

3. Act on Distribution of FY 2022 Appropriations to Public Universities

Summary

2021 Senate Bill 159 appropriated \$15,000,000 to be distributed to the state universities in FY 2022 as an operating grant and \$10,000,000 to finance need-based scholarships and student recruitment expenses at the public universities (state universities and Washburn University). Staff recommends the Board approve the distributions as displayed below, contingent upon the Board’s assessment of each institution’s performance pursuant to the performance agreement process.

There is a maintenance of effort standard in the federal stimulus legislation enacted in late December 2020 that requires state support for K-12 and higher education in federal fiscal year (FFY) 2022 and FFY 2023 be maintained at the average level for FFY 2017 through FFY 2019, proportional to the overall state budget. This standard must be met as a condition of accepting in excess of \$1 billion in stimulus funds allocated to Kansas for education. Because of this MOE requirement, the Governor recommended, and the Legislature appropriated, a total of \$53.0 million to all of higher education, some of which was designated for the state universities operating grant and some of which was designated for scholarships and student recruitment.

State University Operating Grant Distribution

The appropriation proviso attached to the FY 2022 state university operating grant reads as follows:

Provided, That expenditures shall be made by the above agency from such account during fiscal year 2022 for employee buyouts, reimbursement for the February cold weather event energy bills, economic development and scholarships: Provided further, That expenditures may also be made by the university of Kansas medical center for the purposes of employee retention and recruitment.

Legislators commented during the Omnibus Session that this funding should not be considered a permanent part of the universities’ operating base beyond FY 2023.

This \$15.0 million appropriation is only the third instance when the state universities have seen an operating grant amount since FY 2009 (\$15.7 million was appropriated for FY 2019 and \$11.9 million in FY 2021 which was rescinded in a gubernatorial allotment). The table below displays a distribution based upon the state universities’ share of the State General Fund appropriations, excluding those appropriations specially designated for research (KSU’s Global Food Systems, KSU Veterinary Medical Center’s Operating Enhancement, and WSU’s appropriations for aviation research, aviation infrastructure and technology transfer facility). Kansas State’s amounts for the sub-agencies (KSU-ESARP, Polytechnic Campus and KSU Veterinary Medical Center) were consolidated to Kansas State’s main campus at the university’s request, in order to manage the targeted nature of the potential uses of the state funding.

	Postsecondary Education Operating Grant
University of Kansas	\$ 3,606,163
University of Kansas Medical Center	2,700,052
Kansas State University	4,249,517
Wichita State University	1,711,424
Emporia State University	859,548
Pittsburg State University	961,665
Fort Hays State University	911,631
Total	\$15,000,000

Public University Need-Based Scholarships and Student Recruitment

The other appropriation in the Omnibus Appropriations Act appropriated \$10.0 million to the Board of Regents to be distributed across the public universities, with some limitations on use of the money:

Provided, That expenditures shall be made by the above agency to the state universities and Washburn university from such account during fiscal year 2022 for need-based aid scholarships and student recruitment, following the board of regents policies on recruitment, if the state universities and Washburn university: (1) Are offering class in person, if such class was previously offered in person in the classroom; (2) have refunded any money for room, board and meal plans related to closure because of the pandemic directly to the student and not by providing a credit; and (3) are following the board of regents policies on deferred maintenance, if such university is required to follow such policies.

The state’s primary need-based aid program administered by the Board of Regents is the Kansas Comprehensive Grant. Each year, allocations are made to institutions for the purpose of making grant awards tailored to each student, based on financial need, as well as other aid and grants available for the students attending the institution. The table below reflects amounts that are based on the number of students with financial need:

	Need-Based Scholarships and Student Recruitment
University of Kansas	\$2,400,000
University of Kansas Medical Center	100,000
Kansas State University	2,200,000
Wichita State University	1,800,000
Emporia State University	700,000
Pittsburg State University	700,000
Fort Hays State University	1,400,000
Washburn University	700,000
Total	\$10,000,000