

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:40 a.m. on February 11, 2003, in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2003 and FY 2004 were distributed to the committee.

Subcommittee reports on:

School for the Blind (Attachment 1)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notation for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with exceptions and notations for FY 2004.

Committee questions and discussion followed.

Senator Downey moved, with a second by Senator Schodorf, to amend the Senate Subcommittee Recommendations, Item No. 1, in FY 2004, to change the language in the second paragraph, first sentence, to delete the wording "held harmless as was the rest of education" and insert the wording "treated similar to general education" and in the last sentence, delete the wording "impeded upon" and insert the wording "not neglected" and change the word "Deaf" to "Blind". Motion carried on a voice vote.

Senator Feleciano moved, with a second by Senator Downey, to amend the subcommittee budget report for the School for the Blind in FY 2004 to remove Items Number 1 and 2 and consider these items at Omnibus. Motion carried on a voice vote.

Senator Salmans moved, with a second by Senator Schodorf, to amend the subcommittee budget report to request a Governor's Budget Amendment regarding Item Number 3 in FY 2004 to restore the 1.0 FTE position that the agency erroneously submitted as part of their reduced resources package. Motion carried on a voice vote.

Senator Salmans moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the School for the Blind as amended. Motion carried on a voice vote.

CONTINUATION SHEET

School for the Deaf (Attachment 2)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with adjustments and notations for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with exceptions and notations for FY 2004.

Committee questions and discussion followed.

Senator Schodorf moved, with a second by Senator Feleciano, to amend the Senate Subcommittee Recommendations, School for the Deaf, Item No. 1, in FY 2004, to change the language in the second paragraph, first sentence, to delete the wording "held harmless as was the rest of education" and insert the wording "treated similar to general education" and in FY 2004 remove Item Number 1 and consider this item at Omnibus. Motion carried on a voice vote.

Senator Salmans moved, with a second by Senator Schodorf, to amend the subcommittee budget report to request a Governor's Budget Amendment regarding Item Number 1 in FY 2003 and Item Number 2 in FY 2004 to restore the 12.3 FTE positions that the agency erroneously submitted as Non FTE positions in its budget submission. Motion carried on a voice vote.

Senator Salmans moved, with a second by Senator Adkins, to adopt the subcommittee budget report on the School for the Deaf as amended. Motion carried on a voice vote.

State Historical Society (Attachment 3)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with comment for FY 2004.

Senator Salmans moved, with a second by Senator Schodorf, to adopt the subcommittee budget report on the State Historical Society. Motion carried on a voice vote.

Kansas Arts Commission (Attachment 4)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notations for FY 2004.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Kansas Arts Commission. Motion carried on a voice vote.

Kansas State Library (Attachment 5)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2004.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Kansas State Library. Motion carried on a voice vote.

The meeting adjourned at 11:25 a.m. The next meeting is scheduled for February 12, 2003.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 11, 2003

NAME	REPRESENTING
Rhoda Smith	TILRC (Interpreter)
Cindi Senter	Ks. School for Deaf
Julie Thomas	DOB
Elaine Frisbre	DOB
Twila Drybread	DOB
Kenneth Milner	KSDAA
Terry D. Hostin	KEF-DCC
Robert Maile	Ks Sch for the Deaf
Mary Allman	Kansas State Historical Society
David A. Haug	KSHS
Denise Axt	Assoc. Arts
Bill Daugherty	KS Sch Blind
Kathy Jukka	Leavenworth-Lansing Leadership
Carolyn Miner	"
MICHAEL BOEDER	"
MIKE WOLF	"
Leanna Hebigler	EMS
Kara Lou	Intern - Senator Downey
Rick Dodson	Leavenworth-Lansing Leadership Class
Donnie Heim	State Library
JERRY JO DECKERT	GRANT CO. EMS - ULYSSES, KS
Randy L. Cardwell	Greely Co. EMS - Tribune, KS
Marion Cote	Kansas Humanities
JASON GALLAGHER / EMILY WEBB	INDEPENDENT

2003 OTHER EDUCATION
SENATE SUBCOMMITTEE

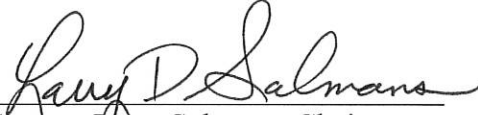
School for the Blind

School for the Deaf

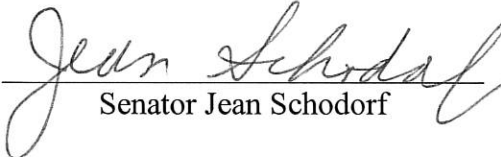
Historical Society

Kansas Arts Commission

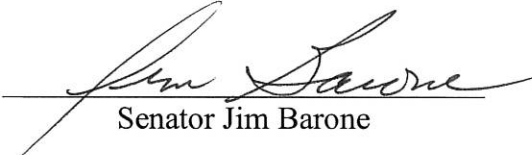
State Library



Senator Larry Salmans, Chairperson



Senator Jean Schodorf



Senator Jim Barone

Senate Ways and Means
2-11-03
Attachment 1

Senate Subcommittee Report

Agency: School for the Blind

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No.

Budget Page No. 83

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,821,782	\$ 4,821,782	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 4,821,782</u>	<u>\$ 4,821,782</u>	<u>\$ 0</u>
Capital Improvements	59,435	146,558	0
TOTAL	<u><u>\$ 4,881,217</u></u>	<u><u>\$ 4,968,340</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 4,377,205	\$ 4,377,205	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 4,377,205</u>	<u>\$ 4,377,205</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,377,205</u></u>	<u><u>\$ 4,377,205</u></u>	<u><u>\$ 0</u></u>
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>93.5</u></u>	<u><u>93.5</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The School requests \$4,881,217 for FY 2003 expenditures, including expenditures of \$4,377,205 from the State General Fund. The School also requests \$59,435 for capital improvements, all from the State Institutions Building Fund. The operating expenditures include: salaries and wages, \$3,776,055; contractual services, \$738,838; commodities, \$194,109; capital outlay, \$112,780.

The Governor concurs with the School's estimate and adds an additional \$87,123 for capital improvements from the State Institutions Building Fund. This amount was reappropriated from the FY 2002 State Institutions Building Fund. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$36,891, but was exempted from the November 2002 allotments.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor with the following notation:

1. The Subcommittee recommends that the LCC conduct an interim study to determine the structure and funding method that would best serve the needs of this agency now and in the future. The Subcommittee is concerned that the current salary plan for teachers places those valuable faculty at a disadvantage, when compared to what the surrounding school districts pay their teachers. The inadequate teacher pay results in turnover and the loss of experienced faculty to neighboring schools, which ultimately impacts the quality of education that the students of this fine institution receive.

Senate Subcommittee Report

Agency: School for the Blind

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No.

Budget Page No. 83

<u>Expenditure Summary</u>	<u>Agency Req. FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 5,410,744	\$ 4,628,167	\$ 219,318
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,410,744</u>	<u>\$ 4,628,167</u>	<u>\$ 219,318</u>
Capital Improvements	123,241	123,241	0
TOTAL	<u><u>\$ 5,533,985</u></u>	<u><u>\$ 4,751,408</u></u>	<u><u>\$ 219,318</u></u>
State General Fund:			
State Operations	\$ 5,026,315	\$ 4,223,738	\$ 219,318
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,026,315</u>	<u>\$ 4,223,738</u>	<u>\$ 219,318</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 5,026,315</u></u>	<u><u>\$ 4,223,738</u></u>	<u><u>\$ 219,318</u></u>
FTE Positions	93.5	89.5	4.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>93.5</u></u>	<u><u>89.5</u></u>	<u><u>4.0</u></u>

Agency Req./Governor's Recommendation

The School for the Blind requests \$5,533,985 for FY 2004 expenditures, of which \$5,026,315 is from the State General Fund. Requested enhancements consist of funding for 7.5 FTE teachers and assistants, \$288,532; funding for 2.0 FTE positions for dorm instructors, \$63,412; funding for 2.0 FTE positions for security officers and 1.0 FTE position for a maintenance employee, \$84,797; Restoration of one week of summer school, \$54,047; equity pay increases for teaching staff, \$87,545. In addition, the School requests capital improvement projects totaling \$123,241 from the State Institutions Building Fund.

The Governor recommends expenditures of \$4,751,408 for FY 2004, of which \$4,223,738 is from the State General Fund. The Governor does not recommend the inclusion of the agency's enhancement packages, but does include the 5.0 percent reduced resources package. The reduced resources package includes: Layoff of 2.0 FTE dorm instructors, (\$53,952); Layoff two part-time outreach teachers, (\$57,272); Reduce summer school be an additional week, (\$54,047); Furlough

non-teaching staff for three days, (\$20,836); Reduce all teaching contracts by two days, (\$18,137); Increase fees to USDs, (\$20,000). The Governor recommends capital improvement projects totaling \$123,241 from the State Institutions Building Fund. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$889,173.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with Governor's recommendations with the following exceptions and notations:

1. Restore part of the \$224,244 (5.0 percent) reduced resources package that the Governor deleted. The Senate Subcommittee recommends restoring:
 - a. Two part-time outreach teachers scheduled for layoff, \$57,272;
 - b. 2.0 FTE positions of dorm instructors scheduled for layoff, \$53,952;
 - c. Restore one week of summer school scheduled to be cancelled, \$54,047.

The Subcommittee feels that the School for the Blind should be held harmless as was the rest of education in the Governor's recommendation. The above recommendations are intended to ensure that the education of the students of the School for the Deaf is not impeded upon.

2. In addition to the restoration contained in item 1c above, restore an additional week of summer school at the cost of an additional \$54,047 State General Fund. The recommendation would bring summer school back to the original four week program. The Subcommittee felt it was vital to restore the additional week as children across the state find it an essential means of learning the Skills of Blindness such as Braille and cane usage. The majority of students who attend summer school do not attend the School during the year.
3. The Subcommittee recommends restoring 1.0 FTE position that the agency erroneously submitted as part of their reduced resources package. The Governor deleted this position in her recommendation. The Subcommittee at the request of the agency restores this FTE position. There is no funding associated with this adjustment.
4. The Subcommittee recommends that the LCC conduct an interim study to determine the structure and funding method for this agency in the future. The Subcommittee is concerned that the current salary plan for teachers places those valuable faculty at a disadvantage, when compared to what the surrounding school districts pay their teachers. The inadequate teacher pay results in turnover and the loss of experienced faculty to neighboring schools, which ultimately impacts the quality of education that the students of this fine institution receive.

Senate Subcommittee Report

Agency: School for the Deaf

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No.

Budget Page No. 135

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,713,549	\$ 7,713,549	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 7,713,549</u>	<u>\$ 7,713,549</u>	<u>\$ 0</u>
Capital Improvements	1,100,662	1,100,662	0
TOTAL	<u><u>\$ 8,814,211</u></u>	<u><u>\$ 8,814,211</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 7,089,885	\$ 7,089,885	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 7,089,885</u>	<u>\$ 7,089,885</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,089,885</u></u>	<u><u>\$ 7,089,885</u></u>	<u><u>\$ 0</u></u>
FTE Positions	161.2	161.2	12.3
Non FTE Uncl. Perm. Pos.	12.3	12.3	(12.3)
TOTAL	<u><u>173.5</u></u>	<u><u>173.5</u></u>	<u><u>0.0</u></u>

Agency Est./Governor's Recommendation

The School for the Deaf estimates FY 2003 operating expenditures at \$7,713,549, of which \$7,089,885 is from the State General Fund. The estimate includes: salaries and wages, \$6,147,821; contractual services, \$1,051,979; commodities, \$411,649; capital outlay, \$102,100. Capital Improvements in the amount of \$1,100,662 are requested from the State Institutions Building Fund.

The Governor concurs with the agency's estimate for FY 2003. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$55,815, but was exempted from the November 2002 allotment.

*Senate Ways and Means
2-11-03
Attachment 2*

Senate Subcommittee Recommendations

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

1. Restore 12.3 FTE positions that the agency erroneously submitted as Non FTE positions in its budget submission. The Governor also reflected the positions in this manner in her recommendation. The Subcommittee at the request of the agency restores these to FTE positions. There is no funding associated with this adjustment.
2. The Subcommittee recommends that the LCC conduct an interim study to determine the structure and funding method for this agency in the future. The Subcommittee is concerned that the current salary plan for teachers places those valuable faculty at a disadvantage, when compared to what the surrounding school districts pay their teachers. The inadequate teacher pay results in turnover and the loss of experienced faculty to neighboring schools, which ultimately impacts the quality of education that the students of this fine institution receive.

Senate Subcommittee Report

Agency: School for the Deaf

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No.

Budget Page No. 135

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,939,116	\$ 7,158,443	\$ 362,735
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,939,116	\$ 7,158,443	\$ 362,735
Capital Improvements	662,923	564,944	0
TOTAL	\$ 8,602,039	\$ 7,723,387	\$ 362,735
State General Fund:			
State Operations	\$ 7,616,821	\$ 6,836,148	\$ 362,735
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 7,616,821	\$ 6,836,148	\$ 362,735
Capital Improvements	0	0	0
TOTAL	\$ 7,616,821	\$ 7,616,148	\$ 362,735
FTE Positions	166.2	157.2	16.3
Non FTE Uncl. Perm. Pos.	12.3	12.3	(12.3)
TOTAL	178.5	169.5	4.0

Agency Req./Governor's Recommendation

The School requests \$7,939,116 for FY 2004 operating expenditures, of which \$7,616,821 is from the State General Fund, including \$427,938 for enhancements. Requested enhancements consist of decreased shrinkage, \$110,230; parity increases for teachers, \$157,708; and 5.0 FTE positions to begin a new program for multi-disable deaf students, \$160,000. In addition, the School requests capital improvement projects totaling \$662,923 from the State Institutions Building Fund.

The Governor recommends FY 2004 total expenditures of \$7,723,387, of which \$6,836,148 is from the State General Fund. The Governor does not recommend any of the enhancement requests, but does recommend the agency's reduced resources package which includes: cut the extended school year, (\$54,702); reduce vehicle replacement, (\$18,850); reduce auditory training equipment replacement, (\$30,000); reduce all other capital outlay replacement, (\$53,250); delete 4.0 fte positions, (\$110,000); reduce number of teaching contract days, (\$95,933). The Governor recommends \$564,944 for capital improvements, all from the State Institutions Building Fund. Under

the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,439,133.

The Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following exceptions and notations:

1. Restore the \$362,735 (5.0 percent) reduced resources package that the Governor deleted. This includes:
 - a. Restore extended school year, \$54,702;
 - b. Vehicle replacement, \$18,850;
 - c. Auditory Training Equipment Replacement, \$30,000;
 - d. All other capital outlay replacement, \$53,250;
 - e. Restore 4.0 FTE direct care positions, \$110,000;
 - f. Restore number of teaching contract days, \$95,933.

The Subcommittee feels that the School for the Deaf should be held harmless as was the rest of education in the Governor's recommendation. The above recommendations are intended to ensure that the education of the students of the School for the Deaf is not impacted by these proposed reductions.

2. Restore 12.3 FTE positions that the agency erroneously submitted as Non FTE positions in its budget submission. The Governor also reflected the positions in this manner in her recommendation. The Subcommittee at the request of the agency restores these to FTE positions. There is no funding associated with this adjustment.
3. The Subcommittee recommends that the LCC conduct an interim study to determine the structure and funding method for this agency in the future. The Subcommittee is concerned that the current salary plan for teachers places those valuable faculty at a disadvantage, when compared to what the surrounding school districts pay their teachers. The inadequate teacher pay results in turnover and the loss of experienced faculty to neighboring schools, which ultimately impacts the quality of education that the students of this fine institution receive.

Senate Subcommittee Report

Agency: Historical Society

Bill No.

Bill Sec.

Analyst: Rampey

Analysis Pg. No.

Budget Page No. 201

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 6,911,828	\$ 6,690,700	\$ 0
Aid to Local Units	1,475,700	1,460,985	0
Other Assistance	0	0	0
Subtotal--Operating	\$ 8,387,528	\$ 8,151,685	\$ 0
Capital Improvements	49,000	269,891	0
TOTAL	<u>\$ 8,436,528</u>	<u>\$ 8,421,576</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 5,566,789	\$ 5,345,661	\$ 0
Aid to Local Units	455,700	440,985	0
Other Assistance	0	0	0
Subtotal--Operating	\$ 6,022,489	\$ 5,786,646	\$ 0
Capital Improvements	49,000	47,089	0
TOTAL	<u>\$ 6,071,489</u>	<u>\$ 5,833,735</u>	<u>\$ 0</u>
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	3.5	3.5	0.0
TOTAL	<u>140.0</u>	<u>140.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The Historical Society estimates expenditures of \$8,436,528 in FY 2003, of which \$6,071,489 is from the State General Fund.

The Governor recommends expenditures of \$8,421,576, of which \$5,833,735 is from the State General Fund. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for the Historical Society by \$128,058 and the November 2002 allotment which reduced State General Fund expenditures by an additional \$237,754. The Governor's recommendation adds \$39,700 in federal grants from the National Parks Service which will be used for construction projects at the Native American Heritage Museum near Highland (\$19,200) and at the Grinter Place in Kansas City (\$20,500). The Governor also budgets \$183,202 in federal funding for ongoing renovation work at the William Allen White House, which was acquired by the state in 2001 and is being renovated entirely with federal funds.

*Senate Ways and means
2-11-03
Attachment 3*

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor.

Subcommittee Report

Agency: Historical Society

Bill No.

Bill Sec.

Analyst: Rampey

Analysis Pg. No.

Budget Page No. 201

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,250,655	\$ 6,681,732	\$ 0
Aid to Local Units	1,132,700	1,127,065	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal--Operating	\$ 8,383,355	\$ 7,808,797	\$ 0
Capital Improvements	1,058,922	46,550	0
TOTAL	<u>\$ 9,442,277</u>	<u>\$ 7,855,347</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 6,022,257	\$ 5,400,291	\$ 0
Aid to Local Units	112,700	107,065	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal--Operating	\$ 6,134,957	\$ 5,507,356	\$ 0
Capital Improvements	1,058,922	46,550	0
TOTAL	<u>\$ 7,193,879</u>	<u>\$ 5,553,906</u>	<u>\$ 0</u>
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	<u>3.5</u>	<u>3.5</u>	<u>0.0</u>
TOTAL	<u>140.0</u>	<u>140.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The Historical requests a total of \$9,442,277, of which \$7,193,879 is from the State General Fund. Capital improvements total \$1,058,922 and include the first year of a three-year plan to rehabilitate and interpret the historic sites.

The Governor recommends expenditures of \$7,855,347, of which \$5,553,906 is from the State General Fund. The total, excluding expenditures for capital improvements, is a reduction of \$342,888 from the Governor's recommendation for FY 2003. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,169,197.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor, with the following comment:

1. Like all state agencies, the Historical Society has had to deal with cutbacks and reductions in a time of severe fiscal constraint. The Subcommittee wishes to commend the staff of the Historical Society and its new Executive Director, Mary Allman, for their willingness to confront the situation with determination and innovation. An example is a project the Historical Society and the State Department of Education have proposed for several years whereby the two agencies would work to develop Kansas history teaching materials for teachers to use in their Kansas history classes. The project, which totals about \$1.4 million over a three-year period, has never been funded, but the Executive Director informed the Subcommittee that she has negotiated a contract with a publisher to publish a Kansas history textbook for middle-school children. The publisher will bear the cost of printing and promoting the book if the staff of the Historical Society will write the text and provide photographs, maps, and other resource material. The textbook should be available for use by the 2004-05 school year.

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No.

Budget Page No. 59

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 531,683	\$ 531,683	\$ 0
Aid to Local Units	1,583,264	1,521,200	0
Other Assistance	31,000	31,000	0
TOTAL	<u>\$ 2,145,947</u>	<u>\$ 2,083,883</u>	<u>\$ 0</u>
State General Funds:			
State Operations	\$ 332,002	\$ 332,002	\$ 0
Aid to Local Units	1,237,412	1,175,348	0
Other Assistance	15,500	15,500	0
TOTAL	<u>\$ 1,584,914</u>	<u>\$ 1,522,850</u>	<u>\$ 0</u>
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2003 is \$2,145,947, which is an increase of \$154,573 (7.8 percent) from the approved budget. The increase includes \$62,064 State General Fund, which is the agency's November allotment reduction and an increase in All Other Funds from a federal grant. The estimate includes: \$408,528 for salaries and wages, \$118,407 for contractual services, \$4,748 for commodities, \$1,583,264 for aid to local units, and \$31,000 for other assistance.

The Governor, after making the allotment adjustment, concurs with the agency request. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$34,372 and the November 2002 allotment which reduced State General Fund expenditures by an additional \$62,064.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No.

Budget Page No. 59

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 594,316	\$ 537,159	\$ 0
Aid to Local Units	1,571,270	1,427,141	0
Other Assistance	31,000	31,000	0
TOTAL	\$ 2,196,586	\$ 1,995,300	\$ 0
State General Fund:			
State Operations	\$ 389,159	\$ 332,002	\$ 0
Aid to Local Units	1,300,577	1,156,448	0
Other Assistance	15,500	15,500	0
TOTAL	\$ 1,705,236	\$ 1,503,950	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 \$2,196,586, which is an increase of \$50,639 (2.4 percent) from the FY 2003 estimate. The request includes: \$414,004 for salaries and wages, \$174,900 for contractual services, \$4,748 for commodities, \$1,571,270 for aid to local units, and \$31,000 for other assistance. The increase includes enhancement packages of \$120,322 State General Fund including \$63,165 to restore grant funding, \$7,157 to restore operations funding and \$50,000 for an economic impact study.

The Governor recommends for FY 2004 expenditures of \$1,995,330, which is a decrease of \$88,583 (4.3 percent) from the FY 2003 recommendation and a decrease of \$201,286 (9.2 percent) from the agency request. The recommendation includes: \$414,004 for salaries and wages, \$118,407 for contractual services, \$4,748 for commodities, \$1,427,141 for aid to local units and \$31,000 for other assistance. The recommendation does not include the enhancement requests but does include a reduced resources package of \$80,964 State General Fund for a reduction in aid to local units. Under the Governor's FY 2004 **statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$316,609.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following notations:

1. The Subcommittee would like to commend the Kansas Arts Commission for excellent work the Commission performs for the advancement of arts and cultural events throughout Kansas through its numerous grant opportunities and education programs.
2. The Subcommittee notes how additional funding would benefit the Kansas Arts Commission as outlined in the attached summary.

Kansas Arts Commission
Budget Request Summary for FY 2004

1) **WHAT IS NEEDED:** The Kansas Arts Commission (KAC) requests that \$146,155 be restored to the KAC budget for FY 2004. This includes:

- Restoring \$138,998 in grant program cuts made since the start of this fiscal year and included in the Governor's budget. Since local arts organizations raise over \$19 in private funds for every state dollar granted by the KAC, the proposed cuts of \$138,998 would result in a loss of over \$2,640,962 in private matching support for the arts community. This would restore level KAC grant funding with FY 2002 only.
- Restoring \$7,157 in cuts made this fiscal year to the KAC operating budget. This would restore the supplies and travel budget that are so necessary to a small agency. Of this amount requested, almost \$6,000 is in travel. The travel is important given the statewide mission of the KAC.

2) **WHAT PRECIPITATED THIS REQUEST?**

- As a result of budget cuts earlier this year, the total KAC '03 budget was down 8% or almost \$127,255 compared to last year (FY 02). Since more cuts are likely by the legislature, the KAC preemptively has withheld 15% of all grants issued in FY 03, pending budget resolution.
- This January, Governor Sebelius did recommend funding the Kansas Arts Commission next year at a level about \$20,000 below our current '03 budget. Remember, our current budget is about 8% below last year. So, compared to last year we would be about 9% down in FY 04. A three year comparison of state arts funding tells it all:
 - FY 02 --\$1,650,105
 - FY 03 --\$1,522,850 (Current Year)
 - FY 04 --\$1,503,950 (Proposed)
- Thus, if the Governor's budget were adopted, we would be down 9% or \$146,155 compared to FY 02.

3) WHY WOULD THE KANSAS LEGISLATURE WANT TO RESTORE ARTS FUNDING?

- 1. Nationally, half of the population participated in an arts event or arts education activity in the past year. Those that did participate were likely to attend multiple events. In fact, in FY 2002, over 4 million Kansas residents and tourists benefited from Kansas Arts Commission Grants.**
- 2. The state's investment in the arts of approximately 1.6 million in state general fund dollars has generated 20 million dollars of economic activity.**
- 3. In Lawrence, Kansas, alone, the non-profit arts community generates over \$33 million in economic activity, employs almost 1,200 full time equivalent persons and generates over \$1.5 million in state revenue...and the entire state appropriation to the arts is \$1.5 million!! These funds were generated based on KAC grants of \$138,900 to all of Douglas county including Lawrence.**
- 4. Nationally, Kansas ranks 42nd in per capita funding of the arts by appropriating 57 cents per capita. The national average is \$1.22.**
- 5. Kansas ranked fifth among six surrounding states in per capita funding. The higher states are South Dakota, Missouri, Nebraska, & Oklahoma.**
- 6. 87% of Kansans overwhelmingly approve of state support for the arts and they expressed an aggregate willingness to pay 19 million dollars more in increased taxes for a substantial increase in local arts activities.**
- 7. In Kansas, visiting arts & cultural attractions was the third most popular tourist activity, ahead of fourth ranked outdoor activities.**
- 8. Local arts organizations raise almost \$19 in local cash match for every \$1 granted by the Kansas Arts Commission. (The national average is \$8). Thus, the proposed cuts of \$138,998 would result in a loss of over \$2,640,962 in private matching support for the arts community.**
- 9. In FY 2002 Arts Commission grants triggered, in local communities around the state, over \$33 million in expenditures (Grants + match), involved over 30,000 artists, involved over 22,000 volunteers, and employed approximately 750 full-time and 2,722 part-time employees.**
- 10. The state of Kansas spends 36 cents on the arts for every \$1,000 of general fund dollars appropriated. The national average is 63 cents per \$1,000 appropriated.**

Senate Subcommittee Report

Agency: Kansas State Library **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** **Budget Page No. 319**

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,195,192	\$ 2,192,059	\$ 0
Aid to Local Units	4,181,543	3,982,415	0
Other Assistance	386,623	386,623	0
TOTAL	\$ 6,763,358	\$ 6,561,097	\$ 0
State General Fund:			
State Operations	\$ 1,442,397	\$ 1,439,260	\$ 0
Aid to Local Units	3,716,943	3,517,815	0
Other Assistance	5,775	5,775	0
TOTAL	\$ 5,165,115	\$ 4,962,850	\$ 0
All Other Funds			
State Operations	\$ 752,795	\$ 752,799	\$ 0
Aid to Local Units	464,600	464,600	0
Other Assistance	380,848	380,848	0
TOTAL	\$ 1,598,243	\$ 1,598,247	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2003 expenditures of \$6,763,358, is an increase of \$198,587 (3.0 percent) from the approved budget. The estimate does not include the November allotment State General Fund reduction of \$202,261. The estimate includes: \$1,128,867 for salaries and wages, \$935,542 for contractual services, \$130,783 for commodities, \$4,181,543 for aid to local units, \$386,623 for other assistance. State General Fund of \$5,165,115, is an increase of \$202,265 (4.1 percent) from the approved budget. All Other Funds of \$1,598,243 is a decrease of \$3,678 (0.2 percent) from the approved budget.

The Governor recommends for FY 2003 expenditures of \$6,561,097, which is a decrease of \$3,674 (0.1 percent) from the approved budget. The Governor's recommendation reflects the August 2002 allotment which reduced State General Fund expenditures for this agency by \$108,860, and the November 2002 allotments which reduced State General Fund expenditures by an additional \$202,261.

*Senate Ways and Means
2-11-03
Attachment 5*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Library

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No.

Budget Page No. 319

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcom- mittee Adjustments
All Funds:			
State Operations	\$ 2,303,502	\$ 2,146,152	\$ 0
Aid to Local Units	6,970,076	3,983,329	0
Other Assistance	386,623	386,623	0
TOTAL	\$ 9,660,201	\$ 6,516,104	\$ 0
State General Fund:			
State Operations	\$ 1,550,703	\$ 1,393,353	\$ 0
Aid to Local Units	6,505,476	3,518,729	0
Other Assistance	5,775	5,775	0
TOTAL	\$ 8,061,954	\$ 4,917,857	\$ 0
All Other Funds			
State Operations	\$ 752,799	\$ 752,799	\$ 0
Aid to Local Units	464,600	464,600	0
Other Assistance	380,848	380,848	0
TOTAL	\$ 1,598,247	\$ 1,598,247	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 expenditures of \$9,660,201, which is an increase of \$2,896,843 (42.8 percent) from the FY 2003 agency estimate. The request includes: \$1,148,746 for salaries and wages, \$936,425 for contractual services, \$218,331 for commodities, \$6,970,076 for aid to local units, and \$386,623 for other assistance. The request includes enhancement packages of \$2,879,533 State General Fund including \$2,659,025 in state aid to local libraries, \$91,000 for research and information services and \$129,508 to upgrade READS equipment.

The Governor recommends for FY 2004 expenditures of \$6,516,104, which is a decrease of \$44,993 (0.7 percent) from the FY 2003 recommendation. The recommendation includes: \$1,148,746 for salaries and wages, \$870,075 for contractual services, \$127,331 for commodities, \$3,983,329 for aid to local units, and \$386,623 for other assistance. The Governor does not

recommend the enhancement requests. The Governor recommends a reduced resources package of \$264,564 State General Fund including \$66,350 for operating expenditures and \$198,214 in aid to local libraries. Under the Governor's FY 2004 **Statutory budget recommendation**, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$1,035,298.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.