

Board of Regents

| Expenditure | Actual FY 2021 | Approved FY 2022 | Approved FY 2023 |
|-----------------------------|------------------------------|------------------------------|------------------------------|
| All Funds: | | | |
| State Operations | \$ 6,916,318 | \$ 6,924,978 | \$ 7,482,321 |
| Aid to Local Units | 213,440,063 | 217,993,121 | 293,736,543 |
| Other Assistance | 27,273,506 | 69,426,238 | 60,743,217 |
| <i>Subtotal - Operating</i> | <u>\$ 247,629,887</u> | <u>\$ 294,344,337</u> | <u>\$ 361,962,081</u> |
| Capital Improvements | - | - | 90,000,000 |
| TOTAL | <u>\$ 247,629,887</u> | <u>\$ 294,344,337</u> | <u>\$ 451,962,081</u> |
| State General Fund: | | | |
| State Operations | \$ 4,639,938 | \$ 4,577,863 | \$ 5,073,875 |
| Aid to Local Units | 186,241,230 | 204,997,648 | 280,724,533 |
| Other Assistance | 25,672,086 | 56,111,014 | 59,099,952 |
| <i>Subtotal - Operating</i> | <u>\$ 216,553,254</u> | <u>\$ 265,686,525</u> | <u>\$ 344,898,360</u> |
| Capital Improvements | - | - | 45,000,000 |
| TOTAL | <u>\$ 216,553,254</u> | <u>\$ 265,686,525</u> | <u>\$ 389,898,360</u> |
| Percent Change: | | | |
| Operating Expenditures | | | |
| All Funds | 5.9 % | 18.9 % | 23.0 % |
| State General Fund | (0.8) | 22.7 | 29.8 |
| FTE Positions | 62.5 | 63.5 | 63.5 |

The approved operating budget for the Board of Regents in FY 2022 is \$294.3 million, including \$265.7 million SGF. This is an increase of \$46.7 million from all funds, or 18.9 percent, including an increase of \$49.1 million SGF, or 22.7 percent, above the FY 2021 actual expenditures. The major expenditure increases are due to the additional funds to meet maintenance of effort requirements in FY 2022. These increases occurred during the 2021 Session. There were no increases during the 2022 Session.

There are no capital improvements budgeted in FY 2022. The Educational Building Fund moneys were transferred to the state universities in FY 2022.

The approved operating budget for the Board of Regents for FY 2023 is \$362.0 million, including \$345.0 million SGF. This is an increase of \$67.6 million from all funds, or 23.0 percent, including an increase of \$79.2 million SGF, or 29.8 percent, above the FY 2022 revised estimate. The major expenditure increases are in state aid to local units with additional funding to pass through to the universities, community and technical colleges, as well as Washburn University. There are also increases to other assistance with additional scholarship funds. There is also an SGF increase due to the salary increase for FY 2023.

The approved capital improvements budget for FY 2023 is \$90.0 million, including \$45.0 million SGF. This is an increase of \$45.0 million SGF, or 100.0 percent, above the FY 2022 approved amount. The Governor and Legislature added \$35.0 million SGF for deferred maintenance projects and \$10.0 million SGF for demolition projects across all state universities. The remaining \$45.0 million is from the Educational Building Fund.

Governor's Vetoes. In House Sub. for Sub. for SB 267, the Governor vetoed the line item that would have provided Benedictine College with \$200,000 SGF for their engineering program.

In HB 2510, the Legislature lapsed language from House Sub. for Sub. for SB 267 that required the state universities to not increase tuition rates for FY 2023. The Governor vetoed the lapsed language, therefore restoring the language to not allow the state universities to increase tuition rates for FY 2023.

Board of Regents

| | FY 2022 | | | FY 2023 | | |
|--|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-------------|
| | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Agency Estimate | \$ 265,686,525 | \$ 294,344,337 | 63.5 | \$ 396,635,494 | \$ 458,641,007 | 63.5 |
| Governor's Changes: | | | | | | |
| 1. Enhancements | \$ - | \$ - | - | \$ (161,635,454) | \$ (161,635,454) | - |
| 2. University Restore/Tuition Freeze | - | - | - | 45,700,000 | 45,700,000 | - |
| 3. Universities Facilities Capital Renewal | - | - | - | 25,000,000 | 25,000,000 | - |
| 4. Universities IT/Cybersecurity | - | - | - | 20,000,000 | 20,000,000 | - |
| 5. Kansas Access Partnership Grant | - | - | - | 25,000,000 | 25,000,000 | - |
| 6. Two-Year Colleges Special Projects | - | - | - | 15,000,000 | 15,000,000 | - |
| 7. Tiered and Non-tiered Funding | - | - | - | 6,000,000 | 6,000,000 | - |
| 8. Career Tech Ed Tuition | - | - | - | 2,500,000 | 2,500,000 | - |
| 9. Career Tech Ed Capital Outlay | - | - | - | 1,000,000 | 1,000,000 | - |
| 10. Washburn University | - | - | - | 1,554,013 | 1,554,013 | - |
| 11. National Guard Scholarship | - | - | - | 1,000,000 | 1,000,000 | - |
| 12. Regents Administration | - | - | - | 305,454 | 305,454 | - |
| 13. Veto No. 1 House Sub. for Sub. for SB 267 Benedictine College | - | - | - | (200,000) | (200,000) | - |
| 14. Veto No. 1 HB 2510 Restore Tuition Freeze Language | - | - | - | - | - | - |
| Subtotal - Governor's Recommendation | \$ 265,686,525 | \$ 294,344,337 | 63.5 | \$ 377,859,507 | \$ 439,865,020 | 63.5 |
| Change from Agency Est. | \$ - | \$ - | - | \$ (18,775,987) | \$ (18,775,987) | - |
| Percent Change from Agency Est. | -- % | -- % | -- % | (4.7)% | (4.1)% | -- % |
| Legislative Action: | | | | | | |
| 15. Two-Year Colleges Special Projects | \$ - | \$ - | - | \$ (15,000,000) | \$ (15,000,000) | - |
| 16. Kansas Access Partnership Grant | - | - | - | (25,000,000) | (25,000,000) | - |
| 17. Teachers Scholarship | - | - | - | 1,547,023 | 1,547,023 | - |
| 18. Postsecondary Tiered Technical Education State Aid | - | - | - | 3,097,030 | 3,097,030 | - |
| 19. Non-tiered Course Credit Hour Grant | - | - | - | 11,412,876 | 11,412,876 | - |
| 20. Comprehensive Grant Program | - | - | - | 19,000,000 | 19,000,000 | - |
| 21. Benedictine College Engineering Program | - | - | - | 200,000 | 200,000 | - |
| 22. Language for Funding of Community and Technical Colleges over the Next Two Years | - | - | - | - | - | - |
| 23. Establish a Working Group to Review Funding of Community and Technical Colleges | - | - | - | - | - | - |
| 24. Career Technical Education Capital Outlay | - | - | - | 3,800,000 | 3,800,000 | - |
| 25. Postsecondary Operating Grant | - | - | - | (7,200,000) | (7,200,000) | - |
| 26. Universities Facilities Capital Renewal with 1:1 Match | - | - | - | 10,000,000 | 10,000,000 | - |
| 27. Demolition Account | - | - | - | 10,000,000 | 10,000,000 | - |
| 28. Language for Land Sales | - | - | - | - | - | - |
| 29. Salary Adjustment | - | - | - | 181,924 | 240,132 | - |
| TOTAL APPROVED | \$ 265,686,525 | \$ 294,344,337 | 63.5 | \$ 389,898,360 | \$ 451,962,081 | 63.5 |
| Change from Gov. Rec. | \$ - | \$ - | - | \$ 12,038,853 | \$ 12,097,061 | - |
| Percent Change from Gov. Rec. | -- % | -- % | -- % | 3.2 % | 2.8 % | -- % |
| Change from Agency Est. | \$ - | \$ - | - | \$ (6,737,134) | \$ (6,678,926) | - |
| Percent Change from Agency Est. | -- % | -- % | -- % | (1.7)% | (1.5)% | -- % |

1. The Governor deleted \$161.6 million SGF in agency-requested enhancements for FY 2023.

2. The Governor added \$45.7 million SGF to restore the state investment in state universities to the prior level recognizing inflationary cost increases to operate and freeze student tuition for FY 2023.
3. The Governor added \$25.0 million SGF for the university facilities capital renewal initiative for FY 2023.
4. The Governor added \$20.0 million SGF for universities to invest in information technology infrastructure and bolster cybersecurity efforts across the system.
5. The Governor added \$25.0 million SGF for the Kansas Access Partnership Grant for FY 2023.
6. The Governor added \$15.0 million SGF for two-year colleges special projects for FY 2023.
7. The Governor added \$6.0 million SGF for the tiered and non-tiered funding for community and technical colleges to close the funding gap for FY 2023.
8. The Governor added \$2.5 million SGF for the Career Technical Education Tuition for FY 2023.
9. The Governor added \$1.0 million SGF for the Career Technical Education Capital Outlay for FY 2023.
10. The Governor added \$1.6 million SGF for Washburn University operating grant for FY 2023.
11. The Governor added \$1.0 million SGF for the National Guard Scholarship for FY 2023.
12. The Governor added \$305,454 SGF for the Board of Regents operating expenditures to provide staffing for the Promise Act and the capital renewal initiative for FY 2023.
13. The Governor vetoed the \$200,000 SGF for the Benedictine College engineering program for FY 2023. *Staff note:* In 2022 House Sub. for HB 2510, the Legislature added language requiring that of the \$10.0 million from federal ARPA funds for private and independent colleges, at least \$200,000 shall be granted to the Benedictine College engineering program with a 1:1 match. This provision was not vetoed.
14. The Governor vetoed the language in HB 2510 that would have removed the language prohibiting universities from increasing tuition for FY 2023. With the language removed, the original language in House Sub. for Sub. for SB 267 prohibiting tuition increases stands for FY 2023.
15. The Legislature deleted \$15.0 million SGF for the two-year colleges special projects for FY 2023.
16. The Legislature deleted \$25.0 million SGF for the Kansas Access Partnership Grant for FY 2023.
17. The Legislature added \$1.5 million SGF for the Teachers Scholarship for FY 2023.
18. The Legislature added \$3.1 million SGF to the Postsecondary Tiered Technical Education State Aid for FY 2023.
19. The Legislature added \$11.4 million SGF to the Non-tiered Course Credit Hour Grant for FY 2023.
20. The Legislature added \$19.0 million SGF to the Comprehensive Grant program with language for a 1:1 match with non-governmental funding for FY 2023.
21. The Legislature added \$200,000 SGF for the Benedictine College engineering program for FY 2023. This item was vetoed by the Governor (see #13 above). *Staff note:* In 2022 House Sub. for HB 2510, the Legislature added language requiring that of the \$10.0 million from federal ARPA funds for private and independent colleges, at least \$200,000 shall be granted to the Benedictine College engineering program with a 1:1 match. This provision was not vetoed.
22. The Legislature added 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 amounts allocated in FY 2022. For FY 2024, the two-year colleges will have any over-funded amounts reduced by 50 percent and the remaining funds distributed based on each eligible institution's 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.
23. The Legislature added 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 related issues, pursuant to the Board of Regents formula for FY 2023. This working group would be made of 13 members, including: 3 members from community colleges, 2 members from technical colleges, 1 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 Chairperson of the House Committee on Appropriations, the ranking member of the House Committee on Appropriations, the Chairperson of the House Committee on Higher Education Budget, the ranking member of the House Committee on Higher Education Budget, and the ranking members from the Senate Committee on Ways and Means.

24. The Legislature added \$3.8 million SGF for the Career Technical Education Capital outlay to be divided evenly among the 16 technical and community colleges receiving capital outlay for FY 2023. The new funds reappropriate for two years.
25. The Legislature deleted \$7.2 million SGF from the Postsecondary Operating Grant for FY 2023.
26. The Legislature added \$10.0 million SGF to the Universities Facilities Capital Renewal Initiative with language requiring a 1:1 match by the universities for the additional funds for FY 2023.
27. The Legislature added \$10.0 million SGF for the demolition of buildings at the universities for FY 2023. Of the total amount, Washburn University will receive \$750,000. The funds are to be expended for demolition only.
28. The Legislature added the contents of HB 2600, a land sale/exchange bill including properties currently owned by the University of Kansas, Kansas State University, Emporia State University, and Pittsburg State University in Kansas and Nebraska for FY 2023.
29. The Legislature added \$240,132, including \$181,924 SGF, for a 5.0 percent salary increase 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.