from the Digital Transformation Fund for FY 2023.

**Governor's Veto (HB 2510)**

The Governor veto's the following from the Board of Regents:

1. Delete the lapse language in Section 36(b), which would have allowed the state universities to increase tuition rates. This veto restores the language in the governor's recommendation to not allow the state universities to raise tuition for FY 2023.

**State Finance Council**

1. Add \$77.2 million, including \$24.1 million SGF, for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

	Governor's Recommendation FY 2023	Legislative Action	Legislative Approved FY 2023	Governor's Veto FY 2023	Final Legislative Approved FY 2023
<b>All Funds</b>					
State Operations	\$ 2,562,767,770	\$ 94,689,530	\$ 2,657,457,300	\$ 0	\$ 2,657,457,300
Aid to Local Units	299,074,825	(4,490,094)	294,584,731	(200,000)	294,384,731
Other Assistance	333,114,760	(3,452,977)	329,661,783	0	329,661,783
<i>Subtotal - Operations</i>	<i>\$ 3,194,957,355</i>	<i>\$ 86,746,459</i>	<i>\$ 3,281,703,814</i>	<i>\$ (200,000)</i>	<i>\$ 3,281,503,814</i>
Capital Improvements	153,673,964	20,000,000	173,673,964	0	173,673,964
<b>TOTAL</b>	<b>\$ 3,348,631,319</b>	<b>\$ 106,746,459</b>	<b>\$ 3,455,377,778</b>	<b>\$ (200,000)</b>	<b>\$ 3,455,177,778</b>
<b>State General Fund</b>					
State Operations	\$ 622,531,626	\$ 31,551,302	\$ 654,082,928	\$ 0	\$ 654,082,928
Aid to Local Units	285,414,627	(4,490,094)	280,924,533	(200,000)	280,724,533
Other Assistance	69,534,927	(3,452,977)	66,081,950	0	66,081,950
<i>Subtotal - Operating</i>	<i>\$ 977,481,180</i>	<i>\$ 23,608,231</i>	<i>\$ 1,001,089,411</i>	<i>\$ (200,000)</i>	<i>\$ 1,000,889,411</i>
Capital Improvements	25,661,978	20,000,000	45,661,978	0	45,661,978
<b>TOTAL</b>	<b>\$ 1,003,143,158</b>	<b>\$ 43,608,231</b>	<b>\$ 1,046,751,389</b>	<b>\$ (200,000)</b>	<b>\$ 1,046,551,389</b>
FTE Positions	19,205.6	0.0	19,205.6	0.0	19,205.6