

Budgetary Reform for the Regents Universities

Overall Budget Concept

- The current general use concept of budgeting would be replaced with total tuition ownership and an annual general fund block grant at all six universities. There would no longer be specific requests to the legislature for funding to provide salary increases, OOE increases, enrollment adjustments or program improvements. For each fiscal year, each university would establish its budget based on rates approved by the Board of Regents. **Following the legislative session each year, the Board would provide guidelines for unclassified salary increases for the ensuing fiscal year.** Each University would **then** be required to submit to the Board its expenditure plan for the ensuing fiscal year and would be required to report budgeted increases for salaries and OOE.

Tuition Ownership

- Each of the six universities would assess, collect, and have expenditure over all of its tuition revenue. With approval of the Board, each university could have its own unique tuition structure and tuition rates. With approval of the Board, each university would have the authority to waive tuition for any student or category of students. **Residency policies for the regional universities would be changed to be consistent with policies at Washburn University and the community colleges.** Each university would retain all revenue related to tuition rate increases. During times of enrollment growth, each university would retain all growth-related tuition revenue; during times of enrollment decline the research universities would need to adjust budgets accordingly. For a period of five years the regional universities would need to adjust budgets accordingly. For a period of five years, the regional universities would be held harmless by the state general fund for any losses of tuition revenue due to enrollment **change**. Implementation of tuition ownership presupposes that each of the three tuition accountability universities would have received full funding of enhancements provided under the tuition accountability mechanism, including the WSU enhancement that is part of the Boards' FY 2002 budget request.

Block Grant

- Each of the six universities would receive its state funding in the form of a general fund block grant appropriation, based on a request determined by the Board of Regents. The Board of Regents would annually determine a rate of increase to be requested on each university's block grant. In addition to the requests for block grants, the universities could request general fund support to service new buildings, using the formula adopted by the board. **In addition, if a university demonstrated a special funding need due to unusually large and sustained growth in resident enrollment, the university could request state support for costs not covered by tuition.** For a period of five years, regional universities could request supplemental increases to their block grants to offset tuition revenue shortfalls due to enrollment **changes**.

- Additional funding derived from an increase in general fund support and increases in tuition revenue (as a result of enrollment growth and/or tuition rate changes) would be available to provide financing for salaries, OOE support, program enhancements, or accommodation of enrollment change.

Increasing University Flexibility

- The Board **shall** seek relief from redundant state-level administrative oversight in such areas as purchasing, printing, personnel, and the state architect's office. **The Board shall also** pursue other changes that would streamline the administrative processes without loss of accountability. Those initiatives may include proposals to **bank and invest funds locally**, perform all payroll related services and accounts payable, and attain greater authority to administer classified employees.

Budgetary Model for Special Mission Institutions *

The current methodology used by the Board of Regents to seek funding would be retained. That is, the Board would continue the general use budgeting concept and request specific annual adjustments for salary increases and OOE increases. Additionally, the current request process for program enhancements and servicing new buildings would be retained.

9/06/00

** Special missions institutions include the University of Kansas Medical Center, KSU College of Veterinary Medicine and KSU Extensions systems and Agricultural Research Programs.*