

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 8:31 p.m. on May 6, 1992 in Room 123-S of the Capitol.

All members were present except:

No one was absent

Conferees appearing before the committee:

Ed Ahrens, Chief Fiscal Analyst, Kansas Legislative Research Department
Gloria Timmer, Director, Division of the Budget

Ed Ahrens, Kansas Legislative Research Department, distributed and reviewed Attachment 1. He noted that the profile of the State General Fund is multi-year, and that Projection A assumes no growth in projected expenditures for items other than school finance while Projection B assumes a 4% growth for these projected expenditures. Although 4% growth is average, Projection B results in a negative ending balance by FY95. Mr. Ahrens stated that the school finance program will require high ending balances to maintain the program in the out years. He pointed out that general school aid grows by \$300 million from FY93 to FY94 largely because certain monies at the local level are used on a one time basis. He pointed out that state aid will offset lower property taxes beginning in FY94. He stated that the tax package contained in HB 2892 does not maintain sufficient ending balances to carry through the out years. He added that not every amount on the table is firm - the cost of special education was assumed at 80% of excess costs, the additional KPERS-School will increase because of the increase in school budgets, and debt service aid has not been determined.

In answer to a question, Mr. Ahrens stated that the numbers quoted for special education costs reflect an increase from 78% to 80% funding of excess costs and an annual 4% growth.

Gloria Timmer, Director, Division of the Budget, distributed and reviewed Attachment 2. She stated that this document reflects adjustments to the Governor's recommendations for revenues and expenditures and is consistent with the tables from Legislative Research regarding the school finance program. She said that the tax package contained in HB 2892 provides excess revenues in FY93 in the amount of \$192.9 million which must be carried forward to FY94. She noted that HB 2892 does not take the \$192.9 million from the SGF, but if the minimum requirements of the law are met, it must be assumed that the \$192.9 million is accounted for and must be subtracted from the ending balance. If the ending balance is further adjusted by assuming a funding level of 80% of excess costs for special education, the effective balance is \$72.7 million.

In answer to a question, Ms. Timmer stated that there would be no difficulty in meeting the ending balance law, but the real issue is whether the Legislature commits money beyond a reasonable amount after funding for school finance is taken from the ending balance. She stated that to keep commitments at a minimum, the Legislature could consider funding SRS at the level recommended by the Governor, not funding the additional 2.5% COLA recommended by the House, funding special education at 80% of excess costs, and by only prospectively applying the bond and interest fund. There was some discussion regarding the equity of prospective application. Ms. Timmer stated that the Governor's recommendation included prospective application because that was all the judge had addressed in his message. In answer to Senator Gaines, Ms. Timmer stated that consideration had not been given to the issuance of bonds to cover the retroactive portion of the capital improvements.

Concern was expressed that the Budget Stabilization Fund would be no less accessible than any other fund. Senator Moran noted that in his opinion, it seemed inconsistent to establish a Budget Stabilization Fund in the same year that ending balances are decreasing.

In answer to a question, Ms. Timmer explained that state employee pay increases are reflected in the line titled "Governor's Rec" and the legislative and Omnibus adjustments are shown in separate lines.

Answering Senator Winter, Ms. Timmer stated that Attachment 2 does not include any of the \$185 million disproportionate share monies.

SB 497 - Appropriations for FY93, department of education.

The Chairman told the Committee that SB 497 had been rereferred to Senate Ways and Means by his request because it had been materially changed by the House. Staff distributed Attachment 3, a tabulation of the aid and other assistance programs funded through the SGF and the EDIF, noting that there was no difference between the House and Senate in FY92, and calling attention to the differences in the last three columns of the document. It was noted that the Senate had deferred a number of items whereas the House added \$972,973,000 which represents the total of general state aid appropriations plus the expected additional revenue to fund the conference version of Sen. Sub for Sen. Sub for HB 2892. (See Attachment 4-4, item 1 for a complete explanation).

In answer to a question, staff noted that the demand transfer portion would be a no limit fund. The Chairman asked what limitations were placed on the Board of Education concerning the distribution of the money. Staff stated that the limits would be in the distribution formula rather than in the appropriation.

There was lengthy discussion regarding the state's different commitment to the two separate vocational education program. Postsecondary aid is based on an appropriation which, as recommended by the House for FY93, would fully fund the program. Vocational education at the secondary level is based on a weighting system which this year totals approximately \$17 million for all districts, not just the area vocational technical schools. Mr. Dale Dennis, State Board of Education, told the Committee that weighting is determined by the cost of the vocational education program. He noted that the demand for AVTS programs is so great that the Board of Education cannot approve them all because of money restraints.

In answer to a question, staff stated that SGF monies totaling \$165,585,634 is appropriated to special education. Of that amount, \$333,395 is reappropriated to three school districts as hold-harmless to supplement loss of general state aid under the new formula.

In reviewing page 2 of Attachment 3, staff pointed out the differences between the House and Senate recommendations, noting that the \$205,052 difference was due to the House restoration of step increases and longevity. It was stated that the Senate Committee had addressed but not recommended the differences in repairing and services and in stationery and office supplies. Staff informed the Committee that after providing 140 runs, the copy machine broke down and so the Department was requesting \$30,000 for its replacement.

Staff informed the members that appropriations for two items have not been included in any bill. One is the bond indebtedness (HB 2835) and the other is the expansion of math, science and communications assessments (HB 2892) which would have a fiscal note of \$217,000. The Chair suggested that these two items be amended into SB 497 so the full Senate can address them.

It was moved by Senator Harder and seconded by Senator Feleciano to create a separate line item within SB 497 for state aid for local option budget from the general state aid operating budget (creating 2 line items). The motion carried on a voice vote.

Senator Doyen moved, Senator Parrish seconded that SB 497 be amended by appropriating \$972,973,000 from the SGF to the two funds. The motion carried on a voice vote.

Senator Doyen moved, Senator Harder seconded, that special education be funded at 100% of excess costs.

Senator Kerr offered a substitute motion, seconded by Senator Winter, to amend SB 497 by funding special education at 80% of excess costs.

There was lengthy discussion regarding the impact on the operating budgets of school districts by funding special education at 80% versus 100%. In answer to a question, Mr. Dennis stated that the House amendment (item 2, Attachment 4-5) applies to three districts whose current expenditure limit is greater than the maximum allowed next year. For these three districts, the appropriated monies will go to special education to reduce the amount required from the general operating fund. Mr. Dennis stated that the effect of the amendment would be that these three districts would "break even" in spending power from the previous year. Concern was expressed that funding special education at 80% of excess costs would result in an appropriation of less than \$3600 per pupil, depending upon the number of special education students served by the district. In answer to that concern, it was noted that total new spending for education will increase by \$165 million while districts will be required to spend 2% less for excess costs of special education than last year.

The substitute motion failed on a show of hands.

Senator Rock offered a substitute motion, seconded by Senator Parrish, to fund 90% of special education excess costs. The motion carried on a show of hands.

Senator Brady moved, Senator Rock seconded, that \$500,000 from the SGF be added for inservice education for a total of \$2,500,000. In answer to a question, staff noted that the state's current contribution is 20% of the cost of the program and cannot exceed 50%. An appropriation of \$3 million would bring the state contribution level to 50%. The motion carried on a voice vote.

It was moved by Senator Kerr and seconded by Senator Parrish that SB 497 be amended by adding \$250,000 from the EDIF for innovative programs, bringing the total to \$1,500,000 (all from the EDIF). The motion carried on a voice vote.

It was moved by Senator Doyen and seconded by Senator Salisbury to concur with the House recommendation to add \$22,024,127 from the SGF and \$500,000 from the EDIF for postsecondary area vocational school aid.

Senator Parrish offered a substitute motion to add \$19.5 million from the SGF and \$500,000 from the EDIF for postsecondary area vocational school aid. The motion carried on a show of hands.

Senator Feleciano moved, Senator Harder seconded to concur with the Senate's original position on community college aid. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Hayden to amend HB 2835 into SB 497 and to appropriate \$16.5 million in FY93 as a demand transfer. The motion carried on a voice vote.

Senator Kerr moved, Senator Harder seconded that \$217,000 from the SGF be appropriated for costs associated with the assessment of pupils in at least 3 grade levels. Senator Kerr stated his belief that it is time to determine the results that the state is getting for its investment in education. The motion carried on a voice vote.

Senator Harder moved, Senator Parrish seconded, that \$30,000 from the SGF be appropriated for a new copying machine. The motion carried on a voice vote.

It was moved by Senator Hayden and seconded by Senator Rock that SB 497 be amended to include the House proviso to the special education line item providing that 3 school districts that will be entitled to spend less in general state aid to schools in FY93 than they are spending in the current year will receive the difference in FY93 as special education aid. The districts are the following:

<u>Satanta (USD 507)</u>	<u>\$102,000</u>
<u>Blue Valley (USD 229)</u>	<u>\$113,156</u>
<u>Mullinville (USD 424)</u>	<u>\$118,239</u>

The motion carried on a voice vote.

It was moved by Senator Doyen and seconded by Senator Gaines that SB 497 as

amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 11:05 p.m.

**SENATE
STATE GENERAL FUND PROFILE**

(In Millions)

	FY 1992	FY 1993	FY 1994	FY 1995
Beginning Balance	\$ 162.2	\$ 119.5	\$ 262.5	\$ 168.2
Lapsed Encumbrances	2.9	--	--	--
Receipts				
Consensus (April 92) w/4% projections	2,443.7	2,547.1	2,649.0	2,755.0
Tax Accelerations (H.B. 2111 as rec. by SAT)	9.4	13.6	--	--
Transfers	2.2	4.2	--	--
Taxes, H.B. 2892	--	349.0	370.7	387.2
Disp. Share Transfer	--	--	--	--
Military Pensions*	--	(8.5)	(8.5)	(8.5)
H.B. 2112 Food Sales Tax Refunds Increased	--	(5.1)	(6.3)	(6.3)
Fire Marshal Receipts	--	(2.0)	(2.0)	(2.0)
Insurance Department Receipts	--	(3.9)	(3.9)	(3.9)
Total Receipts	2,455.3	2,894.4	2,999.0	3,121.5
Expenditures				
General School Aid	780.6	973.0	1,289.6	1,319.6
Special Ed. Aid (80% for FY 93, projected at 4%)	121.3	132.5	137.8	143.3
Debt Service Aid (H.B. 2835, As Passed Senate)	--	16.5	16.5	16.5
Additional KPERS-School	--	2.9	2.9	2.9
Disproportionate Share (Short- fall for FY 1993 Program)	--	--	20.0	40.0
All Other Expenditures Current Status (Senate)** % Change	1,599.0	1,626.5 1.7%	1,626.5 0%	1,626.5 0%
Total Expenditures % Change	2,500.9	2,751.4 10.0%	3,093.3 12.4%	3,148.8 1.8%
Ending Balance	119.5	262.5	168.2	140.9
Balance as % of Expenditures	4.8%	9.5%	5.4%	4.5%
Receipts in Excess of Expenditures	(42.7)	143.0	(94.3)	(27.3)

* Assumes no growth and no retrospective liabilities.

** May 5, 1992, status including \$21.2 million for employee salaries per S.B. 791 as passed Senate.

Kansas Legislative Research Department
May 6, 1992

SWAM

*May 6, 1992
Attachment 1*

**SENATE
STATE GENERAL FUND PROFILE**

(In Millions)

	FY 1992	FY 1993	FY 1994	FY 1995
Beginning Balance	\$ 162.2	\$ 119.5	\$ 262.5	\$ 103.1
Lapsed Encumbrances	2.9	--	--	--
Receipts				
Consensus (April 92) w/4% projections	2,443.7	2,547.1	2,649.0	2,755.0
Tax Accelerations (H.B. 2111 as rec. by SAT)	9.4	13.6	--	--
Transfers	2.2	4.2	--	--
Taxes, H.B. 2892	--	349.0	370.7	387.2
Disp. Share Transfer	--	--	--	--
Military Pensions*	--	(8.5)	(8.5)	(8.5)
H.B. 2112 Food Sales Tax Refunds Increased	--	(5.1)	(6.3)	(6.3)
Fire Marshal Receipts	--	(2.0)	(2.0)	(2.0)
Insurance Department Receipts	--	(3.9)	(3.9)	(3.9)
Total Receipts	2,455.3	2,894.4	2,999.0	3,121.5
Expenditures				
General School Aid	780.6	973.0	1,289.6	1,319.6
Special Ed. Aid (80% for FY 93, projected at 4%)	121.3	132.5	137.8	143.3
Debt Service Aid (H.B. 2835, As Passed Senate)	--	16.5	16.5	16.5
Additional KPERS-School Disproportionate Share (Short- fall for FY 1993 Program)	--	2.9	2.9	2.9
--	--	--	20.0	40.0
All Other Expenditures Current Status (Senate)** % Change	1,599.0	1,626.5 1.7%	1,691.6 4.0%	1,759.3 4.0%
Total Expenditures % Change	2,500.9	2,751.4 10.0%	3,158.4 14.8%	3,281.6 3.9%
Ending Balance	119.5	262.5	103.1	(57.0)
Balance as % of Expenditures	4.8%	9.5%	3.3%	--
Receipts in Excess of Expenditures	(42.7)	143.0	(159.4)	(160.1)

* Assumes no growth and no retrospective liabilities.

** May 5, 1992, status including \$21.2 million for employee salaries per S.B. 791 as passed Senate.

Kansas Legislative Research Department
May 6, 1992

State General Fund Summary

	FY 1992 Gov Rec	FY 1992 Legis	FY 1993 Gov Rec	FY 1993 House	FY 1993 Senate	FY 1994 Gov Rec
Beginning Balance:	\$162.2	\$162.2	\$128.2	\$126.2	\$126.2	\$95.3
Lapsed Encumbrances	2.9	2.9				
Revenue:						
Consensus Revenue Estimates	2,443.7	2,443.7	2,547.1	2,547.1	2,547.1	2,649.0
Governor's Adjustments			3.9	3.9	3.9	4.2
Accelerators	9.4	9.4	13.6	13.6	13.6	
Military Retirement			(8.5)	(8.5)	(8.5)	(8.5)
School Finance			349.1	349.1	349.1	363.1
Legislative Adjustments	2.2	2.2	(5.2)	(5.2)	(5.2)	(5.4)
Subtotal Revenue	\$2,455.3	\$2,455.3	\$2,900.0	\$2,900.0	\$2,900.0	\$3,002.3
Expenditures:						
Governor's Rec	2,494.6	2,494.6	2,523.6	2,523.6	2,523.6	2,599.3
GBA #1			0.3	0.3	0.3	0.4
GBA #2			0.1	0.1	0.1	0.1
GBA #3	(2.4)	(2.4)	5.9	5.9	5.9	6.1
State Employee Pay Bill				41.6	21.2	
School Cap Imp Aid				26.5	16.5	
KPERS Payment			3.0	3.0	3.0	3.1
School Finance & KSDE			196.1	245.2	201.7	317.5
Legislative Adjustments		0.2		44.3	(40.0)	
Omnibus Adjustments		1.8		(12.5)	17.3	
Subtotal Expenditures	\$2,492.2	\$2,494.2	\$2,729.0	\$2,878.0	\$2,749.6	\$2,926.4
Ending Balance	\$128.2	\$126.2	\$299.3	\$148.3	\$276.7	\$171.2
School Finance Adjustment			(192.9)	(192.9)	(192.9)	(93.2)
Special Educ Adjustment			(11.1)	33.1	(11.1)	(11.4)
Effective Ending Balance	\$128.2	\$126.2	\$95.3	(\$11.5)	\$72.7	\$66.6
Effective Shortfall			(\$4.7)	(\$111.5)	(\$27.3)	(\$33.4)

As % of Expenditures 5.1% 5.1% 11.0% 5.2% 10.1% 5.9%

Notes:

The Senate and House versions reflect the conference committee agreements and their respective versions of remaining issues.

Revenue Accelerators are assumed as in the current version of the bill.

The school finance adjustment is the amount of carry forward required for the next year funding.

The special education adjustment is an adjustment to reflect 80 percent funding for all parties.

The effective shortfall assumes passage of SB 589 reducing SGF balance requirements to \$100.0 million.

SWAM
 May 6, 1992
 Attachment 2
 Division of the Budget

Department of Education SGF and EDIF Aid and Other Assistance

30701 - May 92
Attachment 3

Program	DOE FY 1992	Governor FY 1992	House and Senate FY 1992	DOE FY 1993	Governor FY 1993	Senate FY 1993	House FY 1993	Diff. House-Senate FY 1993
STATE GENERAL FUND								
General State Aid	\$526,977,000	\$526,977,000	\$526,977,000	\$699,595,000	\$899,187,074	-- *	\$972,973,000	\$972,973,000
Income Tax Rebate	204,267,000	204,267,000	204,267,000	222,000,000	0	-- *	0	0
Fort Leavenworth	1,608,193	1,608,193	1,608,193	1,921,422	0	-- *	0	0
Transportation Aid	44,550,000	44,550,000	44,550,000	54,620,511	0	-- *	0	0
Special Education Aid	121,275,000	121,275,000	121,275,000	157,306,352	0	-- *	165,585,634	165,585,634
School Food Assistance	2,485,381	2,485,381	2,485,381	2,510,486	2,510,486	2,510,486	2,510,486	0
Bilingual Education Aid	544,500	544,500	544,500	690,000	0	-- *	0	0
Inservice Education Aid	990,000	990,000	990,000	3,000,000	0	2,500,000	2,000,000	(500,000)
Educable Deaf/Blind Aid	99,000	99,000	99,000	100,000	0	100,000	100,000	0
At Risk/Innov. Program	1,386,000	1,386,000	1,386,000	3,000,000	1,250,000 c	1,500,000	0	(1,500,000)
AVTS - Categorical Aid	7,923,773	7,923,773	7,923,773	8,981,376	0	-- *	0	0
AVTS - Postsecondary Aid	13,617,450	13,617,450	13,617,450	17,405,926	22,024,127	-- *	22,024,127	22,024,127
Comm. College Credit Hr. Aid	34,502,349 a	32,833,481	34,333,481	39,665,013	32,833,841	35,111,652	35,111,652	0
Comm. College Out-Dist. Aid	10,591,970 b	9,953,183	10,453,183	11,233,920	9,953,183	10,610,737	10,610,737	0
Comm. College General Aid	810,405	810,405	810,405	3,391,737	2,554,302	1,698,562	3,391,737	1,693,175
Adult Basic Education	495,000	495,000	495,000	720,000	720,000	720,000	720,000	0
Parent Education	990,000	990,000	990,000	3,000,000	2,000,000	2,500,000	2,000,000	(500,000)
TOTAL	\$973,113,021	\$970,805,366	\$972,805,366	\$1,229,141,743	\$973,033,013	\$57,251,437	\$1,217,027,373	\$1,159,775,936
ECONOMIC DEVELOPMENT INITIATIVES FUND								
At Risk/Innov. Program	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$1,500,000	\$1,250,000	(\$250,000)
AVTS - Postsecondary Aid	500,000	500,000	500,000	500,000	500,000	0	500,000	500,000
AVTS - Capital Outlay	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0
Technology Grants	500,000	500,000	500,000	500,000	500,000	500,000	500,000	0
Cultural Heritage Center	25,000	25,000	25,000	25,000	0	25,000	25,000	0
Ag. in Classroom	29,000	29,000	29,000	29,000	0	25,000	25,000	0
TOTAL	\$3,054,000	\$3,054,000	\$3,054,000	\$3,054,000	\$2,000,000	\$3,050,000	\$3,300,000	\$250,000
GRAND TOTAL SGF AND EDIF	\$976,167,021	\$973,859,366	\$975,859,366	\$1,232,195,743	\$975,033,013	\$60,301,437	\$1,220,327,373	\$1,160,025,936

a Includes supplemental appropriation request of \$1,668,868.

b Includes supplemental appropriation request of \$638,787.

ending for innovative programs only.

ending to be determined later in Session.

Department of Education State Operations — All Funds

OBJECT CODE AND EXPENDITURE	Actual FY 1991	DOE FY 1992	Governor FY 1992	House and Senate FY 1992	DOE FY 1993	Governor FY 1993	Senate FY 1993	House FY 1993	Difference House - Senate FY 1993
100 TOTAL SALARIES AND WAGES	\$7,771,101	\$8,348,149	\$8,193,696	\$8,309,621	\$8,583,889	\$8,353,758	\$8,285,568	\$8,490,620	\$205,052
200 COMMUNICATION	443,906	521,529	473,737	495,213	519,270	490,951	506,078	506,078	0
210 FREIGHT AND EXPRESS	3,016	1,500	1,500	1,500	1,500	1,500	1,500	1,500	0
220 PRINTING & ADVERTISING	53,852	59,850	59,850	59,850	71,188	71,188	71,188	71,188	0
230 RENTS	238,774	319,444	319,444	319,444	316,466	316,466	316,466	316,466	0
240 REPAIRING AND SERVICES	86,381	79,050	79,050	79,050	117,718	98,323	101,878	117,718	15,840
250 TRAVEL AND SUBSISTENCE	637,847	782,738	718,719	759,264	801,642	733,302	780,631	780,631	0
260 FEES-OTHER SERVICES	269,603	546,233	546,233	546,233	225,086	225,086	225,086	225,086	0
270 FEES-PROFESSIONAL SERVICES	1,685,979	1,960,956	1,960,956	1,960,956	2,511,367	2,326,067	2,541,367	2,541,367	0
280 UTILITIES	60,405	78,825	78,825	78,825	75,784	75,784	75,784	75,784	0
290 OTHER CONTRACTUAL	119,836	126,832	126,832	126,832	143,198	143,198	143,198	143,198	0
320 FOOD	113,670	0	0	0	0	0	0	0	0
330 FUEL	3,932	0	0	0	0	0	0	0	0
340 MAINTENANCE MATERIALS	3,943	11,250	11,250	11,250	4,850	4,850	4,850	4,850	0
350 VEHICLE PARTS & SUPPLIES	75	200	200	200	200	200	200	200	0
360 PROFESSIONAL & SCIENTIFIC SUPPLIES	63,930	33,350	33,350	33,350	32,350	32,350	32,350	32,350	0
370 STATIONERY & OFFICE SUPPLIES	155,270	152,189	152,189	177,189	174,768	155,173	155,173	174,768	19,595
380 SCIENTIFIC RESEARCH SUPPLIES	8,529	17,550	17,550	17,550	7,550	7,550	7,550	7,550	0
390 OTHER MATERIALS\PARTS	4,216	6,900	6,900	6,900	5,200	5,200	5,200	5,200	0
400 CAPITAL OUTLAY	355,253	146,882	146,882	146,882	169,434	122,214	150,214	180,214	30,000
TOTAL EXPENDITURES	\$12,079,518	\$13,193,427	\$12,927,163	\$13,130,109	\$13,761,460	\$13,163,160	\$13,404,281	\$13,674,768	\$270,487
FTE POSITIONS	192.0	194.0	194.0	194.0	195.0	192.0	193.0	193.0	0.0

Agency Request/Governor's RecommendationSenate AdjustmentsHouse Adjustments**Sec. 2 -- Department of Education**

For FY 1993, the State Board is requesting one new position, a federally-funded food service specialist to work in the child and adult care food program. The State Board is requesting funding from the State General Fund for the third year of the math and communications assessment program, hoping to expand the math and reading components to include a writing component. The total cost of the program in FY 1993 would be \$569,000.

No new state aid programs are proposed, although the State Board continues to advocate five-year plans for community colleges and area vocational schools that would increase the level of state funding for these schools. A large increase in general aid to school districts is proposed -- from \$526,977,000 in the current year to \$699,595,000 in FY 1993 -- an increase of \$172,618,000.

The State Board is requesting \$54,620,511 for school district transportation (compared to \$44,550,000 in FY 1992), which would fund the transportation formula at the 95.0 percent level. Special education excess cost funding, which is \$121,275,000 in the current year, is requested at \$157,306,352, which would fund 95.0 percent of excess costs.

For FY 1993, the Governor recommends expenditures of \$1,693,243,395, of which \$978,992,102 would be from the SGF. (This figure is based on the Governor's "current resources" recommendation. Under a proposal for a higher level of spending from the SGF for general aid to schools, \$217.0 million would be shifted from a state property tax levy to the SGF.) The Governor's recommendation for agency operating expenditures is \$13,163,160, a reduction of \$598,300 from the State Department's request. Of the reduction, \$242,175 is from the SGF and \$356,125 is from federal and other special

The Senate concurs with the Governor's recommendations, with the following exceptions:

State Operations Budget

1. Salaries.
 - a. Delete a total of \$205,052, of which \$102,075 is from the SGF, which was recommended by the Governor for step increases, longevity, and unclassified merit.
 - b. Restore \$33,798 in federal funds for an existing position the Governor deleted because it is vacant.

The House concurs with the recommendations of the Senate, with the following exceptions:

- a. Restore \$205,052, of which \$102,075 is from the State General Fund and \$102,977 is from federal funds, recommended by the Governor for step increases, longevity, and unclassified merit.
- b. Concur.

SWAM
May 6, 1992
Committee 4

Agency Request/Governor's Recommendation

revenue funds. The reductions are primarily in salaries (\$230,131), travel (\$68,340), communications (\$28,319), capital outlay (\$47,200), and support for campus-based vocational education student organizations (\$184,000).

The Governor adds 3.0 FTE new positions: a federally-funded Food Service Specialist, as requested by the Department at a salary of \$26,952 (excluding benefits), and two architect positions at a cost of \$52,776 for salaries (excluding benefits) who would be involved in implementing new responsibilities for school district capital improvements that are recommended by the Governor.

The net change to the Department's workforce is a reduction from 194.0 FTE to 192.0. Funding is included in the Governor's budget for the continued remodeling of the State Department's offices and for the requested expansion of the math and communications assessment program. The Governor recommends significant changes to certain state aid programs administered by the State Department, many of which would require statutory changes to implement. A major change recommended by the Governor is the consolidation of selected state aid programs into a single general fund appropriation for school districts and the imposition of a uniform statewide property tax levy for school district operations and a uniform statewide property tax levy for school district capital improvements. Two other assistance programs, the Cultural Heritage Center and the Kansas Foundation for Agriculture, are not funded under the Governor's FY 1993 recommendations. Total funding for community colleges is \$45.3 million, an increase of \$1.7 million (4.0 percent) over approved funding of \$43.6 million in the current year.

Senate Adjustments

necessary in order to meet a federal matching requirement.

- d. Restore \$96,452 in federal and other special revenue funds so that no shrinkage rate is applied to salaries that are not funded from the SGF. This recommendation continues the policy of the Senate to maximize the use of federal and other funds.
- e. Concur with the Governor's recommendation to add \$52,776, plus benefits, from the SGF for the salaries of two new positions, but allow the State Department to use the money to pay the salaries of other positions it considers necessary. The Governor added two new architect positions who would be necessary if the Governor's state capital improvement plan is implemented. She also deleted 3.0 FTE positions funded from the SGF that are currently vacant, which the State Department would like to retain. The Senate's recommendation would permit the State Department to keep the money the Governor added for the two new positions and use the money to continue to fund existing positions the Department would like to keep. The Senate leaves it to the State Department's discretion as to which of the deleted positions it wishes to restore. (The amount it would take to completely restore the three positions is \$72,366.)

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d. Concur.

e. Concur.

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	f. Delete the State Department's position limitation and control the number of employees through the appropriations process.	f. Concur.
	2. Communications. Add \$15,127 from the SGF, for a total of \$506,078 from all funds for communications in FY 1993. The total would be a 2.2 percent increase over the Senate's recommended communications expenditures in FY 1992.	2. Concur.
	3. Travel. Add \$30,000 from the SGF and \$17,329 from federal and other special revenue funds (for a total of \$47,329). The recommendation would make a total of \$780,631 from all funds available for travel in FY 1993, which would be a 2.8 percent increase over the Senate's FY 1992 recommendation.	3. Concur.
	4. Repairs and Servicing. Add \$3,555 from federal funds for repairs and servicing, for a total available from all funds of \$101,878. The recommendation reflects the Senate's policy of maximizing federal funds.	4. Add \$15,840 from the State General Fund for repairs and servicing of equipment, for a total of \$117,718.
	5. Fees for Professional Services. Add \$143,300 from the SGF and \$72,000 from federal vocational education funds. The effect of the Senate's recommendation would be to completely restore funding for campus-based student occupational organizations. In addition, the recommendation would make an additional \$51,300 available to the State Board for legal and other expenses associated with continued litigation against the State Board in the area of school finance.	5. Concur.
	6. Capital Outlay. Add \$26,220 from the SGF for interactive video equipment and add \$1,780 from the Certificate Fee Fund for	6. Add \$30,000 from the State General Fund for a copying machine.

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other capital equipment items. The effect of the Senate's recommendation would be to make a total of \$150,214 from all funds available for capital outlay in FY 1993.

- 7. Add \$19,595 from the State General Fund for office supplies, for a total of \$174,768.

State Aid Programs

- 1. **General State Aid.** Delete \$899,187,074 from the SGF, \$507,640,000 from the State School Property Tax Fund for operations, and \$32,628,000 from the State School Property Fund for capital improvements. These amounts represent the Governor's current resources recommendation for the following programs: general state aid, the income tax rebate, aid to the Fort Leavenworth School District, school district transportation, special education, educable deaf-blind and severely handicapped children aid, bilingual education, inservice education, area vocational school aid for secondary students, funding for at risk students, and capital improve-

- 1. Add \$972,973,000 from the State General Fund in general state aid to school districts. This amount is intended to fund the Conference version of Sen. Sub. for Sen. Sub. for H.B. 2892 and includes funding for (or replaces) the following programs that are currently individual appropriations: general state aid, the income tax rebate, aid to the Fort Leavenworth School District, school district transportation, bilingual education, area vocational school aid for secondary students, and funding for at risk students. The amount consists of an appropriation of \$623,934,000, plus demand transfers of

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- ments. In some cases, the Senate recommends that certain of these consolidated programs remain separate categorical aid programs, as noted in the recommendations that follow. In general, the Senate recommends that the money be deleted because it is not possible at this point in the Session to know how much money is required for elementary-secondary school funding or what changes will be made in the statutes that affect these programs.
2. **Special Education.** The Senate recommends that special education be continued as a separate categorical aid program and that the Legislature consider funding excess costs at the 90 percent level. However, the Senate recommends no specific appropriation at this time because, until other issues relating to school finance are resolved, it is not possible to know what level of funding would be necessary to implement the Senate's general statement of policy.
3. **Inservice Education.** Add \$2.5 million for inservice education and continue the appropriation as a separate categorical aid program. (The Governor combines this program with others in FY 1993.) The amount available for the program in FY 1992 is \$990,000.
4. **Educable Deaf-Blind and Severely Handicapped Children Aid.** Add \$100,000 and continue the appropriation as a separate categorical aid program. (The Governor combines this program with others in FY
- additional state revenues totaling \$349,039,000.
2. Add \$165,585,634 from the State General Fund to fund 100 percent of special education excess costs. In addition, attach a proviso to the special education line item providing that three school districts that will be entitled to spend less in general state aid to schools in FY 1993 than they are spending in the current year will receive the difference in FY 1993 as special education aid. The districts are the following:
- | | |
|--------------------------|-----------|
| Satanta (USD 507) -- | \$102,000 |
| Blue Valley (USD 229) -- | \$113,156 |
| Mullinville (USD 424) -- | \$118,239 |
3. Delete \$500,000 from the State General Fund for inservice education, for a total of \$2,000,000.
4. Concur.

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- 1993.) The amount available for the program in FY 1992 is \$99,000.
5. **At Risk and Innovative Program Assistance.** Add \$250,000 from the SGF and \$1.5 million from the Economic Development Initiatives Fund (EDIF) for at risk and innovative programs and continue the appropriation as a separate categorical aid program. Under the Governor's recommendation, separate funding for at risk programs would cease and only innovative programs would continue to be funded as a categorical aid program. (The Governor recommends \$1,250,000 for innovative programs.) The effect of the Senate's recommendation would be to continue the program as it is currently and make \$3.0 million available for grants in FY 1993, of which half would be from the SGF and half would be from the EDIF. The amount available for at risk and innovative programs in FY 1992 is \$2,386,000, of which \$1.0 million is from the EDIF.
 6. **Area Vocational School Aid.** The Senate recommends that area vocational school aid be continued as a separate categorical aid program. However, until other issues relating to school finance are resolved, the Senate makes no recommendation as to a specific level of funding at this time. (The Governor combines secondary vocational education aid with other programs in FY 1993.)
 7. **Postsecondary Area Vocational School Aid.** Delete \$22,024,127 from the SGF and \$500,000 from the EDIF, which is the Governor's recommended amount for postsecondary area vocational school aid. The Senate recommends that postsecondary aid remain a separate categorical aid program,
5. Delete \$1,500,000 from the State General Fund and \$250,000 from the EDIF for innovative programs. The effect of the House's recommendation is to make \$1,250,000 from the EDIF available for innovative programs only. (Funding for at risk students would be provided for in the general state aid appropriation.)
 6. The House-passed version of H.B. 2892 provides funding for secondary vocational education students as part of general state aid.

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as does the Governor, but makes no recommendation as to a specific level of funding at this time and recommends that the issue be resolved later in the Session when the broader issue of school finance in general is settled.

- 8. **Vocational Education Capital Outlay Aid.** The Senate concurs with the Governor's recommendation of \$1.0 million from the EDIF for vocational education capital outlay aid, but recommends that the proviso limiting expenditures to the acquisition of equipment be removed and that the State Board have the option of approving grants based on what the statutes say the money can be used for -- construction, building repairs, and equipment. Because many of the area school facilities were built in the 1960s and because the schools have limited access to funds for capital improvements, the Senate sees a need for the schools to have access to funds for emergency repair and construction projects approved by the State Board.
- 9. **Community College Aid Programs.** For the three community college aid programs combined, add \$2,079,625 from the SGF (for a total of \$47,420,951), which is an increase of 4.0 percent over the Senate's recommendation for FY 1992. The effect of the Senate's recommendation on each program is shown below:
 - a. Add \$2,277,811 for community college credit hour aid, for a total of \$35,111,652.
 - b. Add \$657,554 for community college out-district state aid, for a total of \$10,610,737.

8. Concur.

9. For the three community college aid programs combined add \$1,693,175 to the Senate's recommendation, for a total of \$49,114,126, which is an increase of 7.3 percent over the recommendation for FY 1992. The House's adjustments to the Senate for each program are shown below:

a. Concur.

b. Concur.

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- c. Delete \$855,740 for community college general state aid, for a total of \$1,698,562.
- 10. **Parent Education Program.** Add \$500,000 from the SGF for the parent education program, for a total of \$2.5 million. The Senate recommends that this appropriation continue as a separate categorical aid program, as does the Governor.
- 11. **Kansas Cultural Heritage Center.** Add \$25,000 from the EDIF for the Kansas Cultural Heritage Center. (The Governor does not fund this program in FY 1993.)
- 12. **Kansas Foundation for Agriculture.** Add \$25,000 from the EDIF for the Kansas Foundation for Agriculture. (The Governor does not fund this program in FY 1993.)

- c. Add \$1,693,175 from the State General Fund for community college general state aid, for a total of \$3,391,737.
- 10. Delete \$500,000 from the State General Fund for parent education programs, for a total of \$2,000,000, as recommended by the Governor.
- 11. Concur.
- 12. Concur.