

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on March 10, 2004 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research  
J. G. Scott, Legislative Research  
Amy VanHouse, Legislative Research  
Michele Alishahi, Legislative Research  
Melissa Calderwood, Legislative Research  
Carolyn Rampey, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Analyst  
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See Attached List.

- Attachment 1 Budget Committee Report on State Treasurer
- Attachment 2 Budget Committee Report on Kansas State Fair
- Attachment 3 Budget Committee Report on Attorney General
- Attachment 4 Budget Committee Report on Kansas Commission on Veterans' Affairs
- Attachment 5 Budget Committee Report on Department of Education
- Attachment 6 Partial Copy of FY 2003 and FY 2004 Budget Committee Report on Department of Education
- Attachment 7 Chart on Total Kansas Unified School District (USD) Funding
- Attachment 8 Information on USD Revenue and Expenditures including KPERS

Representative Feuerborn moved to introduce legislation concerning the medical student loan act. The motion was seconded by Representative Shultz. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Treasurer for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 1). The motion was seconded by Representative Shriver. Motion carried.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the State Treasurer for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 1). The motion was seconded by Representative Howell. Motion carried.

The Budget Committee noted that the lack of some signatures on the Budget Committee report are due to the difficulty involved with the State Treasurer's budget and the method of financing the agency because they do not receive any State General Fund (SGF) funding.

The Committee expressed concerns with:

- The cost to the agency in redeeming unclaimed property.
- The surcharge and fees charged by the State Treasurer to other agencies for deposits and warrants.
- The amount of state dollars used for advertising regarding unclaimed property.
- The method used in advertising for unclaimed property and the Learning Quest program.

Representative Osborne, member of the Agriculture and Natural Resources Budget Committee, presented the

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 10, 2004 in Room 514-S of the Capitol.

Budget Committee report on the Governor's budget recommendation for the Kansas State Fair for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 2). The motion was seconded by Representative Schwartz. Motion carried.

Representative Osborne, member of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas State Fair for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 2). The motion was seconded by Representative Gatewood. Motion carried.

The Committee voiced concern that the match of \$300,000 from the SGF has not been made since the legislation authorizing bonding was put in place. The Budget Committee noted that the State Fair Board lost their appeal in the court case regarding the grandstand and compliance with ADA regulations. Because the judge expanded the order to include the entire fairgrounds, it will cost the State Fair approximately \$2.7 million to bring the fairgrounds into compliance with ADA regulations.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Attorney General for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 3). The motion was seconded by Representative Howell. Motion carried.

Representative Shriver, member of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Attorney General for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 3). The motion was seconded by Representative Pottorff.

Representative Howell explained the minority report attached to the Budget Committee report for FY 2005 which would reinstate the \$182,472 lapsed by the Governor in the Attorney General's budget and add \$200,000 to create a white collar crime unit within the Attorney General.

Representative Howell moved for a substitute motion to adopt the minority report and amend the Budget Committee report for the FY 2005 Attorney General budget. The motion was seconded by Representative Huebert. Motion carried.

Representative Shriver renewed the motion to accept the Budget Committee report on the Attorney General for FY 2005 as amended. The motion was seconded by Representative Howell. Motion carried.

The Committee noted that the adoption of the Budget Committee recommendation for the Attorney General for FY 2005 includes the introduction of three pieces of legislation. The Committee also noted that there are two additional full-time equivalency (FTE) positions associated with the white collar crime unit and will need to be addressed when the budget bill is worked or at Omnibus.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Commission on Veterans' Affairs for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 4). The motion was seconded by Representative Shriver. Motion carried.

Responding to a question from the Committee with reference to the Governor's Budget Amendment (GBA) included in the Budget Committee report, Amy VanHouse, Legislative Research Department, explained that in FY 2004, the GBA includes an increase of approximately \$600,000 SGF with a decrease of \$680,000 all other funds; for FY 2005, the GBA includes an increase of approximately \$637,000 SGF with a decrease of \$717,000 all other funds. The results for both years shows a decrease; however there is a shifting from all other funds to the State General Fund. For the FY 2005 portion, there would be an adjustment of \$250,000 which includes the transfers from the lottery scratch ticket, for a total addition for both years of approximately \$900,000 SGF.

Representative Pottorff, Chair of the General Government and Commerce Budget Committee, presented the

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on March 10, 2004 in Room 514-S of the Capitol.

Budget Committee report on the Governor's budget recommendation for the Kansas Commission on Veterans' Affairs for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 4). The motion was seconded by Representative Shriver. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Education for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 5). The motion was seconded by Representative McLeland. Motion carried.

Representative Shultz, Chair of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Education for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 5). The motion was seconded by Representative Pottorff.

Representative McLeland moved to introduce legislation allowing school districts to negotiate with employees for health care benefits with participation in the State's health care program. The motion was seconded by Representative Newton. Motion carried.


With permission from the Chair, Representative Huebert distributed copies of the FY 2003 and FY 2004 Budget Committee Report on the Department of Education (Attachment 6), an updated graph on Total Kansas Unified School District (USD) Funding (Attachment 7); and information on inflation relating to USD Revenue and Expenditures (Attachment 8).

Representative Huebert moved to amend the FY 2005 Budget Committee report on the Department of Education to include the updated graph on Total Kansas USD Funding, the graph on Per Pupil Expenditures Percent Change for 1989 through 2003 and the table showing Per Pupil Expenditures with CPI Percent Change and including KPERS for 1989 through 2003. The motion was seconded by Representative McLeland. Motion carried.

Representative Shultz renewed the motion to accept the Budget Committee report on the Department of Education for FY 2005 as amended. The motion was seconded by Representative Huebert. Motion carried.

Chairman Neufeld referred **SB 367** to the Social Services Budget Committee; **Sub SB 275** to the Public Safety Budget Committee; and **HB 2890** to the Social Services Budget Committee.

The meeting was adjourned at 10:30 a.m. The next meeting will be held at 9:00 a.m. on March 11, 2004.

  
Melvin Neufeld, Chairman

# HOUSE APPROPRIATIONS COMMITTEE

March 10, 2004

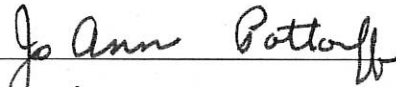
9:00 A.M.

NAME	REPRESENTING
ERIC RUCKER	ATTORNEY GENERAL
Peggy Hanna	Treasurer's Office
<del>Eric Rucker</del>	DOB
Elaine Frisbie	DOB
Vicki Lynn Haddad	Budget
Stephan Buchanan	DOB
Wayne Bolley	KCUA
Ray Van	KCUA
GEORGE WEBB	KCUA
Mark Tallman	KASIB
Heather Luce	Dummon & Associates
Jackie Aubert	SRS
Bob Hayes	HCSF
Ron Mitchell	KSDDE
Val DeFever	SQE
Doug Bowman	Coordinating Council on Early Childhood
DAVID OWEN	HOMELESS COME HOME

**FY 2004 and FY 2005**

**General Government and Commerce Budget Committee**

State Treasurer


  
\_\_\_\_\_  
Representative Jo Ann Pottorff, Chair

  
\_\_\_\_\_  
Representative Patricia Barbieri-Lightner

  
\_\_\_\_\_  
Representative Andrew Howell

\_\_\_\_\_  
Representative Annie Kuether

\_\_\_\_\_  
Representative Joe Shriver

  
\_\_\_\_\_  
Representative Tom Sloan

\_\_\_\_\_  
Representative Dan Thimesch

**HOUSE APPROPRIATIONS**

DATE 3-10-2004  
ATTACHMENT 1

## Senate Subcommittee Report

**Agency:** State Treasurer

**Bill No.** --

**Bill Sec.** --

**Analyst:** Calderwood

**Analysis Pg. No.** Vol. 1 - 446 **Budget Page No.** 419

Expenditure Summary	Agency Estimate FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
<b>Reportable Budget</b>			
<b>All Funds:</b>			
State Operations	\$ 2,770,649	\$ 2,770,649	\$ 0
Aid to Local Units	27,452,400	28,102,500	0
Other Assistance	8,500,000	9,000,000	0
TOTAL	<u>\$ 38,723,049</u>	<u>\$ 38,723,049</u>	<u>\$ 0</u>
<b>State General Fund:</b>			
State Operations	\$ 250,000	\$ 250,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 0</u>
<b>FTE Positions</b>			
Reportable Budget	37.6	37.6	0.0
Nonreportable Budget	17.9	17.9	0.0
Subtotal - FTE	55.5	55.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>

### Agency Estimate/ Governor's Recommendation

The agency's current year estimate of reportable expenditures is \$38,723,049, a net increase of \$2,720,420 from the approved budget. The estimate includes a \$250,000 repayment of State General Fund start-up moneys appropriated by the 2003 Legislature to address the change in agency financing. The approved budget did not include a separate nonreportable budget. The revised estimate includes a non-reportable budget of \$994,794 to reflect the change in agency financing. The estimate includes a shift of 17.9 FTE positions to the nonreportable budget. The increase from in aid to local units of government reflects the inclusion of \$2,356,800 in bond financing for Cabela's which was not factored into the approved amount. Other assistance for Unclaimed Property claims is decreased by \$700,000 from the approved amount.

The Governor concurs with the agency estimates for the reportable and nonreportable budgets.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation for FY 2004.

**Senate Committee Recommendation**

The Senate Committee concurs with the Senate Subcommittee's recommendation.

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**House Budget Committee Report**

**Agency:** State Treasurer

**Bill No. --**

**Bill Sec. --**

**Analyst:** Calderwood

**Analysis Pg. No.**

**Budget Page No. 419**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Reportable Budget			
All Funds:			
State Operations	\$ 2,770,649	\$ 2,770,649	\$ 0
Aid to Local Units	27,452,400	28,102,500	0
Other Assistance	8,500,000	9,000,000	0
TOTAL	<u>\$ 38,723,049</u>	<u>\$ 38,723,049</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 250,000	\$ 250,000	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 0</u>
FTE Positions			
Reportable Budget	37.6	37.6	0.0
Nonreportable Budget	17.9	17.9	0.0
Subtotal - FTE	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>

### **Agency Estimate/Governor's Recommendation**

The agency's current year estimate of reportable expenditures is \$38,723,049, a net increase of \$2,720,420 from the approved budget. The estimate includes a \$250,000 repayment of State General Fund start-up moneys appropriated by the 2003 Legislature to address the change in agency financing. The approved budget did not include a separate nonreportable budget. The revised estimate includes a non-reportable budget of \$994,794 to reflect the change in agency financing. The estimate includes a shift of 17.9 FTE positions to the nonreportable budget. The increase from in aid to local units of government reflects the inclusion of \$2,356,800 in bond financing for Cabela's which was not factored into the approved amount. Other assistance is decreased by \$700,000 from the approved amount.

The Governor concurs with the agency estimates for the reportable and nonreportable budgets.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation for FY 2004.



## Senate Subcommittee Report

**Agency:** State Treasurer

**Bill No.** SB 538

**Bill Sec.** 09

**Analyst:** Calderwood

**Analysis Pg. No.** Vol.1 - 446

**Budget Page No.** 419

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments*
<b>Reportable Budget</b>			
<b>All Funds:</b>			
State Operations	\$ 2,341,670	\$ 3,756,537	\$ (950,443)
Aid to Local Units	146,846,500	28,102,500	0
Other Assistance	9,000,000	9,000,000	0
<b>TOTAL</b>	<b>\$ 158,188,170</b>	<b>\$ 40,859,037</b>	<b>\$ (950,443)</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 0	\$ 500,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 500,000</b>
<b>FTE Positions</b>			
Reportable Budget	37.6	55.5	(17.9)
Nonreportable Budget	17.9	0.0	17.9
<b>Subtotal - FTE</b>	<b>55.5</b>	<b>55.5</b>	<b>0.0</b>
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>55.5</b>	<b>55.5</b>	<b>0.0</b>

\* Includes a reduction of \$62,452, including \$0 from the State General Fund for deletion of the Governor's recommended pay plan adjustments. In addition, reflects the shift of \$887,991 to the nonreportable budget.

### Agency Request/Governor's Recommendation

**The agency** requests a FY 2005 reportable operating budget of \$158,188,170, a net increase of \$119,465,121 or 308.5 percent from the revised current year estimate. The agency requests no State General Fund financing. The state operations request totals \$2,341,670, a decrease of \$428,979 from the revised current year estimate. The request includes the restoration of the Local Ad Valorem Tax Reduction Fund (LAVTRF) and City and County Revenue Sharing Fund (CCRSF) payments to local units of government, an increase of \$118,744,000 from the agency current year estimate. The request also includes an increase of \$500,000 in other assistance for Unclaimed Property claims.

**The Governor** recommends a FY 2005 reportable operating budget of \$40,859,037, a net increase of \$2,135,988 or 5.5 percent from the current year recommendation. The Governor recommends the elimination of the cash management and voucher processing fees charged to other state agencies enacted by the 2003 Legislature. The Governor recommends agency financing of

\$1,387,991 from the Unclaimed Property Fee Fund. The recommendation includes the elimination of both FY 2005 LAVTRF and CCRSF payments to local units of Government. The Governor does not recommend a nonreportable budget. The Governor shifts 17.9 FTE positions to the reportable budget.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would not be changed as the agency does not receive any State General Fund.

### **Senate Subcommittee Recommendation**

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

1. **Pay Plan Adjustment** - Delete \$62,452, including \$0 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee believes that any effort to fund this agency or any other agency entirely from a surcharge on unclaimed property claims paid is unrealistic. The state already retains interest from unclaimed property earned during the time the property is held by the state with the principal held in the State General Fund to enhance the cash position of the state. Although the agency administers the unclaimed property fund, it does not receive any interest earned from the fund to offset its administrative expenses.
3. The Subcommittee recommends that the Treasurer be allowed a portion of the State General Fund interest from the Unclaimed Property Fund in the amount of \$500,000, with the remaining \$887,991 to be funded from the current system of cash management and voucher processing fees to replace the Governor's recommended funding from a fee on unclaimed property claims. The recommendation has the effect of shifting \$887,991 and 17.9 FTE positions to the nonreportable budget.

The Subcommittee notes that the current charge per check for warrant issuance is approximately \$.28 per check. The Subcommittee reviewed the first six months of operations for the fee fund mechanism recommended by proviso by the 2003 Legislature and determined that the Department of Revenue, Department of Human Resources, and the Department of Social and Rehabilitation Services account for a large number of charges. It is the Subcommittee's intent to reduce the per check fee by approximately one-half with the inclusion of the interest funding. The Subcommittee further notes testimony provided by the Treasurer indicating that agencies with access to federal funds for administrative fees would only be able to draw down 50 percent on warrant issuance; agencies could draw down 100 percent for both bank fees and voucher processing fees.

4. The Subcommittee also notes, for consideration by the full committee, that the state of Texas charges a one to one and one-half percent fee on claims paid from the unclaimed property fund and the state of Ohio charges a five percent fee. The Subcommittee was given a preliminary estimate of \$168,120 that could be

garnered from a \$30 per claim handling fee, or \$96,538 could be gained with a one and one-half percent fee, thus saving State General Fund moneys.

<u>Fee Source(s)</u>	<u>Omnibus Bill-- FY 2004 Rec.</u>	<u>FY 2005 Gov. Rec.</u>	<u>Subcommittee Recommendation</u>
Unclaimed Property Claims Fee	\$ 0	\$ 1,387,991	\$ 0
Cash Management Fees:			
1) Banking Services -- estimate	\$ 340,000	\$ 0	\$ 420,000
2) Non-payroll warrants/direct deposits	979,303	0	479,303
Voucher Processing Fees	180,000	0	180,000
Interest, Unclaimed Property Fund	0	0	500,000
TOTAL	<u>\$ 1,493,000*</u>	<u>\$ 1,387,991</u>	<u>\$ 1,579,303</u>
Recommended Expenditures	\$ 1,475,545	\$ 1,387,991	\$ 1,387,991

\* The amounts for the fees are set at aggregate amounts.

### Senate Committee Recommendation

The Senate Committee amends Item No. 3 to replace the addition \$500,000 from the State General Fund interest from the Unclaimed Property Fund with \$500,000 from the funding mechanism of cash management and voucher processing fees prescribed in SB 442.

### House Budget Committee Report

Agency: State Treasurer

Bill No. HB 2900

Bill Sec. 09

Analyst: Calderwood

Analysis Pg. No. Vol. 1 1-446

Budget Page No. 419

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Reportable Budget			
All Funds:			
State Operations	\$ 2,341,670	\$ 3,756,537	\$ (1,387,991)
Aid to Local Units	146,846,500	28,102,500	0
Other Assistance	9,000,000	9,000,000	0
TOTAL	<u>\$ 158,188,170</u>	<u>\$ 40,859,037</u>	<u>\$ (1,387,991)</u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions			
Reportable Budget	37.6	55.5	(17.9)
Nonreportable Budget	17.9	0.0	17.9
Subtotal - FTE	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>55.5</u>	<u>55.5</u>	<u>0.0</u>

#### Agency Estimate/Governor's Recommendation

The agency requests a FY 2005 reportable operating budget of \$158,188,170, a net increase of \$199,465,121 or 308.5 percent from the revised current year estimate. The agency requests no State General Fund financing. The state operations request totals \$2,341,670, a decrease of \$428,979 from the revised current year estimate. The request includes the restoration of the Local Ad Valorem Tax Reduction Fund (LAVTRF) and City and County Revenue Sharing Fund (CCRSF) payments to local units of government, an increase of \$118,744,000 from the agency current year estimate. The request also includes an increase of \$500,000 in other assistance for Unclaimed Property claims.

The Governor recommends a FY 2005 reportable operating budget of \$40,859,037, a net increase of \$2,135,988 or 5.5 percent from the current year recommendation. The Governor recommends the elimination of the cash management and voucher processing fees charged to other state agencies enacted by the 2003 Legislature. The Governor recommends agency financing of \$1,387,991 from the Unclaimed Property Fee Fund. The recommendation includes the elimination of both FY 2005 LAVTRF and CCRSF payments to local units of Government. The Governor does

not recommend a nonreportable budget. The Governor shifts 17.9 FTE positions to the reportable budget.

### **House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation, with the following adjustments:

1. The Budget Committee recommends that the financing of \$1,387,991 from the Unclaimed Property Fee Fund in the Governor's recommendation be replaced with the financing method approved by the 2003 Legislature, as included in the FY 2004 approved budget. The Budget Committee recommends restoration of financing from the Services Reimbursement Fund through the collection of cash management and voucher processing fees. While the FY 2005 estimate for Unclaimed Property claims is \$9 million, the Budget Committee cites agency testimony that the Treasurer's office returns approximately \$6.5 million to individual owners. The agency noted that only two states currently charge a fee on claims, but do not charge their fees against assets passed to other states. In addition, the Committee expresses concern about the ability for the agency to apply a fee to tangible property, such as the return of unsold stock shares and property from safe deposit boxes. The agency testified that it has developed and implemented a sufficient tracking system to handle the billings to other state agencies for cash management and voucher processing fees.
2. The Budget Committee recommends that consideration be given to eliminating the statutory requirement of reporting the LAVTRF and CCRSF transfers in the agency's submitted budget. The Committee notes the large discrepancy between the agency budget and the Governor's recommendation due to the agency's inclusion of the transfer payments. The Committee cites the 2003 Legislature's elimination of both FY 2004 LAVTRF and CCRSF payments to local units of government and the Governor's FY 2005 recommendation to continue the elimination of both LAVTRF and CCRSF payments.

# AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

FY 2004 and FY 2005

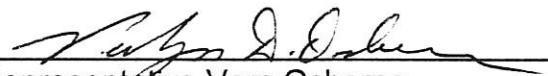
## ANIMAL HEALTH DEPARTMENT STATE FAIR

  
Representative Sharon Schwartz, Chair

  
Representative Vaughn Flora

  
Representative Doug Gatewood

  
Representative Carl Holmes

  
Representative Vern Osborne

  
Representative Larry Powell

  
Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 3-10-2004  
ATTACHMENT 2

## Senate Subcommittee Report

**Agency:** Kansas State Fair

**Bill No.** SB 536

**Bill Sec.** 48

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 39

**Budget Page No.** 161

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 538,103	\$ 538,103	\$ 0
All Other Funds	3,912,839	3,911,366	0
Subtotal - Operating	\$ 4,450,942	\$ 4,449,469	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	731,500	731,500	0
Subtotal - Capital Improvements	\$ 731,500	\$ 731,500	\$ 0
<b>TOTAL</b>	<b>\$ 5,182,442</b>	<b>\$ 5,180,969</b>	<b>\$ 0</b>
FTE Positions	23.0	23.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>23.0</b>	<b>23.0</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The Kansas State Fair estimates** \$4,450,942 for FY 2004 operating expenditures, which is a decrease of \$59,362 or 1.3 percent from the amount approved by the 2003 Legislature. The estimate includes \$538,103 from the State General Fund for the interest payment on the master plan capital improvements bonds, which is consistent with approved amount. The all other funds estimate is \$3,912,839, which is a decrease of \$59,362 from the amount approved by the 2003 Legislature. The estimate includes \$1,427,647 for salaries and wages, \$2,027,093 for contractual services, \$288,099 for commodities, \$100,000 for capital outlay, and \$608,103 for debt service interest.

**The Governor recommends** \$4,449,469 for FY 2004 operating expenditures, which is a decrease of \$60,835 or 1.3 percent from the amount approved by the 2003 Legislature. The recommendation includes \$538,103 from the State General Fund for the interest payment on the master plan capital improvements bonds, which is consistent with approved amount. The all other funds recommendation is \$3,911,366, which is a decrease of \$60,835 from the approved amount. The recommendation includes \$1,426,174 for salaries and wages, \$2,027,093 for contractual services, \$288,099 for commodities, \$100,000 for capital outlay, and \$608,103 for debt service interest. The difference of \$1,473 from the agency's estimate is attributed to an adjustment made in the agency's pay plan.

## Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

## Senate Committee Recommendation

The Senate Committee concurs with the subcommittee's recommendation.

## Senate Recommendation

The Senate has not yet considered this budget.

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## House Budget Committee Report

**Agency:** Kansas State Fair

**Bill No.** HB 2899

**Bill Sec.** 48

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 39

**Budget Page No.** 161

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Gov. Rec. FY 04</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 538,103	\$ 538,103	\$ 0
All Other Funds	<u>3,912,839</u>	<u>3,911,366</u>	<u>0</u>
Subtotal - Operating	\$ 4,450,942	\$ 4,449,469	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	<u>731,500</u>	<u>731,500</u>	<u>0</u>
Subtotal - Capital Improvements	\$ 731,500	\$ 731,500	\$ 0
<b>TOTAL</b>	<b><u>\$ 5,182,442</u></b>	<b><u>\$ 5,180,969</u></b>	<b><u>\$ 0</u></b>
FTE Positions	23.0	23.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>TOTAL</b>	<b><u>23.0</u></b>	<b><u>23.0</u></b>	<b><u>0.0</u></b>

## Agency Estimate/Governor's Recommendation

The Kansas State Fair estimates \$4,450,942 for FY 2004 operating expenditures, which is a decrease of \$59,362 or 1.3 percent from the amount approved by the 2003 Legislature. The estimate includes \$538,103 from the State General Fund for the interest payment on the master plan



capital improvements bonds, which is consistent with approved amount. The all other funds estimate is \$3,912,839, which is a decrease of \$59,362 from the amount approved by the 2003 Legislature. The estimate includes \$1,427,647 for salaries and wages, \$2,027,093 for contractual services, \$288,099 for commodities, \$100,000 for capital outlay, and \$608,103 for debt service interest.

**The Governor recommends** \$4,449,469 for FY 2004 operating expenditures, which is a decrease of \$60,835 or 1.3 percent from the amount approved by the 2003 Legislature. The recommendation includes \$538,103 from the State General Fund for the interest payment on the master plan capital improvements bonds, which is consistent with approved amount. The all other funds recommendation is \$3,911,366, which is a decrease of \$60,835 from the approved amount. The recommendation includes \$1,426,174 for salaries and wages, \$2,027,093 for contractual services, \$288,099 for commodities, \$100,000 for capital outlay, and \$608,103 for debt service interest. The difference of \$1,473 from the agency's estimate is attributed to an adjustment made in the agency's pay plan.

### **House Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendation.

## Senate Subcommittee Report

**Agency:** Kansas State Fair

**Bill No.** SB 538

**Bill Sec.** 62

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 39 **Budget Page No.** 161

Expenditure Summary	Agency Estimate FY 05	Gov. Rec. FY 05	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 655,133	\$ 655,133	\$ 0
All Other Funds	4,075,158	3,910,998	14,160
Subtotal - Operating	\$ 4,730,291	\$ 4,566,131	\$ 14,160
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	746,500	746,500	0
Subtotal - Capital Improvements	\$ 746,500	\$ 746,500	\$ 0
<b>TOTAL</b>	<b>\$ 5,476,791</b>	<b>\$ 5,312,631</b>	<b>\$ 14,160</b>
FTE Positions			
FTE Positions	23.0	23.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>23.0</b>	<b>23.0</b>	<b>0.0</b>

\* The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

**The Kansas State Fair requests** \$4,730,291 for FY 2005 operating expenditures, which is an increase of \$279,349 or 6.3 percent from the FY 2004 estimate. The request includes \$655,133 from the State General Fund for the interest payment on the master plan capital improvements bonds. The all other funds request is \$4,075,158, which is an increase of \$162,319 from the FY 2004 estimate. The request includes \$1,430,701 for salaries and wages, \$2,202,620 for contractual services, \$285,417 for commodities, \$101,420 for capital outlay, and \$710,133 for debt service interest. Included in the request is an enhancement package of \$150,000 from the Economic Development Initiatives Fund for advertising and premiums.

**The Governor recommends** \$4,566,131 for FY 2005 operating expenditures, which is an increase of \$116,662 or 2.6 percent from the FY 2004 recommendation. The recommendation includes \$655,133 from the State General Fund for the interest payment on the master plan capital improvements bonds, which is consistent with the agency's request. The all other funds recommendation is \$3,910,998, which is a decrease of \$368 from the FY 2004 recommendation. The recommendation includes \$1,469,587 for salaries and wages, \$2,028,110 for contractual services, \$262,851 for commodities, \$95,450 for capital outlay, and \$710,133 for debt service interest. The Governor's recommendation includes a 3.0 percent pay plan increase and reductions in other operating expenditures for recommendations made by the Budget Efficiency Savings Teams.

## Senate Subcommittee Recommendation

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

1. Delete \$38,886 from the State Fair Fee Fund to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. The Subcommittee recommends adding \$53,046 for reductions taken by the Governor for the BEST recommendations. The Kansas State Fair is functionally different from other state agencies, and feels it is unlikely to get a better price for the items targeted for the BEST reductions. For example, cell phone service was one area targeted by the reductions. The agency reports that they have a sponsorship with a cell phone provider who already offers the agency a significant savings for this line item. In addition, advertising was noted as an area for reduction. The agency reports that advertising is critical to the success of the Fair, and that reducing promotional efforts could, in fact, have a negative impact on the agency's revenues and its budget as a whole. The Fair also rents many pieces of equipment, many through local vendors, used only during the ten-day State Fair. Since it is only used during this short time period, it is inefficient to purchase these items. Overall, the agency utilizes sponsorships, partnerships, and local contracts for many necessary items for the operation of the Fair.

The Fair also expressed concern about the transfer occurring in July, just before the annual State Fair. The Fair tries to have a carryover balance of \$200,000 at the start of the fiscal year in order to have sufficient funds to get the State Fair started. For FY 2004 and FY 2005, the agency was only able to budget \$160,000 in carryover balances. With the BEST sweep of \$53,000, this results in a carryover balance of approximately \$100,000 to begin the 2004 Fair. In addition to budgeting a carryover balance, the agency is making every attempt to make the statutory revenue transfer of \$300,000 to the capital improvements fund in June. This is especially important since the transfer from the State General Fund is not budgeted for FY 2004 or FY 2005. The Subcommittee also noted that the agency requested an enhancement of \$150,000 from the Economic Development Initiatives Fund for advertising the Fair, which the state is unable to provide due to budget constraints.

The agency reports that it is willing to do its part as a state agency, but is concerned that, due to the uniqueness of their agency, they will be unable to compensate for the reductions with the efficiencies suggested by the BEST Teams.

3. The Subcommittee commends the Kansas State Fair on its outstanding performance during the 2003 Fair. The Subcommittee members have received many positive comments from the public on the Fair and the renovations on the fairgrounds. The agency reported that the master plan improvements are approximately 80 percent complete, and the Subcommittee members noted that they had noticed a considerable improvement in the appearance of the fairgrounds at the 2003 Fair.
4. The Subcommittee notes that the State Fair will be hosting the 2004 Great North American RV Rally June 21 to 24, 2004. This event is expected to attract over

5,000 campers. In FY 2003, the Fair hosted the Family Motor Coach Association (FMCA) convention, with a reported 4,716 motor coaches at the fairgrounds. The Subcommittee notes the success of the FMCA event and commends the agency for attracting groups such as these to the Fair. The agency reported that it is working diligently to attract additional non-fair activities to the Kansas State Fairgrounds.

**Senate Committee Recommendation**

The Senate Committee concurs with the subcommittee's recommendation.

**Senate Recommendation**

The Senate has not yet considered this budget.

**House Budget Committee Report**

**Agency:** Kansas State Fair

**Bill No.** HB 2900

**Bill Sec.** 62

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 1 - 39

**Budget Page No.** 161

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Gov. Rec. FY 05</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 655,133	\$ 655,133	\$ 0
All Other Funds	4,075,158	3,910,998	0
Subtotal - Operating	\$ 4,730,291	\$ 4,566,131	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	746,500	746,500	0
Subtotal - Capital Improvements	\$ 746,500	\$ 746,500	\$ 0
<b>TOTAL</b>	<b>\$ 5,476,791</b>	<b>\$ 5,312,631</b>	<b>\$ 0</b>
FTE Positions	23.0	23.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>23.0</b>	<b>23.0</b>	<b>0.0</b>

## Agency Request/Governor's Recommendation

**The Kansas State Fair requests** \$4,730,291 for FY 2005 operating expenditures, which is an increase of \$279,349 or 6.3 percent from the FY 2004 estimate. The request includes \$655,133 from the State General Fund for the interest payment on the master plan capital improvements bonds. The all other funds request is \$4,075,158, which is an increase of \$162,319 from the FY 2004 estimate. The request includes \$1,430,701 for salaries and wages, \$2,202,620 for contractual services, \$285,417 for commodities, \$101,420 for capital outlay, and \$710,133 for debt service interest. Included in the request is an enhancement package of \$150,000 from the Economic Development Initiatives Fund for advertising and premiums.

**The Governor recommends** \$4,566,131 for FY 2005 operating expenditures, which is an increase of \$116,662 or 2.6 percent from the FY 2004 recommendation. The recommendation includes \$655,133 from the State General Fund for the interest payment on the master plan capital improvements bonds, which is consistent with the agency's request. The all other funds recommendation is \$3,910,998, which is a decrease of \$368 from the FY 2004 recommendation. The recommendation includes \$1,469,587 for salaries and wages, \$2,028,110 for contractual services, \$262,851 for commodities, \$95,450 for capital outlay, and \$710,133 for debt service interest. The Governor's recommendation includes a 3.0 percent pay plan increase and reductions in other operating expenditures for recommendations made by the Budget Efficiency Savings Teams.


## House Budget Committee Recommendation

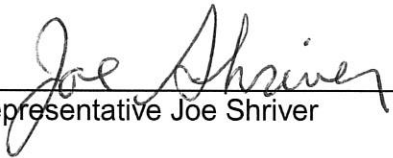
The Budget Committee concurs with the Governor's recommendation with the following notations.

1. The agency provided information on the Master Plan Capital Improvement bonding project. The Budget Committee notes that the state is committed to repayment of this debt until 2022. The City of Hutchinson has committed \$300,000 annually toward the debt financing until 2011, and annual payments of \$400,00 are committed until 2013 from the State Fair Debt Service Special Revenue Fund.
2. The Budget Committee notes that the State Fair will be hosting the 2004 Great North American RV Rally June 21 to 24, 2004. This event is expected to attract over 5,000 campers. In FY 2003, the Fair hosted the Family Motor Coach Association (FMCA) convention, with a reported 4,716 motor coaches at the fairgrounds. The Budget Committee commends the agency for attracting groups such as these to the Fair and encourages the Fair to continue to work to bring similar large events to the Kansas State Fairgrounds.
3. The agency reported that a new advertising/public relations firm was recently hired by the State Fair. The agency reported that, while they were not dissatisfied with the prior advertising firm, they are excited to work with the new firm. It was also reported that an increase in ticket prices to the Fair was approved by the State Fair Board.


House Budget Committee Report

Attorney General FY 2004

  
\_\_\_\_\_  
Representative Jo Ann Pottorff, Chairperson

  
\_\_\_\_\_  
Representative Joe Shriver

\_\_\_\_\_  
Representative Patricia Barbieri-Lightner

  
\_\_\_\_\_  
Representative Tom Sloan

\_\_\_\_\_  
Representative Andrew Howell

  
\_\_\_\_\_  
Representative Dan Thimesch

  
\_\_\_\_\_  
Representative Annie Kuether

HOUSE APPROPRIATIONS

DATE 3-10-2004  
ATTACHMENT 3

## House Budget Committee Report

**Agency:** Attorney General

**Bill No.** 2899

**Bill Sec.** 21

**Analyst:** Rampey

**Analysis Pg. No.** Vol. 1- 418 **Budget Page No.** Vol. 2--63

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Amended Rec. FY 04</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,931,396	\$ 4,781,402	\$ 0
Other Funds	8,958,636	8,805,624	0
TOTAL	<u>\$ 13,890,032</u>	<u>\$ 13,587,026</u>	<u>\$ 0</u>
FTE Positions	94.5	94.5	0.0
Non FTE Uncl. Perm. Pos.	12.0	11.0	0.0
TOTAL	<u>106.5</u>	<u>105.5</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The Attorney General estimates total expenditures of \$13,890,032, which are \$220,115 less than the approved amount. The overall reduction is attributable to the "other funds" estimate, which has been revised downward by \$416,596 to more accurately reflect actual anticipated revenues to special revenue funds.

Estimated expenditures from the State General Fund are \$4,931,396, an increase of \$196,481 over the approved amount. The increase includes:

1. A requested supplemental appropriation of \$150,000 to initiate activities pursuant to 2002 House Resolution 6003, which requires the Attorney General to take action "to determine certain issues of law concerning unborn children and to seek a permanent injunction to prohibit the expenditure of state funds for the purpose of terminating the lives of innocent human beings including the unborn."
2. A reappropriation of \$46,487. (An additional amount of \$260,523 in unanticipated savings from the State General Fund was not budgeted by the agency.)

Budgeted expenditures for water litigation are \$695,310 for Colorado and \$450,718 for Nebraska.

The Governor recommends total expenditures of \$13,587,026, a reduction of \$523,121 from the approved amount. The Governor recommends:

3. \$46,487 in reappropriated savings from the State General Fund. The Governor recommends the lapse of \$182,472 in reappropriated savings that the agency did not take into account in its estimate.
4. No funding for actions pursuant to 2002 House Resolution 6003.
5. Water funding, as estimated by the Attorney General (\$695,310 for Colorado and \$450,718 for Nebraska).

### **House Budget Committee Recommendations**

The House Budget Committee concurs with the recommendations of the Governor, with the following exception:

1. Adopt GBA 1, which reduces estimated expenditures from the Tort Claims Fund by \$150,000. The deletion moved carry out the Governor's intention not to fund expenditures related to 2002 HR 6003.



House Budget Committee Report

Attorney General FY 2005



Representative Jo Ann Pottorff, Chairperson



Representative Joe Shriver



Representative Tom Sloan

Representative Patricia Barbieri-Lightner



Representative Dan Thimesch

Representative Andrew Howell



Representative Annie Kuether

## House Budget Committee Report

**Agency:** Attorney General

**Bill No.** 2900

**Bill Sec.** 7

**Analyst:** Rampey

**Analysis Pg. No.** Vol. 1-418 **Budget Page No.** Vol. 2--63

<u>Expenditure Summary</u>	<u>Agency Request FY 05*</u>	<u>Governor's Rec. FY 05</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,296,809	\$ 3,806,479	\$ 0
Other Funds	9,409,679	9,291,799	0
TOTAL	<u>\$ 13,706,488</u>	<u>\$ 13,098,278</u>	<u>\$ 0</u>
FTE Positions	94.5	94.5	0.0
Non FTE Uncl. Perm. Pos.	11.0	11.0	0.0
TOTAL	<u>105.5</u>	<u>105.5</u>	<u>0.0</u>

\* **Note:** Volume 2 of the Governor's Budget reflects an agency request of \$13,781,742, which corrects an oversight in the agency's budget request. The submitted budget, however, totals the \$13,706,488 reflected above.

### Agency Request/Governor's Recommendation

The Attorney General requests a total of \$13,706,488, of which \$4,296,809 is from the State General Fund. Major items are the following:

- An enhancement is requested that totals \$300,000, of which \$150,000 is from the State General Fund and \$150,000 is an increase in estimated expenditures from the Tort Claims Fund. The request is to continue action pursuant to 2002 House Resolution 6003, which would begin in FY 2004, based on a similar request for FY 2004 for a supplemental appropriation and increased expenditure authority totaling \$300,000.
- In the budget as submitted, no money is requested for water litigation, based on the assumption that both cases will conclude in FY 2004. While that assumption appears correct in the case of Nebraska, it now appears that Colorado litigation will not be brought before the U.S. Supreme Court until October 2004. According to the Attorney General's office, funds carried forward from FY 2004 will be adequate to cover costs of bringing the case to the U.S. Supreme Court. If, following the Supreme Court's ruling, additional funds are needed for FY 2005, they can be requested as a supplemental appropriation.

The Governor recommends expenditures totaling \$13,098,278, of which \$3,806,379 would be from the State General Fund.

- The Governor does not recommend \$300,000 requested for litigation pursuant to 2002 House Resolution 6003 (nor does the Governor recommend additional funding for the action in FY 2004).
- The Governor recommends no funding for water litigation in FY 2005. (None was requested, as explained above.)
- The Governor reduces the request by \$412,002, which is the amount built into the allocation for water litigation in FY 2005 by the Division of the Budget. Because no additional funding was requested, the Governor recommends that the amount be deleted.
- The Governor increases the shrinkage rate by 2.0 percent by deleting \$84,441 from the State General Fund, resulting in an agency-wide shrinkage rate of 11.0 percent.
- The Governor adds \$75,254 from the State General Fund to correct an error made in the submitted budget. (The request included a reduction that should not have been made.)

### **House Budget Committee Recommendations**

The House Budget Committee concurs with the recommendations of the Governor, with the following exceptions:

- Recommend the introduction of legislation to enact in permanent law policies that currently are provided for in language in appropriations bills. In each case, the Budget Committee believes the policies are meritorious and should be provided for in substantive legislation, not in session laws that are effective for one year only. The recommended bills would:
  - Give the Attorney General the flexibility to transfer up to \$100,000 annually from the Crime Victims Compensation Fund to the Crime Victims Assistance Fund in the event shortfalls in revenues from fines, penalties, and forfeitures threaten the stability of funding from the Crime Victims Assistance Fund for local victims rights programs. The Legislature has given the Attorney General this flexibility for the last two fiscal years (2003 and 2004).
  - Increase the percentage of fines, penalties, and forfeitures credited to the Crime Victims Compensation Fund from 7.99 percent to 8.99 percent and to the Crime Victims Assistance Fund from 1.45 percent to 2.45 percent. The 2003 Legislature approved this increase for FY 2004 only. If the increase is continued, each fund would receive an estimated \$206,617 in additional funding in FY 2005. (Under the proposal, total receipts from fines, penalties, and forfeitures to the Crime Victims Compensation Fund would be \$1,857,490 and receipts to the Crime Victims Assistance Fund would be \$506,736.) Expenditures from the Crime Victims Compensation Fund are in the form of claims paid to victims of crimes for damages and losses. Expenditures from the Crime Victims Assistance Fund are made to support local victims rights

programs, child exchange and visitation centers, and for administrative costs to the Attorney General's office to administer victims rights programs.

- Amend KSA 82a-1801, which specifies how money recovered from Colorado can be used to pay for activities in Kansas related to monitoring the water litigation settlement. The proposed amendment would specifically say that the money can be used for expenses related to the appointment of a River Master or other official appointed by the U.S. Supreme Court to enforce its decree and for expenses incurred by Kansas agencies to monitor actions to enforce the Court order. This language was added to the FY 2004 appropriations bill at the request of the Division of Water Resources, Department of Agriculture, which will have duties to monitor the Colorado water settlement. While the language may not be necessary in the sense that existing law already permits expenditures for monitoring or enforcing compliance with an interstate water compact or settlement, staff in the Division of Water Resources requested that it be added to specifically make reference to a River Master and to monitoring activities undertaken by Kansas agencies.

The Budget Committee also recommends that the language be added to the FY 2005 appropriations bill.

### Minority Report to the Attorney General's FY 2005 Budget

We note that the Governor's recommendation lapses \$182,472 from the State General Fund in reappropriated balances, thus reducing the agency's budget for operating expenditures in the current year. We also note that the Attorney General told the Budget Committee he would like to create a "white collar crime unit" in FY 2005, at an estimated cost of \$200,000 from the State General Fund.

We believe the Attorney General's budget should be increased, either to more adequately fund the FY 2004 operating budget or to give the Attorney General the flexibility to initiate a new program to investigate and prosecute white collar crime. We oppose the majority report because it fails to provide adequate funding for the Attorney General's budget and we regret that our motion to restore \$182,472 in the current year did not prevail.

  
Representative Patricia Barbieri-Lightner

  
Representative Andrew Howell

GENERAL GOVERNMENT BUDGET COMMITTEE

KANSAS COMMISSION ON VETERANS' AFFAIRS  
FY 2004 AND FY 2005

*Jo Ann Pottorff*

Representative Jo Ann Pottorff, Chair

*Patricia Barbieri-Lightner*

Representative Patricia Barbieri-Lightner

*Andrew Howell*

Representative Andrew Howell

*Annie Kuether*

Representative Annie Kuether

*Joe Shriver*

Representative Joe Shriver

*Tom Sloan*

Representative Tom Sloan

*Dan Thimesch*

Representative Dan Thimesch

HOUSE APPROPRIATIONS

DATE 3-10-2004

ATTACHMENT 4

## House Budget Committee Report

**Agency:** Commission on Veterans' Affairs **Bill No. --**

**Bill Sec. --**

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 2 - 1124

**Budget Page No.** 437

Expenditure Summary	Agency Estimate FY 04	Gov. Rec. FY 04*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,185,364	\$ 6,101,577	\$ 0
All Other Funds	9,514,405	8,532,690	0
Subtotal - Operating	\$ 15,699,769	\$ 14,634,267	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	8,853,552	9,419,780	0
Subtotal - Capital Improvements	\$ 8,853,552	\$ 9,419,780	\$ 0
<b>TOTAL</b>	<b>\$ 24,553,321</b>	<b>\$ 24,054,047</b>	<b>\$ 0</b>
FTE Positions	557.8	557.8	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b>561.8</b>	<b>561.8</b>	<b>0.0</b>

\*Includes Governor's Budget Amendment No. 2

### Agency Estimate/Governor's Recommendation

**The Kansas Commission on Veterans' Affairs estimates** \$15,699,769 for FY 2004 operating expenditures, which is an increase of \$1,723,378 or 12.3 percent from the amount approved by the 2003 Legislature. The estimate includes \$6,185,364 from the State General Fund, which is an increase of \$750,254 or 13.8 percent from the approved amount. The estimate also includes \$9,514,405 from all other funds, which is an increase of \$973,124 or 11.4 percent from the approved amount. Increases include supplemental requests for preparation and mailing of the "Governor's Letter" to returning military members, shrinkage, and information technology upgrades. The estimate also includes funding to increase the census at the Kansas Veterans' Home due to the opening of the third wing of Donlon Hall and the first floor of Triplett Hall.

**The Governor recommends** \$14,648,860 for FY 2004 operating expenditures, which is an increase of \$672,469 or 4.8 percent from the amount approved by the 2003 Legislature. The recommendation includes \$5,435,455 from the State General Fund, which is an increase of \$345 from the approved amount. The recommendation also includes \$9,213,405 from all other funds, which is an increase of \$672,124 or 7.9 percent from the approved amount. The recommendation includes partial funding from the agency's estimate for the census expansion at the Kansas Veterans' Home.

## House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustment.

1. The Budget Committee concurs with Governor's Budget Amendment (GBA) No. 2, which provides supplemental funding for the Kansas Veterans' Home and the Kansas Soldiers' Home. The Division of the Budget reported that they had conducted a series of meetings with the agency and had determined that both Homes had insufficient resources to fund operations for the remainder of the fiscal year. Monthly meetings will also be conducted with the agency by the Division of the Budget, with input requested from the Legislative Research Department and interested Legislators, to track the funding status of the two Homes.



## House Budget Committee Report

**Agency:** Commission on Veterans' Affairs **Bill No.** HB 2900

**Bill Sec.** 28

**Analyst:** VanHouse

**Analysis Pg. No.** Vol. 2 - 1124

**Budget Page No.** 437

Expenditure Summary	Agency Estimate FY 05	Gov. Rec. FY 05*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,295,679	\$ 5,733,245	\$ 0
All Other Funds	11,713,981	10,307,778	0
Subtotal - Operating	\$ 18,009,660	\$ 16,041,023	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	3,128,167	3,249,097	0
Subtotal - Capital Improvements	\$ 3,128,167	\$ 3,249,097	\$ 0
<b>TOTAL</b>	<b>\$ 21,137,827</b>	<b>\$ 19,290,120</b>	<b>\$ 0</b>
FTE Positions	557.0	557.8	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b>561.0</b>	<b>561.8</b>	<b>0.0</b>

\*Includes Governor's Budget Amendment No. 1, page 5, item 8 and Governor's Budget Amendment No. 2, items 1 and 2.

### Agency Requests/Governor's Recommendation

**The Kansas Commission on Veterans' Affairs requests** \$18,009,660 for FY 2005 operating expenditures, which is an increase of \$2,309,891 or 14.7 percent from the FY 2004 estimate. The request includes \$5,093,697 from the State General Fund, which is an increase of \$110,315 or 1.8 percent from the FY 2004 estimate. The request also includes \$11,025,154 from all other funds, which is an increase of \$2,309,891 or 23.1 percent from the FY 2004 estimate. The request includes all other funds increases of \$1.8 million for the scheduled opening of the fourth wing of Donlon Hall and the second floor of Triplett Hall at the Kansas Veterans' Home. The agency request also includes enhancement requests of \$491,429 from the State General Fund.

**The Governor recommends** \$16,118,851 for FY 2005 operating expenditures, which is an increase of \$1,469,991 or 10.0 percent from the FY 2004 recommendation. The recommendation includes \$5,093,697 from the State General Fund, which is a decrease of \$341,758 or 6.3 percent from the FY 2004 recommendation. The recommendation also includes \$11,025,154 from all other funds, which is an increase of \$1,811,749 or 19.7 percent from the FY 2004 recommendation.

## House Budget Committee Recommendation

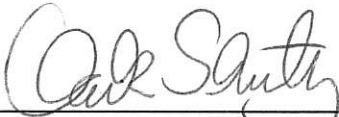
The Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. The Budget Committee concurs with Governor's Budget Amendment (GBA) No. 1, page 5, Item 8, which corrects the FTE positions for the agency by adding 0.8 FTE at the Kansas Soldiers' Home.
2. The Budget Committee concurs with Governor's Budget Amendment (GBA) No. 2, which provides supplemental funding for the Kansas Veterans' Home and the Kansas Soldiers' Home. The Division of the Budget reported that they had conducted a series of meetings with the agency and had determined that both Homes had insufficient resources to fund operations for the remainder of the fiscal year. Monthly meetings will also be conducted with the agency by the Division of the Budget, with input requested from the Legislative Research Department and interested legislators, to track the funding status of the two Homes. The GBA also adds \$100,000 from the State Institutions Building Fund for rehabilitation and repair at the Kansas Soldiers' Home.

House Budget Committee Report

State Department of Education

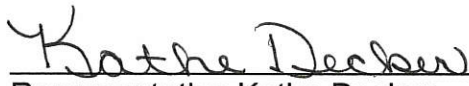
FY 2004



Representative Clark Shultz, Chairperson



Representative Carl Krehbiel



Representative Kathe Decker



Representative Joe McLeland



Representative Bill Feuerborn



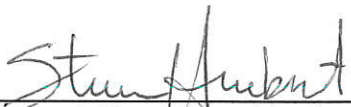
Representative Dean Newton



Representative Bob Grant



Representative Bill Reardon



Representative Steve Huebert

HOUSE APPROPRIATIONS

DATE 3-10-2004  
ATTACHMENT 5

## Senate Subcommittee Report

**Agency:** State Department of Education **Bill No.**

**Bill Sec.**

**Analyst:** Rampey

**Analysis Pg. No.** 103

**Budget Page No.** 135

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 2,170,524,796	\$ 2,169,995,304	\$ 0
Children's Initiatives Fund	8,525,000	8,525,000	0
All Other Funds	417,303,665	434,303,665	0
TOTAL	<u>\$ 2,596,353,461</u>	<u>\$ 2,612,823,969</u>	<u>\$ 0</u>
FTE Positions	211.3	211.3	0.0
Non FTE Uncl. Perm. Pos.	40.2	41.6	0.0
TOTAL	<u>250.5</u>	<u>252.9</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The State Department of Education estimates expenditures of \$2,596,353,461, of which \$2,170,524,796 are from the State General Fund. Expenditures from the State General Fund are \$159,084,916 less than the amount approved by the 2003 Legislature, as the result of offsetting decreases and requested supplemental appropriations. Those changes are shown below. (Note: Some number differ from the budget submission because they are revised estimates made November 18, 2003.)

- The amount for general state aid from the State General Fund is decreased by \$158,835,000 (revised) as the result of the property tax accelerator.
- A supplemental appropriation of \$4,026,000 from the State General Fund (revised) is requested for supplemental general state aid.
- A supplemental appropriation of \$66,000 from the State General Fund is requested for the Governor's Teaching Excellence Scholarships and Awards.
- A supplemental appropriation of \$669,522 from the State General Fund is requested for Juvenile Detention State Aid due to enrollment growth and the addition of a new facility.

The Governor recommends expenditures of \$2,612,823,969, of which \$2,169,995,304 is from the State General Fund. The Governor concurs with the lapse of \$158,835,000 in general state aid due to the property tax accelerator and approves the requested supplemental appropriations of \$4,026,000 for supplemental general state aid, \$66,000 for the Governor's Teaching Excellence Scholarships and Awards, and \$669,522 for Juvenile Detention State Aid.

The Governor reduces the approved amount for KPERS-School by \$6,005,014 from the State General Fund, which was approved as a supplemental appropriation for FY 2003 but, because of revenue shortfalls, was not paid until FY 2004.

### **Senate Subcommittee Recommendations**

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

1. Request a Governor's Budget Amendment to add \$5,082,788 for KPERS-School, which is the amount of the shortfall in the current year, based on revised estimates. The Governor's recommendation would fund the estimated entitlement for the current year, but fails to appropriate sufficient funds to replace money that was part of the FY 2003 entitlement which was taken out of FY 2004 funds because of a revenue shortfall.

### **Senate Committee Recommendation**

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

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### House Budget Committee Report

**Agency:** State Department of Education **Bill No.** 2899

**Bill Sec.** 36

**Analyst:** Rampey

**Analysis Pg. No.** 103

**Budget Page No.** 135

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Comm. Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 2,170,524,796	\$ 2,169,995,304	\$ 0
Children's Initiatives Fund	8,525,000	8,525,000	0
All Other Funds	417,303,665	434,303,665	0
TOTAL	<u>\$ 2,596,353,461</u>	<u>\$ 2,612,823,969</u>	<u>\$ 0</u>
FTE Positions	211.3	211.3	0.0
Non FTE Uncl. Perm. Pos.	40.2	41.6	0.0
TOTAL	<u>250.5</u>	<u>252.9</u>	<u>0.0</u>

#### Agency Estimate/Governor's Recommendation

The State Department of Education estimates expenditures of \$2,596,353,461, of which \$2,170,524,796 are from the State General Fund. Expenditures from the State General Fund are \$159,084,916 less than the amount approved by the 2003 Legislature, as the result of offsetting decreases and requested supplemental appropriations. Those changes are shown below. (Note: Some number differ from the budget submission because they are revised estimates made November 18, 2003.)

- The amount for general state aid from the State General Fund is decreased by \$158,835,000 (revised) as the result of the property tax accelerator.
- A supplemental appropriation of \$4,026,000 from the State General Fund (revised) is requested for supplemental general state aid.
- A supplemental appropriation of \$66,000 from the State General Fund is requested for the Governor's Teaching Excellence Scholarships and Awards.
- A supplemental appropriation of \$669,522 from the State General Fund is requested for Juvenile Detention State Aid due to enrollment growth and the addition of a new facility.

The Governor recommends expenditures of \$2,612,823,969, of which \$2,169,995,304 is from the State General Fund. The Governor concurs with the lapse of \$158,835,000 in general state aid due to the property tax accelerator and approves the requested supplemental appropriations of

5-4

\$4,026,000 for supplemental general state aid, \$66,000 for the Governor's Teaching Excellence Scholarships and Awards, and \$669,522 for Juvenile Detention State Aid.

The Governor reduces the approved amount for KPERS-School by \$6,005,014 from the State General Fund, which was approved as a supplemental appropriation for FY 2003 but, because of revenue shortfalls, was not paid until FY 2004.

### **House Budget Committee Recommendations**

The House Budget Committee concurs with the Governor's recommendations, with the following exception:

1. Request a Governor's Budget Amendment to add \$5,082,788 for KPERS-School, which is the amount of the shortfall in the current year, based on revised estimates. The Governor's recommendation would fund the estimated entitlement for the current year, but fails to appropriate sufficient funds to replace money that was part of the FY 2003 entitlement which was taken out of FY 2004 funds because of a revenue shortfall.

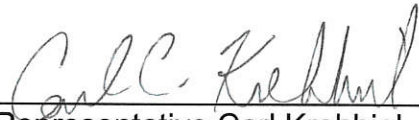
House Budget Committee Report

State Department of Education

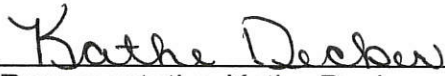
FY 2005



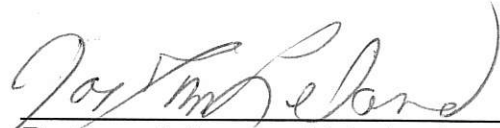
Representative Clark Shultz, Chairperson



Representative Carl Krehbiel



Representative Kathe Decker



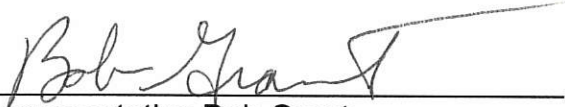
Representative Joe McLeland



Representative Bill Feuerborn



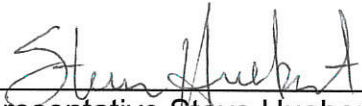
Representative Dean Newton



Representative Bob Grant



Representative Bill Reardon



Representative Steve Huebert



## Senate Subcommittee Report

**Agency:** State Department of Education **Bill No.**

**Bill Sec.**

**Analyst:** Rampey

**Analysis Pg. No.** 103

**Budget Page No.** 135

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 2,445,893,842	\$ 2,330,583,954	\$ (170,680)
Children's Initiatives Fund	8,525,000	8,525,000	
All Other Funds	433,562,386	433,605,704	(181,437)
TOTAL	<u>\$ 2,887,981,228</u>	<u>\$ 2,772,714,658</u>	<u>\$ (352,117)</u>
FTE Positions	213.3	212.3	0.0
Non FTE Uncl. Perm. Pos.	41.2	42.6	0.0
TOTAL	<u>254.5</u>	<u>254.9</u>	<u>0.0</u>

\* The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

The State Department of Education requests a total of \$2,887,981,228, of which \$2,445,893,842 is from the State General Fund. Major items in the request include:

- \$58,026,000 from the State General Fund to increase Base State Aid Per Pupil (BSAPP) by \$100 (from the allotment rate of \$3,863 to \$3,963, or \$73 over the statutory rate of \$3,980.)
- \$276,016,845 from the State General Fund for special education, which would fund excess costs at the 90 percent level, compared to the current level of 83.2 percent.
- \$4,700,000 from the State General Fund to increase the at-risk weighting factor in the school finance formula from 10 percent to 11 percent.
- \$2,500,000 from the State General Fund for a new program to provide technical assistance to schools that fail to meet adequate yearly progress for two consecutive years under the No Child Left Behind Act.
- \$14,000,000 from the State General Fund for a new program to increase reading and math achievement for students in grades K-3.

The Governor recommends a total of \$2,772,714,658, of which \$2,330,583,954 is from the State General Fund. Two major components of the request include the following:

- Funding for BSAPP is continued at the allotment level of \$3,863. (The Governor's recommendations for general and supplemental general state aid fully fund the formula at the allotment rate, based on November 18, 2003, revised estimates.)
- Funding for special education excess costs is reduced to the 82.2 percent level, compared to 83.2 percent in the current year.

The Governor's FY 2005 **statutory budget** recommendation does not include a reduction for the State Department of Education.

### **Senate Subcommittee Recommendations**

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

1. Delete \$352,117, including \$170,680 from the State General Fund, to remove pay plan funding recommended by the Governor (a 3.0 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. Request a Governor's Budget Amendment to add \$4,875,474 for KPERS-School (revised) in order to fully fund the entitlement in FY 2005, based on the most recent estimates. The omission of funding in FY 2004, which was part of the FY 2003 payment, apparently was carried forward to FY 2005.
3. Request a Governor's Budget Amendment to add \$669,522 from the State General Fund for Juvenile Detention State Aid. The Governor approved a supplemental appropriation for FY 2004, in recognition of enrollment growth and the addition of a new facility, but failed to reflect the growth in the recommendation for FY 2005.
4. Specify that an estimated \$30,000 of the recommended appropriation of \$300,000 from the Children's Initiatives Fund for a grant to the Kansas Optometric Association for the Vision Study may be used to conduct a longitudinal study of benefits of vision therapy. (This action was requested by the representative of the Kansas Optometric Association.)
5. In concurring with the Governor's recommendation, the Subcommittee makes it clear that it recognizes education is at a crossroads. Allowing the Governor's status quo budget to proceed along the budget process in no way implies the Subcommittee believes the status quo will or should prevail. Kansas currently is in the midst of litigation that could require changes in how we fund elementary and secondary education. The federal No Child Left Behind Act already is changing how we deliver educational services in Kansas.

In the midst of this flux and the uncertainty of how the school finance litigation will be resolved, the Subcommittee finds itself in the position of forwarding a

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“business as usual” budget in spite of the certain knowledge that the business of educating Kansas children is changing.

The members of this Subcommittee are not in agreement as to how the Legislature should proceed. We do not know how the school finance formula might change and we do not know whether we will be required to find additional resources for education. We commend individual senators for their efforts to initiate ways of delivering more dollars to Kansas classrooms and recognize that all policy makers must be willing to take the initiative to respond to the challenges before us.

We cannot separate our review of the budget for K-12 without identifying some areas that should be considered in any discussion of school funding:

- a. Under the Governor’s recommendation, FY 2005 will be the third year schools will have to operate with reduced resources, at a time when increasing demands are being put upon them.
- b. More money should be targeted for Kansas classrooms. Districts should be provided with incentives to achieve savings and reduce administrative costs when possible.
- c. Attention should be focused on the achievement of minority students and other student subgroups.
- d. Kansas schools are required to comply with the No Child Left Behind Act. Although an accurate estimate of the actual costs of complying with the NCLB is not currently possible such costs are significant and federal funding will not be adequate to cover those costs.
- e. Addressing the challenges school districts face in providing adequate health care benefits for their employees should be considered.
- f. The Subcommittee recognizes that, in spite of it all, many Kansas students consistently perform well on the basis of national comparisons. All of our efforts must be directed to maintaining our strengths and improving the performance of all children. But, “Educating All Children” is a hollow promise if funds necessary to do so are not provided.
- g. An examination of the excess cost, if any, to the state for districts that are “small by choice” should be conducted and incentives created to reduce such costs.
- h. Full funding for special education should be considered. Without such designated funding for these high cost students, dollars from general education subsidizes mandated special education services.
- i. High quality early-childhood programs, including voluntary all-day kindergarten, should be considered, especially for at-risk children. Such investments result in huge savings on remediation later. A longitudinal study that compared children age three and four who had participated in early childhood programs with a control group that had not concluded that each dollar invested in high-quality preschool programs saved \$7 that otherwise would be

needed for remedial and special education, school dropout programs, public assistance, and unemployment benefits.

- j. Programs to help children who are below grade level should be considered, such as extended day, extended year, and summer school. Research shows that such students make progress if they have more time on task with direct instruction.
- k. Additional strategies and resources should be considered to recruit and retain high quality teachers, to mentor them, and to provide them professional development opportunities.

### **Senate Committee Recommendation**

The Senate Committee concurs with the recommendations of the Subcommittee, with the following exceptions:

- 1. Add the following sentence to item 5c: "In order to close documented achievement gaps, increases in at-risk and bilingual weightings should be considered."
- 2. Correct the first sentence of the Minority Report to read: "I agree with the *majority. . .*"

**CORRECTED**

**Minority Report  
State Department of Education  
FY 2005**

I agree with the majority report, with these additional comments. The Subcommittee report references the need to address the challenges resulting from the lawsuit and subsequent judicial opinion that the state has not met its constitutional mandate to suitably fund our schools. Judge Terry Bullock has clearly called for additional funds for "schools" and alluded to the Augenblick and Myers study that calls for approximately one billion dollars of additional funding.

Judge Bullock, however, did not embrace the option of one billion new dollars, instead he said we need to provide more money for schools, and by "schools" he meant attendance centers as opposed to education as a whole.

I believe we can meet that requirement without a tax increase and I offer, conceptually, the following proposal:

1. All Kansas schools be required to budget by individual schools, with the Superintendent, principal, teachers and other staff determining what is required in funding to provide each child, regardless of their gifts or diversity, a suitable education.
2. The sum total of these needs, after a critical review by the State Department of Education, would become the basis for the legislature to determine what funds were necessary to meet the constitutional requirement to "make provision for finance of the educational interests of the state."
3. All state funds would be appropriated to meet the needs of the individual schools, including state per pupil aid, the state authorized 20 mill property tax levy, special education and federal funds. No state funding would be authorized for programs not directly related to the core education of children in the schools.
4. A cap of \$5,500 per child would be placed on the amount of funds available to each school.
5. Other programs such as drivers education, continuing education, adult education, contingency reserves, payments for bonded indebtedness, sports, additional administration, etc. if desired, would be funded locally by a vote of the patrons. Some districts, but not all, presently have a local option budget to cover those costs.

At \$5,500 per pupil for 443,000 students the cost to the state would be 2.4 billion dollars so with federal funds added to existing state aid our constitutional obligations should be met.

The answer to our present situation is, in my opinion, not increased funding with the requisite increase in taxes, nor is it to wait for the Supreme Court to rule that the lower court opinion has no merit. The answer lies in taking this opportunity to look closely at a bulbous bureaucracy that has escaped serious review by the legislature for decades. We need to budget in a way that allows patrons, school board members, district employees and legislators to know how tax dollars are spent. We need to open our minds to cost saving measures, to school consolidation at some level,

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to abolition of unnecessary programs, to review administrative costs and scores of other opportunities that, due to this suit and Judge Bullock's opinion, offer us a rare opportunity for positive change.

---

Senator Bill Buntin

5-12

**House Budget Committee Report**

**Agency:** State Department of Education **Bill No.** 2900

**Bill Sec.** 34

**Analyst:** Rampey

**Analysis Pg. No.** 103

**Budget Page No.** 135

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Comm. Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 2,445,893,842	\$ 2,330,583,954	\$ 0
Children's Initiatives Fund	8,525,000	8,525,000	0
All Other Funds	433,562,386	433,605,704	0
<b>TOTAL</b>	<b><u>\$ 2,887,981,228</u></b>	<b><u>\$ 2,772,714,658</u></b>	<b><u>\$ 0</u></b>
FTE Positions	213.3	212.3	0.0
Non FTE Uncl. Perm. Pos.	41.2	42.6	0.0
<b>TOTAL</b>	<b><u>254.5</u></b>	<b><u>254.9</u></b>	<b><u>0.0</u></b>

**Agency Request/Governor's Recommendation**

The State Department of Education requests a total of \$2,887,981,228, of which \$2,445,893,842 is from the State General Fund. Major items in the request include:

- \$58,026,000 from the State General Fund to increase Base State Aid Per Pupil (BSAPP) by \$100 (from the allotment rate of \$3,863 to \$3,963, or \$73 over the statutory rate of \$3,980.)
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- \$4,700,000 from the State General Fund to increase the at-risk weighting factor in the school finance formula from 10 percent to 11 percent.
- \$2,500,000 from the State General Fund for a new program to provide technical assistance to schools that fail to meet adequate yearly progress for two consecutive years under the No Child Left Behind Act.
- \$14,000,000 from the State General Fund for a new program to increase reading and math achievement for students in grades K-3.

The Governor recommends a total of \$2,772,714,658, of which \$2,330,583,954 is from the State General Fund. Two major components of the request include the following:

- Funding for BSAPP is continued at the allotment level of \$3,863. (The Governor's recommendations for general and supplemental general state aid fully fund the formula at the allotment rate, based on November 18, 2003, revised estimates.)
- Funding for special education excess costs is reduced to the 82.2 percent level, compared to 83.2 percent in the current year.

The Governor's FY 2005 **statutory budget** recommendation does not include a reduction for the State Department of Education.

### House Budget Committee Recommendations

The House Budget Committee concurs with the Governor's recommendations, with the following exceptions and comments:

1. Request a Governor's Budget Amendment to add \$4,875,474 for KPERS-School (revised) in order to fully fund the entitlement in FY 2005, based on the most recent estimates. The omission of funding in FY 2004, which was part of the FY 2003 payment, apparently was carried forward to FY 2005.
2. Specify that an estimated \$30,000 of the recommended appropriation of \$300,000 from the Children's Initiatives Fund for a grant to the Kansas Optometric Association for the Vision Study may be used to conduct a longitudinal study of benefits of vision therapy. (This action was requested by the representative of the Kansas Optometric Association.)
3. The full Appropriations Committee should consider increased funding for at-risk and bilingual education students and for the mentor teacher program. However, increased funding should not come at the expense of low enrollment school districts.
4. The Budget Committee expresses its concern about rising health care costs for school districts and encourages efforts to develop alternatives that would provide school district employees with more affordable health care benefits, including working with the State Health Care Commission to develop options to enable school districts to participate in the state health care plan at more reasonable rates.



*Rep. Steve Huebert*

## FY 2003 and FY 2004 Budget Committee Report

# STATE DEPARTMENT OF EDUCATION

*Clark Shultz*

Representative Clark Shultz, Chair

*Carl Krehbiel*

Representative Carl Krehbiel

*Kathe Decker*

Representative Kathe Decker

*Joe McLeland*

Representative Joe McLeland

*Bob Grant*

Representative Bob Grant

Representative Dean Newton

*Steve Huebert*

Representative Steve Huebert

*Bill Reardon*

Representative Bill Reardon

Representative Rocky Nichols

HOUSE APPROPRIATIONS

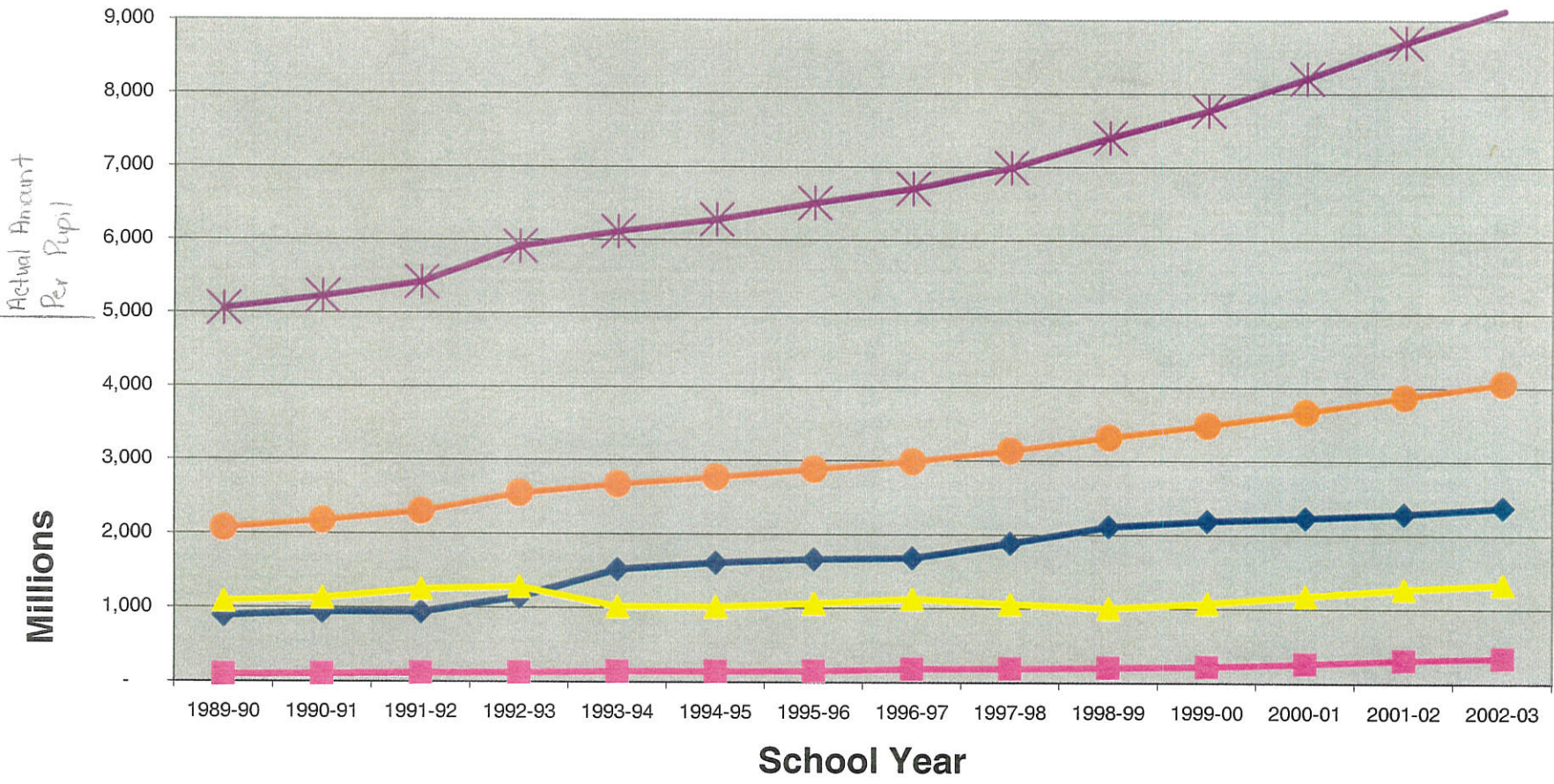
DATE 3-10-2004  
ATTACHMENT 6

state assessments than do students who are not members of a minority group or students who do not qualify for free or reduced lunches.

5. Attached to this report at the request of Representative Huebert is a table and graph that show total funding for elementary-secondary education from all revenue sources (local, state, and federal) for the school years 1989-90 through 2002-03 (estimated). "Total expenditures" includes general and supplemental general state aid and all other categorical state aid and other assistance programs, the largest of which is special education. Also included is information that relates the expenditures to inflationary increases.
6. Recommend for consideration in the Omnibus Bill, in the event that future revenues become available, funding for statutory programs that are unfunded or underfunded in the Governor's budget recommendations. The programs are the Mentor Teacher Program (unfunded in the Governor's budget), the Inservice Education Program (unfunded in the Governor's budget), and the Governor's Teaching Excellence Awards Program (funded at \$56,000 in the Governor's budget, but underfunded by \$94,000).
7. Request that the State Department of Education provide by the end of the 2003 Session information on the administrative costs assessed by school districts which partner with not-for-profit Infant and Toddlers programs.

# Total Kansas USD Funding

◆ State Aid + KPERS
■ Fed. Aid
▲ Local Aid
● Total
\* Per Pupil Exp





## Division of Fiscal and Administrative Services

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March 9, 2004

TO: Carolyn Rampey  
Legislative Research Department

FROM: Dale M. Dennis, Deputy  
Commissioner of Education

SUBJECT: USD Revenue and Expenditures

Attached is a summary of state total revenue and expenditures for unified school districts. We have added to this table the employer's share of KPERs contributions that have been paid by the state on behalf of school districts. Even though the school districts did not receive the money, the state paid it on their behalf. We have also provided a chart which shows the amount per pupil.

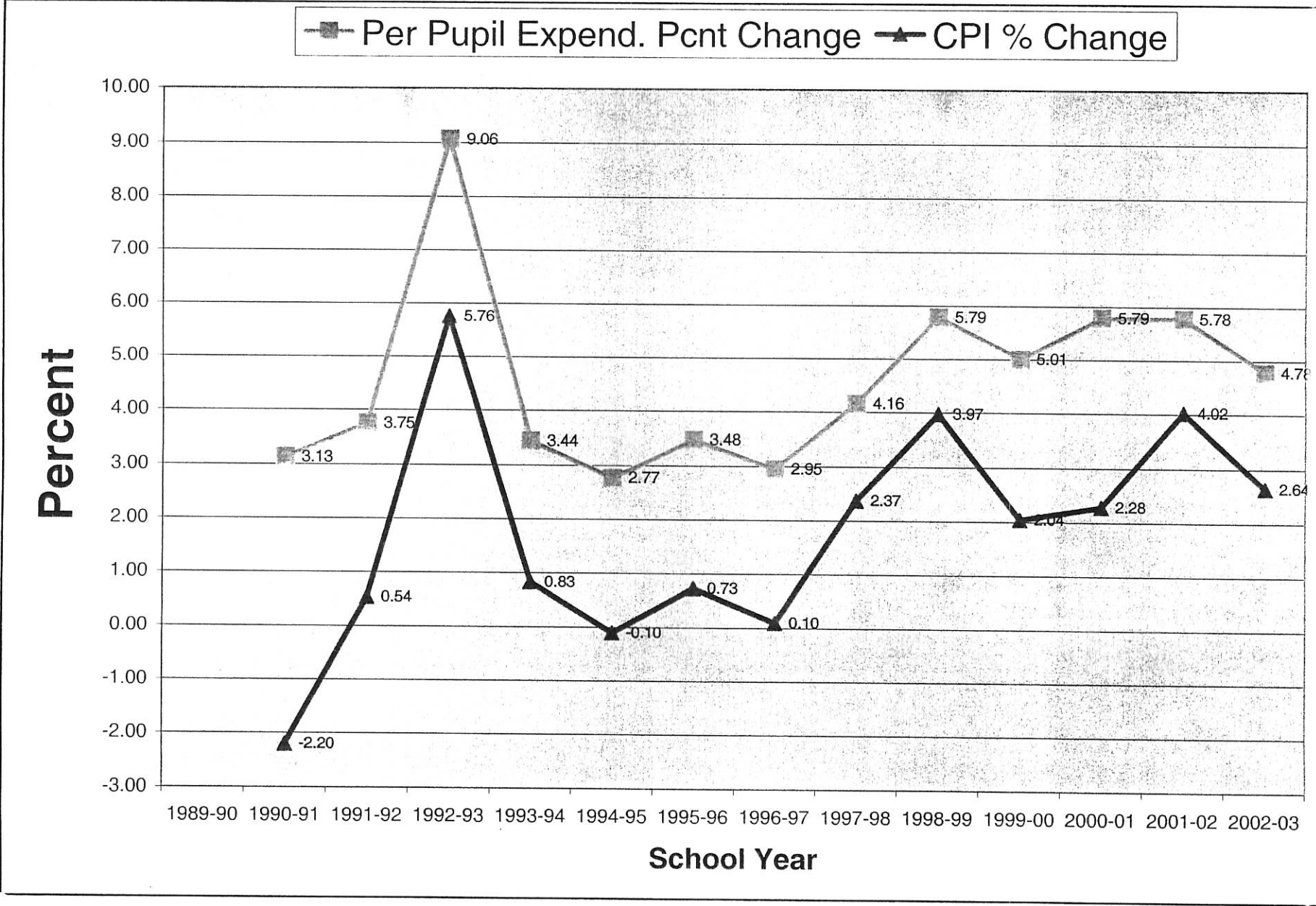
We hope this information will be helpful to you.

HOUSE APPROPRIATIONS

DATE 3-10-2004  
ATTACHMENT 8

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School						Per Pupil	Per Pupil	
Year	FTE Enroll	State Aid	Fed. Aid	Local Aid	Total	Total Expend.	Expend. % Change	CPI % Change
1989-90	409,656.1	851,203,170	97,985,711	1,082,548,908	2,031,737,789	4,960		
1990-91	416,383.2	896,415,847	105,256,560	1,128,045,685	2,129,718,092	5,115	3.13	-2.20
1991-92	424,737.4	891,906,581	116,101,192	1,246,174,438	2,254,182,211	5,307	3.75	0.54
1992-93	431,320.5	1,092,563,257	121,624,374	1,282,096,485	2,496,284,116	5,788	9.06	5.76
1993-94	437,210.1	1,468,606,823	137,260,114	1,011,858,024	2,617,724,961	5,987	3.44	0.83
1994-95	440,684.2	1,558,335,916	140,485,296	1,012,554,570	2,711,375,782	6,153	2.77	-0.10
1995-96	442,465.9	1,604,933,171	150,316,623	1,061,918,793	2,817,168,587	6,367	3.48	0.73
1996-97	445,767.3	1,618,449,030	181,533,320	1,121,816,183	2,921,798,533	6,555	2.95	0.10
1997-98	448,609.0	1,815,684,144	189,120,462	1,058,428,663	3,063,233,269	6,828	4.16	2.37
1998-99	448,925.7	2,035,194,082	202,565,725	1,004,736,639	3,242,496,446	7,223	5.79	3.97
1999-00	448,610.3	2,110,484,390	220,780,350	1,071,444,132	3,402,708,872	7,585	5.01	2.04
2000-01	446,969.9	2,152,622,486	261,038,153	1,172,918,480	3,586,579,119	8,024	5.79	2.28
2001-02	445,376.6	2,200,529,799	310,295,280	1,270,261,060	3,781,086,139	8,490	5.78	4.02
2002-03	444,541.4	2,277,804,680	340,728,648	1,335,185,546	3,953,718,874	8,894	4.78	2.64

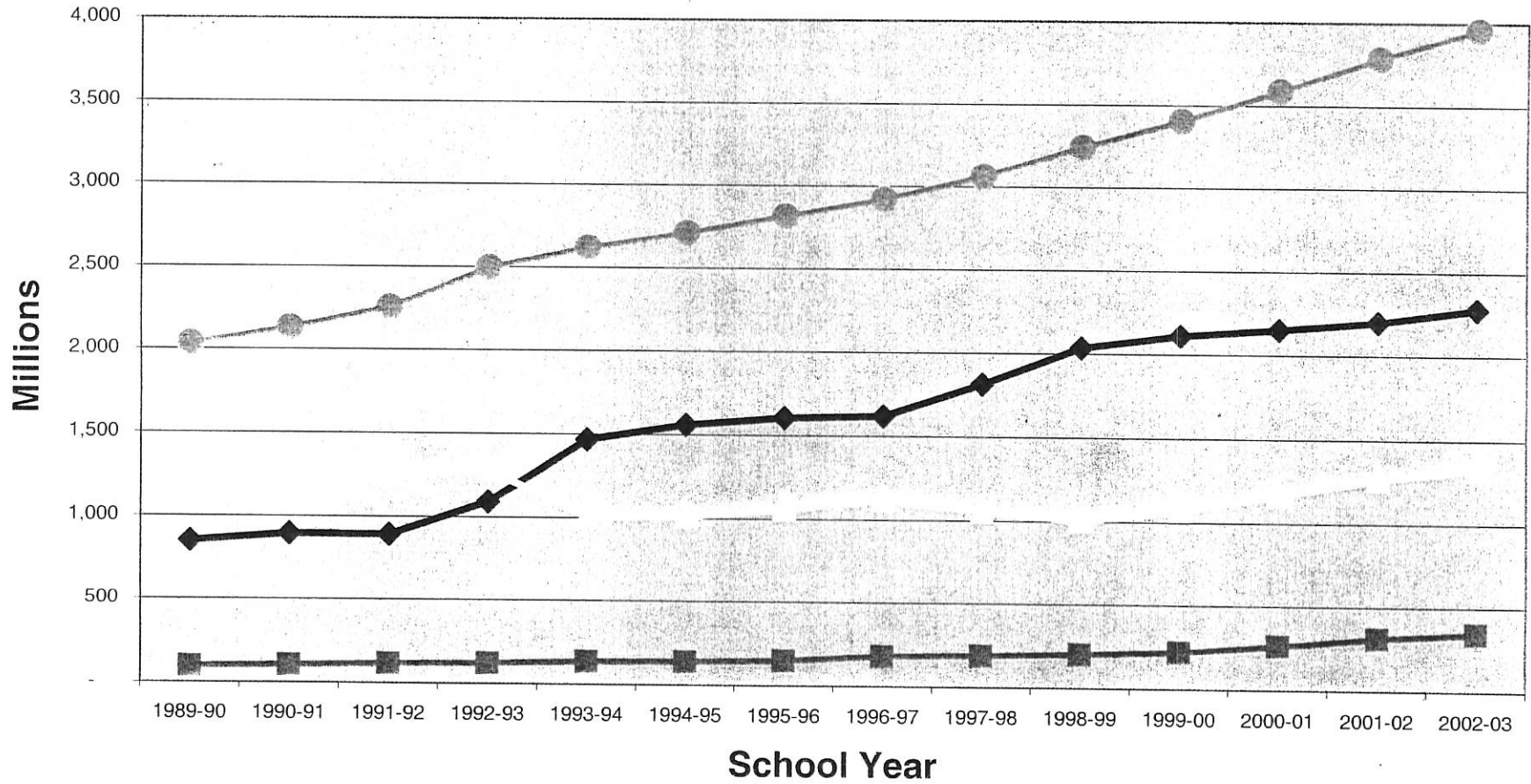


4-8

School						Per Pupil	Per Pupil		
Year	FTE Enroll	State Aid + KPERS	Fed. Aid	Local Aid	Total	Total Expend.	Expend. % Change	CPI % Change	KPERS (inc in State Aid)
1989-90	409,656.1	889,326,606	97,985,711	1,082,548,908	2,069,861,225	5,053			38,123,436
1990-91	416,383.2	939,904,182	105,256,560	1,128,045,685	2,173,206,427	5,219	3.13	-2.20	43,488,335
1991-92	424,737.4	938,159,474	116,101,192	1,246,174,438	2,300,435,104	5,416	3.75	0.54	46,252,893
1992-93	431,320.5	1,142,067,375	121,624,374	1,282,096,485	2,545,788,234	5,902	9.06	5.76	49,504,118
1993-94	437,210.1	1,520,452,475	137,260,114	1,011,858,024	2,669,570,613	6,106	3.44	0.83	51,845,652
1994-95	440,684.2	1,612,411,454	140,485,296	1,012,554,570	2,765,451,320	6,275	2.77	-0.10	54,075,538
1995-96	442,465.9	1,663,189,063	150,316,623	1,061,918,793	2,875,424,479	6,499	3.48	0.73	58,255,892
1996-97	445,767.3	1,682,378,971	181,533,320	1,121,816,183	2,985,728,474	6,698	2.95	0.10	63,929,941
1997-98	448,609.0	1,886,079,239	189,120,462	1,058,428,663	3,133,628,364	6,985	4.16	2.37	70,395,095
1998-99	448,925.7	2,112,818,552	202,565,725	1,004,736,639	3,320,120,916	7,396	5.79	3.97	77,624,470
1999-00	448,610.3	2,192,132,889	220,780,350	1,071,444,132	3,484,357,371	7,767	5.01	2.04	81,648,499
2000-01	446,969.9	2,234,804,134	261,038,153	1,172,918,480	3,668,760,767	8,208	5.79	2.28	82,181,648
2001-02	445,376.6	2,291,935,819	310,295,280	1,270,261,060	3,872,492,159	8,695	5.78	4.02	91,406,020
2002-03	444,541.4	2,381,990,159	340,728,648	1,335,185,546	4,057,904,353	9,128	4.78	2.64	104,185,479

# Total Kansas USD Funding

◆ State Aid   ■ Fed. Aid   Local Aid   ● Total





\*\*\*\* STATE TOTALS \*\*\*\*

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SCHOOL YEAR	FTE ENROLL	STATE AID	FEDERAL AID	LOCAL REVENUE	TOTAL EXPENDITURES	PER PUPIL STATE AID	PER PUPIL FEDERAL AID	PER PUPIL LOCAL REVENUE	PER PUPIL TOTAL EXPEND	PER PUPIL CHG
989-90	409,656.1	851,203,170	97,985,711	1,082,548,908	2,031,737,789	2,078	219	2,643	4,960	
990-91	416,383.2	896,415,847	105,256,560	1,128,045,685	2,129,718,092	2,153	253	2,709	5,115	3.13
991-92	424,737.4	891,906,581	116,101,192	1,246,174,438	2,254,182,211	2,100	273	2,934	5,307	3.75
992-93	411,320.5	1,092,563,257	121,624,374	1,282,096,485	2,496,284,116	2,533	282	2,972	5,788	9.06
993-94	417,210.1	1,468,606,823	137,260,114	1,011,858,024	2,617,724,961	3,359	314	2,314	5,987	3.44
994-95	440,684.2	1,558,315,916	140,485,296	1,012,554,570	2,711,375,782	3,536	319	2,298	6,153	2.77
995-96	442,465.9	1,604,933,171	150,316,623	1,061,918,793	2,817,168,587	3,627	340	2,400	6,367	3.48
996-97	445,767.3	1,618,449,030	181,533,320	1,121,816,183	2,921,798,533	3,631	407	2,517	6,555	2.95
997-98	448,609.0	1,815,684,144	189,120,462	1,058,428,663	3,063,233,269	4,047	422	2,359	6,828	4.16
998-99	448,925.7	2,035,194,082	202,565,725	1,004,736,639	3,242,496,446	4,533	451	2,238	7,223	5.79
999-00	448,610.3	2,110,484,390	220,780,350	1,071,444,132	3,402,708,872	4,704	492	2,388	7,585	5.01
000-01	416,969.9	2,152,622,486	261,038,153	1,172,918,480	3,586,579,119	4,816	584	2,624	8,024	5.79
001-02	445,376.6	2,200,529,799	310,104,678	1,269,928,113	3,780,562,590	4,941	696	2,851	8,488	5.78
002-03	444,541.4	2,277,804,680	340,728,648	1,335,185,546	3,953,718,874	5,124	766	3,004	8,894	4.78
003-04 (Budgeted)	411,947.3	2,236,394,203	326,370,551	1,794,003,680	4,356,768,434	5,038	735	4,041	9,814	10.34

\* INCLUDES UNBUDGETED FEDERAL FUNDS FOR 1996-97 THRU CURRENT

STATE TOTALS