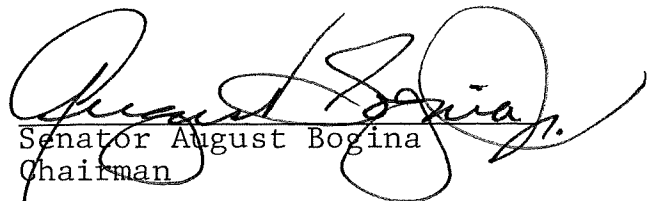


SENATE SUBCOMMITTEE REPORT

DEPARTMENT OF EDUCATION
(H.B. 2135, H.B. 2064)

PUBLIC TELEVISION BOARD
(H.B. 2064)



Senator August Bogina
Chairman



Senator Jack Steinger

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No 2135 Bill Sec. NA
 Analyst: Goering Analysis Pg. No. 23 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY83</u>	<u>Governor's Rec. FY 83*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,021,478	\$ 6,958,376	\$ (101,230)
Aid to Local Units	577,239,389	554,257,313	4,229,747
Other Assistance	2,145,000	2,139,800	--
TOTAL	<u>\$586,405,867</u>	<u>\$563,355,489</u>	<u>\$ 4,128,517</u>
State General Fund:			
State Operations	\$ 3,398,271	\$ 3,358,425	\$ (95,255)
Aid to Local Units	510,314,889	489,732,813	(1,121,155)
Other Assistance	130,000	124,800	--
TOTAL	<u>\$513,843,160</u>	<u>\$493,216,038</u>	<u>\$ (1,216,410)</u>
F.T.E. Positions	172.0	172.0	--

* Includes Governor's Budget Amendment No. 1, Item 3, and Governor's Budget Amendment No. 3, Item 1.

Agency Request/Governor's Recommendation

The Department of Education requested a supplemental State General Fund appropriation of \$380,000 for postsecondary vocational education aid. The request was based on a higher net operating cost per credit hour than was originally anticipated, as well as lower anticipated savings resulting from audit adjustments. Also requested was a supplemental State General Fund appropriation of \$156,110 to finance out-district state aid entitlements for Washburn University, based on higher than anticipated out-district enrollments for the fall 1982 semester.

The Governor's original budget recommendations did not address the supplemental requests. However, Governor's Budget Amendment No. 3 includes recommendations to replace the 4 percent allotment reductions made on January 1, 1983 for both postsecondary vocational education aid (\$360,000) and Washburn University out-district state aid (\$16,340). In addition, the Governor recommends increased FY 1983 State General Fund expenditures of \$9,237 for postsecondary vocational education aid based on a revised estimate submitted by the Department on February 15, 1983. The revised estimate took into account current year reductions in state aid provided to area vocational technical schools through other aid programs, lower numbers of eligible postsecondary credit hours, and a total overall prorated reduction of 4 percent. The revised estimate continues to assume higher net operating costs per credit hour and substantially lower savings resulting from audit adjustments. For Washburn University out-district state aid, the Governor also recommends the requested \$156,110 supplemental appropriation, which was originally computed assuming a 4 percent reduction for this entitlement program.

Compared to the Governor's FY 1983 budget recommendations presented in January, the amendments include an additional \$369,237 for postsecondary vocational education aid and \$172,450 for Washburn University out-district state aid. Other adjustments contained in the Governor's budget amendments recommend savings in state aid for Fort Leavenworth School District, community college out-district credit hours, and school transportation entitlements.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's amended recommendations with the following adjustments:

1. Reduction of \$993,354 in State General Fund expenditures budgeted for reimbursement of special education transportation costs. The Subcommittee's revised recommendation of \$8,319,275 for FY 1983 is 7.2 percent more than actual reimbursements during FY 1982 of \$7,760,518. Given the recent stabilization of fuel costs and potential decreases in such costs for the remainder of the fiscal year, the Subcommittee is of the opinion that a 7.2 percent increase is more than adequate to meet entitlements in this program. The Subcommittee notes that the agency's revised estimate of \$9,312,629 for FY 1983 would have provided a 20 percent increase over actual FY 1982 entitlements.
2. Restoration of \$371,175 in State General Fund expenditures for special education teaching unit reimbursement. The Subcommittee learned that the 4 percent allotment reduction was applied to the entire line item for Special Education Services Aid, which includes both amounts for teaching unit distributions and transportation reimbursements. The total reduction of \$2,436,000, however, was deducted by the State Board of Education entirely from the amount approved for categorical teaching unit distributions, rather than proportionate reductions from each of the two types of special education state aid. The Subcommittee takes a dim view of such action by the Department of Education, when it was apparent that additional savings in special education transportation aid would be incurred due to lower than anticipated fuel costs. The Subcommittee recommends that the originally approved amount of \$9,979 per F.T.E. teaching unit for categorical aid be reduced by only 4 percent to \$9,580, rather than to \$9,500 as proposed by the Department of Education. The Subcommittee therefore recommends restoration of \$80 times an estimated 5,175 F.T.E. teaching units, for a total of \$371,175. The Subcommittee recommends further that the proviso limiting such reimbursement in the current fiscal year to \$9,979 per teaching unit be amended to limit such reimbursement to \$9,580.
3. Reduction of \$25,000 from State General Fund expenditures budgeted for salaries and wages, to reflect increased turnover savings during FY 1983.
4. Reduction of \$35,000 from State General Fund expenditures budgeted for travel and subsistence costs.
5. Reduction of \$27,280 from State General Fund expenditures budgeted for contracted printing costs.

6. Reduction of \$5,000 in State General Fund expenditures for communications costs.
7. Reduction of \$3,000 in expenditures budgeted for honorariums in the Special Education Services program, financed from the federal Education for Handicapped Children Fund.
8. Reduction of \$5,950 in expenditures budgeted for Vocational Education Services Program honorariums, of which half is financed from the State General Fund and half from Federal Vocational Education Funds.
9. Reduction of \$331,062 in additional savings for school transportation aid. The Subcommittee learned that actual transportation aid payments during the current fiscal year were \$36,668,938, or \$331,062 less than the estimate contained in the Governor's amended FY 1983 recommendation.
10. Reduction of \$167,914 in School Food Assistance state aid. The Subcommittee notes that the adjusted recommendation of \$2,510,486 in School Food Assistance provides the amount necessary to meet federal food assistance matching requirements. The Subcommittee also recommends an increase in the Federal Food Assistance expenditure limitation by \$5,350,902 to allow full expenditure of anticipated federal revenues for the current fiscal year.

The Subcommittee also anticipates savings in the current year budget for utilities costs, but defers to the Senate to make the appropriate adjustment based on actual expenditures during the current fiscal year.

The Subcommittee recommends lapse of all State General Fund savings in aid programs, and further recommends that savings in state operating expenditures be reappropriated to reduce FY 1984 appropriations necessary from the State General Fund.

House Committee Recommendation

The Committee concurs with the Subcommittee recommendations, with the following exception:

1. Lapse of \$30,793 from the current line item appropriation for deaf-blind program aid, with the intention that such savings be used to restore the deaf-blind program in FY 1984 at the School for the Visually Handicapped.

House Committee of the Whole Recommendation

The House concurs with the House Committee recommendations.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (101,230)	\$ 6,857,146	\$ --
Aid to Local Units	4,198,954	558,456,267	18,919
Other Assistance	--	2,139,800	--
TOTAL	<u>\$ 4,097,724</u>	<u>\$567,453,213</u>	<u>\$18,919</u>
State General Fund:			
State Operations	\$ (95,255)	\$ 3,263,170	\$ --
Aid to Local Units	(1,151,948)	488,580,865	18,919
Other Assistance	--	124,800	--
TOTAL	<u>\$ (1,247,203)</u>	<u>\$491,968,835</u>	<u>\$18,919</u>
F.T.E. Positions	--	172.0	--

The Senate Subcommittee concurs with the House recommendations with the following adjustment:

1. Restoration of \$18,919 in State General Fund expenditures for deaf-blind program aid. The Subcommittee learned that the Department of Education has plans to expend a total of \$74,526 for such aid during the current fiscal year. A total of \$86,400 remains in the fund after the January 1 allotment reductions. The Senate Subcommittee's recommendation would result in a lapse of \$11,874 rather than \$30,793 as recommended by the House Committee.

The Subcommittee also reviewed the Department's budgeted sum for utilities costs in comparison to actual expenditures for the first 8.5 months of the fiscal year. In the Subcommittee's opinion, any savings which may be incurred would be minimal. The Subcommittee therefore recommends that no adjustment be made in this budget item for either FY 1983 or FY 1984.

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No. 2064 Bill Sec. 6
 Analyst: Goering Analysis Pg. No. 23 Budget Pg. No. 3-5

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84*</u>	<u>Subcommittee Adjustments</u>
<u>All Funds:</u>			
State Operations	\$ 7,505,540	\$ 6,902,278	\$ (571,026)
Aid to Local Units	666,345,937	615,427,713	(17,013,677)
Other Assistance	2,305,000	2,378,000	--
TOTAL	<u>\$676,156,477</u>	<u>\$624,707,991</u>	<u>\$(17,584,703)</u>
<u>State General Fund:</u>			
State Operations	\$ 4,399,718	\$ 3,808,761	\$ (609,315)
Aid to Local Units	605,930,937	555,012,713	(29,011,044)
Other Assistance	130,000	130,000	--
TOTAL	<u>\$610,460,655</u>	<u>\$ 558,951,474</u>	<u>\$(29,620,359)</u>
F.T.E. Positions	183.0	175.0	(5.0)

* Includes Governor's Budget Amendments No. 1, Item 3, and No. 3, Item 1.

House Subcommittee Recommendation

The House Subcommittee wishes to note that the Department of Education based its FY 1984 budget request on the recommended federal budget presented to Congress by President Reagan in February, 1982. The Continuing Resolution passed by Congress in December and signed into law on December 21, 1982, established funding levels for most federal grant programs through September 30, 1983. It is the assumption of this Subcommittee that this most recent enactment of federal outlays available for expenditure in Kansas during state FY 1984 is the best available information to date upon which to base the Department's FY 1984 budget. For this reason, the Subcommittee has made numerous adjustments based on information which was not available to the agency nor to the Governor during the fall, 1982 budget preparation months.

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

Agencywide Adjustments

1. Deletion of \$178,255 in expenditures associated with the recommended 4 percent cost-of-living increase. This adjustment is to be financed as follows:

State General Fund	\$102,682
Federal Food Assistance Fund	9,999
Federal Education for Handicapped Children Fund	11,394
Federal Vocational Education Fund	13,853
Certification Fee Fund	8,092
State Safety Fund	1,363
State Operations Fund - Federal	27,626
C.E.D. Credentials Processing Fee Fund	534
Proprietary School Fee Fund	681
Federal Adult Basic Education Fund	1,403
Federal CETA Fund	598
TOTAL ADJUSTMENT	<u>\$178,255</u>

Governance of Education

2. Reduction of \$8,000 in State General Fund expenditures for travel and subsistence.
3. Reduction of \$700 in State General Fund expenditures for membership fees associated with participation in the Education Commission of the States.

General Administration

4. Reduction of \$9,000 in travel and subsistence expenditures financed from the State General Fund.

Fiscal Auditing Section

5. Deletion of \$6,346 in State General Fund expenditures recommended to finance salaries and fringe benefits associated with reclassifying 2.0 F.T.E. Auditors I to Auditors II to supervise other personnel. The Subcommittee believes that if such reclassification should be approved, necessary amounts to finance additional costs should be absorbed within the FY 1984 salary budget. However, the Subcommittee is of the opinion that only one additional supervisory position is warranted for the Auditing Section, rather than two as proposed by the agency.
6. Shift in financing of 2.0 F.T.E. Auditor I positions' salaries and fringe benefits, totaling \$46,398, from the State General Fund to Federal Food Assistance Funds, as the positions are currently financed.
7. Shift in financing of 50 percent of the salaries and fringe benefits associated with another Auditor I position from the State General Fund to Federal Vocational Education Funds, allowing State General Fund savings of \$11,599.

Information Services Section

8. The Subcommittee commends the Information Services Section for the outstanding efforts put forth since the 1982 Legislature took action to approve a reduction of 2.0 F.T.E. Word Processing Typists from the section's staff. The Subcommittee recognizes the concerns expressed by the agency with regard to potential difficulties should one or more of the present employees retire or be absent for an extended period of time. However, the Subcommittee believes that at present the efforts taken to cross-train other secretarial personnel in the agency to assist with the word processing workload are working well. While the Subcommittee believes that it would not be appropriate to recommend restoration of a position at this time, it applauds the efforts of the Information Services Section to increase productivity despite substantially reduced staffing levels.
9. Reduction of \$38,269 in State General Fund expenditures for contracted printing costs. The Subcommittee applauds the agency's success in achieving savings by performing increasing amounts of printing tasks in-house using existing equipment and staff. The Subcommittee's recommended adjustment in printing costs takes advantage of such savings, and further assumes that the agency's Educational Directory would be updated every other year rather than annually. This assumption alone will allow savings of approximately \$8,000 per year.

Data Processing

10. Addition of 1.0 F.T.E. Programmer II position to allow existing staff to focus attention on the development of an integrated data base management system. The Subcommittee is of the opinion that the integration of the agency's separate data files will allow long-term savings in staffing and better use of existing data. The Subcommittee anticipates that the new position will be deleted by no later than FY 1987, as the implementation of the integrated data base is anticipated to occur during FY 1986. The additional cost of the new position is \$19,530 for salaries and \$2,775 for fringe benefits, for a total of \$22,305 in State General Fund expenditures.

Program Analysis and Evaluation

11. Shift in financing of 3.0 F.T.E. positions comprising this section from the State General Fund to State Operations Fund - Federal support, as the section is currently being financed. The Subcommittee's review of the status of federal funding levels available for expenditure during FY 1984 does not conclude that reduction in federal fund receipts are immediately forthcoming. The Subcommittee notes also that planning efforts carried out by this section are primarily mandated by federal rather than state laws. This adjustment allows State General Fund savings of \$76,579 for salaries and wages, \$13,051 for fringe benefits, and \$10,000 in other operating costs, by shifting such costs to the State Operations Fund - Federal. The Subcommittee anticipates an equivalent amount of revenues to that fund in excess of the level anticipated by the Department and assumed in the Governor's recommended budget.

Quality Control Services

12. Reduction of \$7,703 in State General Fund expenditures for travel and subsistence. The adjustment assumes that the Professional Teaching Standards and the School Administrator Professional Standards Advisory Boards will each meet three times annually rather than four times as recommended by the Governor. The Subcommittee concurs with the Governor's recommendation for travel and subsistence funds to allow the Professional Teaching Practices Commission to meet four times per year. The Subcommittee notes that for FY 1983, all three organizations are budgeted to meet only two times per year.
13. Reduction of \$4,500 for travel and subsistence costs associated with Department professional staff, financed from the State General Fund.

Comprehensive Teacher Preparation and Development Program

14. Deletion of 3.0 F.T.E. positions recommended by the Governor in association with the Comprehensive Teacher Preparation and Development Program. This adjustment allows savings of \$44,748 budgeted for salaries and wages, \$8,432 for fringe benefits, \$3,000 for communications, \$1,012 for travel expenses, and \$500 for stationery and office supplies. The total reduction of \$57,692 allows savings in State General Fund expenditures.
15. Deletion of \$156,000 for development and validation costs associated with implementation of required examinations for first-year teachers. The Subcommittee learned that the proposed examination has already been developed and validated for national use and is being used in a number of other states, and that the State Board of Education plans to require each teacher to pay for taking the test, much like other professionals who are required to take national boards. While the Subcommittee recognizes the possible need to validate the Core Battery exam using the Kansas teacher population to establish an appropriate cut-off score, it does not agree that the amount requested is necessary to perform this task. The Subcommittee also learned that a substantial component of the requested \$156,000 would finance development and validation costs associated with specialty examinations, which are also available currently from a national testing corporation but are not generally comparable to the specialty endorsements granted Kansas teachers under certain conditions. For these reasons, the Subcommittee recommends deletion of all amounts requested for test development and validation purposes, and suggests that the Department justify in detail to the Senate Subcommittee any amount it deems absolutely necessary for such purposes.
16. Deletion of \$1,000,000 in State General Fund expenditures recommended by the Governor for aid to school districts specifically to offset the costs of providing local inservice education programs for teachers.

Educational Assistance Section

17. Deletion of \$15,304 in State General Fund expenditures for salaries and wages associated with a consultant in the area of Economic and Consumer Education. The Subcommittee concurs with the recommendation of the 1982 House Subcommittee, that a portion of the salary cost of this position should be financed from an annual transfer of \$50,000 from the special revenue funds of the Consumer Credit Commission. The Subcommittee recommends that the reduction of \$15,304 in State General Fund expenditures be offset by an equivalent increase to be financed from the Special Revenue Fund, and that other operating costs associated with the program be reduced by an equivalent amount to remain within the \$50,000 total for the program.

Special Education Services

18. Reduction of \$5,000 in State General Fund expenditures recommended for communications costs.
19. Reduction of \$8,342 in State General Fund expenditures for travel and subsistence costs.

Postsecondary Education Services

20. Reduction of \$3,250 in State General Fund expenditures for travel and subsistence costs.

Vocational Education Services

21. Deletion of 3.0 F.T.E. Education Program Specialist positions. The Subcommittee recommends that the exact positions deleted be determined by the Department, but the Subcommittee does not recommend deletion of specialists in the area of industrial education. The Subcommittee is of the opinion that a high priority should be placed on strengthening the state's industrial training programs to meet the needs of industry for qualified personnel. The Subcommittee recommends that other specialty areas of lesser priority be consolidated so that fewer consultant positions are needed at the state level. Furthermore, the federal grant funds saved by such deletion will generate more federal aid to be passed on to local vocational training programs. The recommendation allows savings of \$39,572 in State General Fund expenditures for salaries and \$4,193 for fringe benefits, with equivalent amounts of savings totaling \$43,765 in federal fund expenditures, recommended for distribution instead as increased federal aid to local units.
22. Reduction of \$7,440 in State General Fund expenditures for travel and subsistence costs.

State and Federal Aid Programs

23. Separation of School Equalization and Transportation Aid into two separate line item appropriations.
 - a. The Subcommittee recommends a reduction of \$2,097,615 to the Governor's amended recommendation of \$40,600,000 for transportation aid. The Subcommittee is aware that FY 1984 disbursements for transportation aid will reimburse actual costs incurred during FY 1983. Due to the decrease in fuel prices, the Subcommittee assumes such costs will increase by no more than 5 percent. Therefore, the Subcommittee recommends an amount of \$38,502,385 for FY 1984 transportation aid, an amount which is 5 percent more than actual FY 1983 reimbursements for costs incurred in FY 1982.
 - b. The Subcommittee recommends State General Fund appropriations to finance the House recommendation on 1983-84 school year budget limitations contained in H.B. 2175, or \$376,056,000 in state aid plus \$89,970,000 in school district income tax rebates not included in the Department's budget. The Subcommittee's recommendation allows savings from the Governor's recommendation of \$27,012,000 in State General Fund expenditures.

24. Concurrence, with some reservations, with the Governor's recommended amounts for regular and out-district state aid to community college and Washburn University. However, the Subcommittee wishes to note that at present there has been no legislation introduced to amend 1982 S.B. 454, which provides that increases in such aid will go into effect July 1, 1983. The Subcommittee has reviewed current statutes, and is of the opinion that if such legislation is not introduced and passed this session, additional funds may be necessary to meet statutory entitlements in these programs. The Subcommittee Chairman has requested an Attorney General's Opinion on the extent to which underfinancing such entitlements both in FY 1983 (by reducing state aid 4 percent) and in FY 1984 (without passage of legislation eliminating the statutory increase) will affect disbursements which may legally be required to be made from future appropriations. The Subcommittee recommends that the opinion be considered by the Senate in its deliberations on the Department's budget.

25. Reduction of \$279,514 in State School Food Assistance, allowing sufficient expenditures to match federal food assistance revenues. The Subcommittee learned that federal nutritional assistance grants are expected to increase as a result of recent Congressional action, and therefore recommends an increase of \$5,500,000 on the expenditure limitation recommended by the Governor for this federal fund. Of the increase recommended, \$46,398 would finance salaries and wages in the Auditing Section as noted under Recommendation No. 6, and the remaining \$5,453,602 would be distributed as food assistance to local schools and other state agencies.

26. Reduction of \$100,000 in State General Fund expenditures for post-secondary vocational education aid, assuming that savings resulting from audit adjustments will be \$282,635 rather than \$182,635 as assumed by the Governor's amended recommendation. In past years, savings as a result of audit adjustments have ranged from \$704,562 in FY 1981 to \$262,066 in FY 1982. In FY 1979 and FY 1980, audit adjustment savings were \$411,943 and \$503,271 respectively. The Subcommittee is of the opinion that \$282,635 is a reasonably conservative assumption given the amount of net savings from audit adjustments over the past four years.
27. Separation of Special Education Services Aid into two separate line item appropriations for teaching unit reimbursement and transportation reimbursement.
- a. The Subcommittee recommends restoration of \$2,575,740 for categorical teaching unit reimbursement. The Subcommittee learned that the Governor's recommendation assumes that "excess costs" will not exceed those originally assumed for the current fiscal year, computed to result in distributions of \$9,979 per F.T.E. teaching unit, less \$29,635 in anticipated net savings from audit adjustments. The Subcommittee recommends an amount of \$10,471 per teaching unit, based upon the budget limitations contained in H.B. 2175 and an assumed staff to student ratio of 1:4. The latter assumption results in 20,700 F.T.E. special education pupils and 5,175 F.T.E. teachers. The Subcommittee also recommends that an interim committee be appointed to make specific recommendations on the methodology for computing special education state aid.
 - b. The Subcommittee recommends a reduction in the amount appropriated for special education transportation aid to \$9,192,800, an amount which is 10.5 percent more than the Subcommittee's recommendation for FY 1983. This adjustment allows savings of \$1,097,655 in State General Fund expenditures from the amount recommended by the Governor for FY 1984.

28. Increase in the expenditure limitations for other federal aid programs as follows:

Adult Basic Education	\$ 350,000
Elementary and Secondary School Aid	4,750,000
Federal Vocational Education Program Aid	<u>1,400,000</u>
TOTAL	<u>\$6,500,000</u>

29. Revisions in the recommended structure of the appropriation bill to retain the traditional state operations appropriations for salaries and wages and other operating expenditures, rather than the program appropriations recommended by the Governor.

30. The Subcommittee also anticipates savings in the FY 1984 amount budgeted for utilities, based on projected savings in the current fiscal year. However, the Subcommittee defers to the Senate to make such adjustments based on savings during the first eight months of the current fiscal year.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendations. Further, the Committee introduced legislation to amend 1982 S.B. 454 in accordance with the Governor's budget recommendation to defer the \$0.50 per credit hour increase which is statutorily to be effective July 1, 1983.

House Committee of the Whole Recommendation

The House concurs with the recommendations of the House Committee with the following adjustments:

1. Deletion of \$376,056,000 in State General Fund expenditures for financing the School District Equalization Act, pending Conference Committee decisions on H.B. 2175.
2. Addition of a proviso on the agency's position limitation which does not have an impact on budgeted expenditures.

Senate Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>Total House Recommendation</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (571,026)	\$ 6,331,252	\$ 196,604
Aid to Local Units	(393,069,677)	222,358,036	(713,506)
Other Assistance	—	2,378,000	—
TOTAL	<u>\$ (393,640,703)</u>	<u>\$ 231,067,288</u>	<u>\$ (516,902)</u>
State General Fund:			
State Operations	\$ (609,315)	\$ 3,199,446	\$ 152,427
Aid to Local Units	(405,067,044)	149,945,669	(684,329)
Other Assistance	—	130,000	—
TOTAL	<u>\$ (405,676,359)</u>	<u>\$ 153,275,115</u>	<u>\$ (531,902)</u>
F.T.E. Positions	(5.0)	170.0	2.0

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

1. Deletion of \$684,329 in State General Fund expenditures for special education categorical aid, based upon the budget limitations established by the Conference Committee report on H.B. 2175. The Senate Subcommittee's recommendation provides a total of \$53,503,101 for categorical aid, based upon budget limitations ranging from 103 to 105 percent, a staff to pupil ratio of 1 to 4, and a total of 5,175 F.T.E. special education teachers. The Subcommittee recommends adoption by the Legislature of \$10,339 per F.T.E. teaching unit in order to fully fund FY 1984 projected "excess costs" of providing special education services to Kansas children. The attached table summarizes the mechanism and assumptions used to derive the categorical aid per F.T.E. teacher of \$10,339.
2. Restoration of \$78,250 in State General Fund expenditures for provision of special state aid for deaf-blind programs. The Subcommittee notes that the amount recommended for FY 1984 represents a 5 percent increase over the projected expenditures of \$74,526 for FY 1983. The Subcommittee recommends that this amount be set aside in a separate line item in accordance with traditional practice.
3. Restoration of \$60,000 in State General Fund expenditures to contract for validation of the Core Battery Examination for new Kansas teachers.
4. Restoration of \$29,177 in State General Fund expenditures and 2.0 F.T.E. professional positions for the Vocational Education Program. The Subcommittee also recommends an equal sum, financed from the Federal Vocational Education Fund, to be shifted from federal aid to local units to be used instead to finance 50 percent of salaries and wages costs associated with the 2.0 F.T.E. positions. Further, the Subcommittee recommends deletion of a proviso attached by the House Committee of the Whole which specified certain vocational education program specialty areas which were not to be reduced by the State Board of Education. It is the Subcommittee's intent that the State Board have the discretion to reduce 1.0 F.T.E. professional position in the vocational education program area determined to be of lowest priority.
5. Shift in the financing of \$15,000 in salaries and wages expenditures from the State General Fund to the Economic and Consumer Education Fund. The Subcommittee is of the opinion that this program should be financed in full from a transfer of special revenue fund balances of the Consumer Credit Commission, and should not be subsidized from State General Fund appropriations. The Subcommittee recommends that this transfer, which has been \$50,000 annually for a number of years, be increased to \$65,000 effective FY 1984.
6. The Subcommittee also concurs with the recommendation of the House Committee of the Whole that all funding for the School District Equalization Act be deleted from H.B. 2064. The Subcommittee recommends inclusion of funding for school equalization aid in the Omnibus Bill.

7. The Subcommittee concurs with the recommendation of the Governor and the House that no increases in credit hour state aid rates for community colleges and Washburn University should be granted effective FY 1984. To ensure that such aid per credit hour remains at FY 1983 levels, the Subcommittee recommends the addition of provisos to each regular credit hour aid and outdistrict credit hour aid line item specifying that distributions shall not exceed the appropriate rates now in effect.

March 28, 1983

SPECIAL EDUCATION AID

FY 1982 Actual

Total U.S.D. Special Education Fund Expenditures for FY 1982	\$ 68,074,426
Less: Transfer Payments to Special Education Cooperative by Participating School Districts	(8,756,249)
Less: Payments to Cooperative and Interlocal Districts by Non-Sponsoring School Districts	(11,809,519)
Subtotal - Regular Expenditures	<u>\$ 47,508,658</u>
Total Special Education Cooperative Expenditures for FY 1982	<u>\$ 36,267,858</u>
Total Special Education Interlocal Expenditures for FY 1982	<u>\$ 19,815,275</u>
Federal Aid - Special Fund	
Amount Distributed by Department of Education	\$ 11,453,244
Less: Reported Expenditures of Federal Aid (included above)	(7,176,563)
Subtotal - Federal Grant Expenditures from Other Funds	<u>\$ 4,276,681</u>
TOTAL FY 1982 EXPENDITURES FOR SPECIAL EDUCATION	<u><u>\$ 107,868,472</u></u>

FY 1983 Estimate

FY 1982 Actual Expenditures	\$ 107,868,472
Percentage Increase of 8.5% Assuming Constant Staffing	9,168,820
	<u>\$ 117,037,292</u>
Plus New Teacher Costs (\$22,500 Average Salary per F.T.E. x 344 New F.T.E. Teachers)	7,740,000
Estimated FY 1983 Costs	<u><u>\$ 124,777,292</u></u>

FY 1984 Projection

Estimated FY 1983 Costs	\$ 124,777,292
Percentage Increase of 5.07% (H.B. 2175 - As Recommended by Conference Committee)	6,326,209
Estimated FY 1984 Costs	<u><u>\$ 131,103,501</u></u>
Less: Average per Pupil Cost of Regular Education times Number of Special Education Pupils (\$2,568 Budget per Pupil based on 5.07% increase x 20,700 F.T.E.)	\$ (53,157,600)
Less: SRS Contribution to School Districts and Interlocals	(4,750,000)
Less: Federal Aid	(10,500,000)
Total "Excess Cost," including Transportation Aid	<u><u>\$ 62,695,901</u></u>
Transportation Aid	\$ 9,192,800
Categorical Aid	53,503,101
	<u><u>\$ 62,695,901</u></u>
Requested Categorical Aid Divided by 5,175 F.T.E. Teachers (\$53,503,101 divided by 5,175)	<u><u>\$ 10,339</u></u>

SUBCOMMITTEE REPORT

Agency: Public Television Board Bill No. 2064 Bill Sec. 8

Analyst: _____ Analysis Pg. No. 46 Budget Pg. No. 3-61

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Other Assistance	\$ 623,996	\$ 888,496	\$ (179,500)
F.T.E. Positions	--	--	--

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Add \$15,000 (\$5,000 each) to the operating grants for Kansas City, Wichita, and Topeka to offset increased operating costs.
2. Allow only \$70,000 (reduction of \$194,500) for a construction grant to Channel 11, KTWU for construction of a microwave interconnect between Garnett and Moran, and a translator in the Iola-Moran area. This level of funding assumes the state grant can be matched with a federal N.T.I.A. construction grant.

The Subcommittee would make the following additional observations and suggestions:

1. Channel 8, KPTS, Wichita. The Subcommittee notes that, KPTS, Channel 8, currently broadcasts approximately 60 hours per week. In light of the fact that the Corporation for Public Broadcasting requires approximately 3,500 hours of broadcasting annually in order to retain eligibility for its grant, the Subcommittee expresses its concern regarding Channel 8's future eligibility for CPB grants funds. It would seem to the Subcommittee that it would behoove Channel 8 to expand its program offerings in order to ameliorate potential difficulties in this area.

While the Subcommittee is sympathetic to the station's position that broadcast time sold at a cost less than the actual cost of broadcasting is discriminatory vis-a-vis other purchasers of time, or subscribers, it would seem appropriate to make limited exceptions to this principle in order to avoid even a scintilla of doubt about the station's future eligibility for CPB grant funds. In this vein, the Subcommittee invites KPTS to give greater consideration to offering at least a modest schedule of instructional television courses. The Subcommittee would consider such an activity not only in the best interest of conserving CPB grant funds for the station, but would also consider this activity as an appropriate function of the licensee mission to serve as many segments of the community as is possible.

Furthermore, the Subcommittee would invite the licensee's consideration to reducing future operating and maintenance expense increases by attempting to secure shared facilities and equipment with an appropriate noncommercial broadcast entity. While such costs are not apparently significantly above average, this is an area in which both the state and the licensee should have continuing critical interest.

2. Channel 9, KOOD, Bunker Hill. The Subcommittee notes with some concern, the budgetary procedures utilized by Channel 9. In the current year's budget it would appear that Channel 9 has included two translator expansion projects in its operating and maintenance budget. It is the Subcommittee's view that the board and the Legislature would be more adequately informed if expansion projects were broken out of the operating and maintenance budget and detailed as requests for expansion projects, rather than the current procedure.

Subcommittee notes with interest KOOD's efforts to work with Pratt Community College in establishing service to the Pratt area. While such a goal is worthy, it is of concern to the Subcommittee that this effort in some way duplicates the service area occupied by Channel 8 of Wichita. Should KOOD's work continue to develop a proposal with the Community College, resulting in a request for expansion project funds in FY 1985, it is hoped that the proposal would include diplexing the Channel 9 signal on the translator with a translator signal from KPTS, Channel 8. In this way the people of the Pratt area would have access to both stations. While it is laudible for KOOD to aggressively seek new viewership, and it is important to the station, the Subcommittee has some concern regarding KOOD's duplication of service in some areas of the state already receiving another signal.

3. KTWU, Channel 11, Topeka. The Subcommittee is of the belief that KTWU would be unable to obtain a waiver of the "freeze" applied to Tier II applications by the FCC. For this reason, funding for the translator expansion project in the Pittsburg area was removed. Should, however, the station be able to obtain such a waiver the Subcommittee would give sympathetic consideration to funding the local portion of that project in either FY 1985 or as a supplemental, in FY 1984.

Similarly, because the proposed expansion translator project in the Independence area relied on receiving a microwave signal from the Pittsburg translator this proposal was unfunded. The Subcommittee would encourage KTWU to proceed with its efforts to expand public television and to reexamine these requests in the future, should the appropriate details be developed in a positive fashion.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the budget as recommended by the House with the exception that the proposed grant to the Bunker Hill station be reduced by \$15,000, to \$248,996.

The recommended reduction in the Bunker Hill grant is in the same amount as the aggregate increase in grants recommended by the House for the other three stations. Though the reduction is minor, it should signal an intent that the level of state funding to the Bunker Hill station will be gradually reduced in the future with the expectation that growing private support will occur. Within a reasonable timeframe, the level of support for this station should be brought into balance with support for the other stations.

While the Subcommittee makes no proposal for modifying the current basis for distributing operational grants, it believes that in the future a portion of such state funding should be set aside as an incentive grant and distributed in proportion to the level of private support each station generates.

The House Subcommittee report notes a concern that Channel 8 - Wichita has reduced its annual broadcasting schedule to 3,120 hours. The House Subcommittee notes that the Corporation for Public Broadcasting requires approximately 3,500 hours of broadcasting annually in order to retain eligibility for federal operational grants. The Senate Subcommittee was advised that the minimum broadcast schedule is 3,000 hours and that Channel 8 is not in danger of losing its eligibility for federal funds.

The Senate Subcommittee concurs with the House recommendation to reduce the construction grant to Channel 11 - Topeka for expansion into southeast Kansas. The Subcommittee is supportive of the entire proposal and should Channel 11 receive the necessary federal approvals, the Legislature should go on record as committed to the total project. With the exception of this expansion by Channel 11, the Subcommittee feels that, given current funding constraints at both the federal and state levels, the four stations should refrain from other expansion efforts.