

# The University of Kansas (Lawrence Campus)

Executive Summary  
of the

## **Operating Budget**

For Fiscal Year Ending June 30, 2007





**The University of Kansas – Lawrence Campus  
Operating Budget Summary  
FY 2007**

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**The University of Kansas – Lawrence Campus  
Operating Budget Summary  
FY 2007**

The FY 2007 operating budget for the University of Kansas – Lawrence Campus totals \$439,695,974 from all funding sources.

<b>Fund</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>% Chg</b>
003 State General Fund Appropriations – Operations	\$133,844,559	\$138,483,496	3.5%
033 State General Fund Appropriations – KGS	6,201,915	6,370,307	2.7%
037 State General Fund Appropriations – Umbl Cord Proj	0	150,000	-
034 Water Plan – Ogallala Aquifer Study	40,000	40,000	0.0%
088 Information Technology Fees	4,800,000	4,800,000	0.0%
091 School of Journalism Fee	157,000	165,000	5.1%
092 School of Fine Arts Fee	422,000	427,000	1.2%
093 School of Education Fee	792,000	865,000	9.2%
094 Engineering Equipment Fee	945,000	964,500	2.1%
095 School of Architecture Fees	218,000	232,000	6.4%
096 School of Business Fees	3,777,000	4,660,000	23.4%
097 Pharm D. Special Fees	1,854,000	1,940,000	4.6%
098 Law School Special Fees	1,824,000	1,700,000	-6.8%
099 General Fees Fund	149,730,000	168,280,800	12.4%
110 Regents Center Development Fund	1,729,000	352,424 <sup>1</sup>	-79.6%
540 Interest on Permanent University Fund	20,000	20,000	0.0%
Subtotal General Use	306,354,474	329,450,527	7.5%
Research Overhead Funds	277,533	0	-
Auxiliary Funds	37,016,502	37,814,769	2.2%
Restricted Use Funds	61,809,918	64,684,953	4.7%
Subtotal Operating Expenses	405,458,427	431,950,249	6.5%
Service Clearing	7,900,601	7,745,725	-2.0%
Total Operating Budget	413,359,028	439,695,974	6.4%

**Overview of General Use Funding.** The FY 2007 general use budget includes an increase in State General Fund (SGF) appropriations over the prior fiscal year as well as additional funding derived from tuition increases approved by the Board of Regents for the 2006-2007 academic year. The tuition increase is the fifth and final year of the five-year “Tuition Enhancement” plan, which was implemented to narrow the funding gap between the University and its peer institutions.

<sup>1</sup> Regents Center Development Fund: The FY 2007 working budget includes only the salary and fringe amounts for positions funded from the Regents Center Development Fund. The practice of transferring spendable dollars to the units based on credit hour production in the previous academic year at the KU Edwards campus will continue. However, the OOE reserve (balancing entry) does not appear in the FY 2007 budget; the reserve will be established during the year when the calculation of previous year earnings and carry forward amounts is done.

*Changes in Appropriation Amounts and Projected Increases in General Use Revenue*

**State General Fund.** The FY 2007 total of \$138,483,496 for fund 003 includes increases of \$3,634,082 for the Operating Grant transferred from the Board of Regents and \$1,004,855 for the SB 345 faculty salary enhancement. The FY 2007 amount is the final installment of the revised SB 345 plan to provide additional salary increases for tenured and tenure-track faculty in instruction, research, and public service. The FY 2007 total of \$6,370,307 SGF for the Kansas Geological Survey’s fund 033 is \$6,201,915 plus \$168,392 from the Operating Grant transfer. For FY 2007, the Legislature also provided an SGF line item appropriation of \$150,000 for umbilical cord matrix research (fund 037).

	Fund 003	Fund 033	Fund 037	Total SGF
Final FY 2006 appropriation	\$ 133,844,559	\$ 6,201,915	\$ 0	\$ 140,046,474
Operating grant transfer from BOR	3,634,082	168,392	0	3,802,474
SB 345 faculty salary enhancement BOR	1,004,855	0	0	1,004,855
Line item for Umbilical Cord Matrix Project	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>
FY 2007 SGF Appropriation	\$ 138,483,496	\$ 6,370,307	\$150,000	\$145,003,803

**General Fees.** Tuition increases for FY 2007 include a four percent maintenance increase and an enhancement increase of \$16.50 per credit hour. An additional tuition increase of \$6 per credit hour (considered as tuition maintenance monies) was approved for all non-resident students, in part to equalize the resident and non-resident percentage increases. Differential tuition for the Schools of Architecture, Business, Education, Engineering, Fine Arts, Journalism, Law, and Pharmacy were all increased by four percent.

*Expected Changes in Expenditures from FY 2006 to FY 2007*

Unclassified Positions. A merit pool of 5.5 percent for filled faculty and 4.5 percent for filled non-faculty positions was allocated to the university units. The first 2.5 percent is funded from the increased state general fund appropriation and tuition maintenance funds for faculty and non-faculty, the second 2.0 percent for both faculty and non-faculty is funded by tuition enhancement monies, and the final 1 percent for tenured and tenure-track faculty is provided by SB 345. For the twelve-month staff, merit increases are effective June 18, the beginning of the first pay period of the year; for academic year faculty, the merit increase date is August 18, the beginning of the academic year. For twelve-month staff, the printed budget shows the full fiscal year budgeted at the new salary rates.

University Support Staff (USS). For FY 2007, the merit pool for University Support Staff (USS) totaled 4.5 percent, with 3 percent being applied across the board to all eligible USS employees, and 1.5 percent allocated on the basis of merit. The 4.5 percent is fully funded by the increased state general fund appropriation and tuition maintenance funds. When the five-year Tuition Enhancement plan was originally developed, classified employees’ pay was determined by the State’s pay matrix, and thus the plan could not include additional funding for their salaries. USS merit increases are effective June 18, the beginning of the first pay period of the year. The printed budget shows the full fiscal year budgeted salary rates, including longevity bonuses. (The FY 2007 State Pay Plan, which no longer pertains to KU, provided a 1.5 percent general increase effective with the beginning of FY

2007, and a 2.5 percent step increase effective September 10, the beginning of the seventh pay period of the fiscal year.)

Pooled Positions. Allocations included a 4.5 percent increase for lecturer pools and Graduate Research Assistants. The Memorandum of Agreement for GTAs has not been finalized as of June 2006, and the 2007 budget does not yet include salary increases allocated to these pools.

Fringe Rates. Fringe benefit rate increases are moderate for FY 2007. Following double-digit percent increases in FY 2002- 2004, rates for the employer share of health insurance have remained flat from FY 2005 through FY 2007. Premium payments for state Death and Disability (D&D) Insurance increased from 0.8 percent to 1.0 percent for FY 2007, and Kansas Public Employee Retirement System (KPERS) rates increased from 5.27 percent to 5.77 percent. Other fringe rate adjustments include: unemployment insurance, from 0.01 percent to 0.15 percent, workers' compensation, from 0.826 percent to 0.857 percent, and the state leave reserve assessment, from 0.50 percent to 0.55 percent.





































































































































