

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on March 9, 2005 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Amy VanHouse, Legislative Research Department
Reagan Cussimano, Legislative Research Department
Amy Deckard, Legislative Research Department
Debra Hollon, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Matt Spurgin, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Dr. Ed Hammond, Fort Hays State University
Chancellor Robert Hemenway, University of Kansas
Steve Munch, University of Kansas Student Body President

Others attending:

See attached list.

- Attachment 1 Fiscal Note on **HB 2021**
- Attachment 2 Testimony on **HB 2021** by Dr. Edward H. Hammond
- Attachment 3 Testimony on **HB 2021** by Chancellor Robert Hemenway
- Attachment 4 Testimony on **HB 2021** by Steve Munch and Hayley Urkevich
- Attachment 5 Written testimony on **HB 2021** by the Universities Student Body Presidents
- Attachment 6 Written testimony on **HB 2021** by the Kansas Board of Regents
- Attachment 7 Budget Committee Report on School for the Blind, School for the Deaf, State Library, Kansas Arts Commission, State Historical Society
- Attachment 8 Budget Committee Report on Office of the State Bank Commissioner
- Attachment 9 Budget Committee Report on Department of Education
- Attachment 10 First-Year Funding for **HB 2474**
- Attachment 11 Proviso introduced by Representative Schwab
- Attachment 12 Budget Committee Report on Board of Healing Arts
- Attachment 13 Budget Committee Report on Board of Nursing
- Attachment 14 Budget Committee Report on Abstracters' Board of Examiners, Board of Technical Professions
- Attachment 15 Budget Committee Report on Behavioral Sciences Regulatory Board

Hearing on HB 2021 - State educational institutions; interest earnings credited on certain funds.

Deb Hollon, Legislative Research Department, explained that **HB 2021** would allow interest earned by special revenue funds at state universities to be credited to that fund rather than to the State General Fund (SGF). Funds involved include fees paid by students such as tuition and housing, research and other specific grants, capital improvement fund-private and educational. The fiscal note on **HB 2021** was distributed to the Committee (Attachment 1).

Chair Neufeld recognized Dr. Edward H. Hammond, President of Fort Hays State University, who presented testimony in support of **HB 2021** (Attachment 2). Responding to a question, Dr. Hammond stated that approximately \$150,000 of interest would be retained by the university under this legislation.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 9, 2005 in Room 514-S of the Capitol.

The Chair recognized Robert Hemenway, Chancellor, University of Kansas, who presented testimony in support of **HB 2021** (Attachment 3).

Chair Neufeld recognized Steve Munch, President, University of Kansas Student Body, who presented testimony in support of **HB 2021** (Attachment 4).

Written testimony in support of **HB 2021** was received from the student body presidents of the state universities (Attachment 5) and Reginald L. Robinson, President of the Kansas Board of Regents (Attachment 6).

Chair Neufeld closed the hearing on **HB 2021**.

Representative Flowers moved to introduce legislation concerning an act regarding the Kansas National Guard relating to active duty and cost of health insurance. The motion was seconded by Representative Bethell. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the School for the Blind for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the School for the Blind for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 7). The motion was seconded by Representative Hutchins. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the School for the Deaf for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 7). The motion was seconded by Representative Hutchins. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the School for the Deaf for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 7). The motion was seconded by Representative Hutchins. Motion carried.

Responding to questions from the Committee, the Budget Committee stated that the average census at the School for the Deaf is 145 students. The Committee notes the disparity between salaries of teachers at the schools for the blind and deaf and salaries of teachers at surrounding school districts.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the State Library for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 7). The motion was seconded by Representative Hutchins. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the State Library for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 7). The motion was seconded by Representative Hutchins. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the Kansas Arts Commission for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the Kansas Arts Commission for FY 2006 and moved for the adoption of the Budget Committee

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 9, 2005 in Room 514-S of the Capitol.

recommendation for FY 2006 (Attachment 7). The motion was seconded by Representative McLeland. Motion carried.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the State Historical Society for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried.

With regard to the tornado damage repairs at the Pawnee Indian Village State Historic Site, the Budget Committee noted \$125,000 of funding is now available and the recommendation in Item #2 would add another \$125,000 to this funding.

Representative Newton, member of the Education Budget Committee, presented the Budget Committee report on the State Historical Society for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 7). The motion was seconded by Representative Feuerborn. Motion carried on a 13-8 vote.

The Budget Committee noted that the \$50,000 referred to in Item No. 2 is surplus funds in the budget of the Kansas Humanities Council program, funding which the Governor has recommended for a reading program. The Budget Committee recommends reallocating the \$50,000 to the School for the Blind and the School for the Deaf.

Representative Feuerborn moved for a substitute motion to delete Item No. 2 from the Budget Committee report on the Kansas Arts Commission for FY 2006. The motion was seconded by Representative Gatewood. Motion failed on a 8-13 vote.

Representative Schwartz, Chair of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Office of the State Bank Commissioner for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 8). The motion was seconded by Representative Powell. Motion carried.

Representative Schwartz, Chair of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Office of the State Bank Commissioner for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 8). The motion was seconded by Representative Powell.

Representative Schwartz moved to amend the language in Item No. 3 of the Budget Committee report by striking the word "Governor" and inserting "Budget Committee". The motion was seconded by Representative Powell. Motion carried.

Representative Schwartz renewed the motion to adopt the Budget Committee report on the Office of the State Bank Commissioner for FY 2006 as amended. The motion was seconded by Representative Powell. Motion carried.

Representative Schwartz, Chair of the Agriculture & Natural Resources Budget Committee, presented the Budget Committee report on the Office of the State Bank Commissioner for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 8). The motion was seconded by Representative Williams. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee, presented the Budget Committee report on the Department of Education for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 9). The motion was seconded by Representative McLeland. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee, presented the Budget Committee report on the Department of Education for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 9). The motion was seconded by Representative McLeland.

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 9, 2005 in Room 514-S of the Capitol.

Representative Hutchins moved for a substitute motion to amend the Budget Committee report on the Department of Education for FY 2006 by re-appropriating \$49,959,000 from the Children's Future Fund in Item No. 9 and \$65,899,000 from the State General Fund (SGF) to fund K-12 education (Attachment 10). The motion was seconded by Representative Landwehr. Motion carried.

Committee member concerns and comments included:

- This appropriation would put funding in place for only one year, FY 2006.
- The action would put funds in place for funding any legislation passed to fund K-12 education.
- The \$115,858,000 proposed to fund K-12 education would come from ending balances in the State General Fund (SGF). Some of this funding is from growth of property valuation.
- Concern for the possibility of up to \$96 million in fines posed by the federal government against the Department of Social and Rehabilitation Services.

Representative Gatewood moved to amend the Budget Committee report on the Department of Education for FY 2006 by deleting Item No. 16. The motion was seconded Representative Lane. Motion failed on a 8-14 vote. Representative Ballard, Representative Gatewood and Representative Lane requested to be recorded as voting in favor of the motion.

Representative Schwab moved to amend the Budget Committee report on the Department of Education for FY 2006 by adding a proviso pertaining to litigation expense (Attachment 11). The motion was seconded by Representative Bethell. Motion failed.

Responding to a question from the Committee, the Budget Committee stated that school districts are able to use local funds for litigation expenses purposes.

The meeting was recessed at 11:00 a.m. and reconvened at 12:50 p.m.

Representative Feuerborn moved to amend the Budget Committee report on the Department of Education for FY 2006 by deleting Item No. 7 from the report. The motion was seconded by Representative Lane. Motion failed on a 11-9 vote.

Representative Hutchins renewed the motion to adopt the Budget Committee report on the Department of Education for FY 2006 as amended. The motion was seconded by Representative McLeland. Motion carried.

Representative McLeland, member of the Education Budget Committee, presented the Budget Committee report on the Board of Healing Arts for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 12). The motion was seconded by Representative Newton. Motion carried.

Representative McLeland, member of the Education Budget Committee, presented the Budget Committee report on the Board of Healing Arts for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 12). The motion was seconded by Representative Feuerborn. Motion carried.

Representative McLeland, member of the Education Budget Committee, presented the Budget Committee report on the Board of Healing Arts for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 12). The motion was seconded by Representative Hutchins. Motion carried.

Representative Bethell, member of the Social Services Budget Committee, presented the Budget Committee report on the Board of Nursing for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 13). The motion was seconded by Representative Henry. Motion carried.

Representative Bethell, member of the Social Services Budget Committee, presented the Budget Committee report on the Board of Nursing for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 13). The motion was seconded by Representative Henry. Motion

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MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 9, 2005 in Room 514-S of the Capitol.

carried.

Representative Bethell, member of the Social Services Budget Committee, presented the Budget Committee report on the Board of Nursing for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 13). The motion was seconded by Representative Henry. Motion carried.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Abstracters' Board of Examiners for FY 2005, FY 2006 and FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2005, FY 2006 and FY 2007 (Attachment 14). The motion was seconded by Representative Flower. Motion carried.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Board of Technical Professions for FY 2005 and moved for the adoption of the Budget Committee recommendation for FY 2005 (Attachment 14). The motion was seconded by Representative Flower. Motion carried.

Representative Light, Chair of the Public Safety Budget Committee, presented the Budget Committee report on the Board of Technical Professions for FY 2006 and FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2006 and FY 2007 (Attachment 14). The motion was seconded by Representative Sharp. Motion carried.


Representative McLeland, member of the Education Budget Committee, presented the Budget Committee report on the Behavioral Sciences Regulatory Board for FY 2005, FY 2006 and FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2005, FY 2006 and FY 2007 (Attachment 15). The motion was seconded by Representative Newton. Motion carried.

Representative Feuerborn requested that a fact sheet on the proposed funding for K-12 education be provided to the Committee.

HB 2394, HB 2398 and HB 2399 were referred to General Government and Commerce Budget Committee. **HB 2085** was referred to Social Services Budget Committee.

Representative Landwehr introduced legislation pertaining to mental health centers. The motion was seconded by Representative Light. Motion carried.

The meeting was adjourned at 1:25 p.m. The next meeting of the Committee will be held at 9:00 a.m. on March 10, 2005.



Melvin Neufeld, Chair

HOUSE APPROPRIATIONS COMMITTEE

March 9, 2005

9:00 A.M.

NAME	REPRESENTING
Vickilyn Helsel	Budget
Heather Morgan	Budget
Elaine Frisbie	Budget
Jimmy Salisbury	Budget
Abbra Trivelpiece	FHSU
Mr. Edward Hammond	FHSU
Hayley Urkewich	KSU Students
STEVE MUNCH	KU STUDENTS
Bob Hemenway	KU
Katie Wrye	KU Students
George Barbee	Ks St Bd of Tech Prof.
BILL Brady	KGC
Betty Rose	Bd of Tech Prof.
Pat Johnson	Bd of Tech Prof
Carolyn Maddendy	Ks St Ns Assn
Dae Wilson	Kansas Arts Commission
Doug Bowman	CCECOS
MAXE GARRAITT	STATE LIBRARY
Val DeFever	SQE
Jim Edwards	KAEB
Jeanette Magathan	School for the Deaf
Robert Maile	" "

HOUSE APPROPRIATIONS COMMITTEE

March 9, 2005

9:00 A.M.

NAME	REPRESENTING
Marsha Geksepp	BSRB
Mary Bluebeys	KSRW
Jenni Chino	Historical Society
Terry Marmet	Historical Society

KANSAS

DIVISION OF THE BUDGET
DUANE A. GOOSSEN, DIRECTOR

KATHLEEN SEBELIUS, GOVERNOR

February 21, 2005

The Honorable Melvin Neufeld, Chairperson
House Committee on Appropriations
Statehouse, Room 517-S
Topeka, Kansas 66612

Dear Representative Neufeld:

SUBJECT: Fiscal Note for HB 2021 by Legislative Educational Planning Committee

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2021 is respectfully submitted to your committee.

HB 2021 would allow the interest earned by special revenue funds, including the Education Building Fund, at the state universities to be credited to the fund rather than to the State General Fund. The interest would be credited based on the average daily balance of each fund and the net earnings rate of the Pooled Money Investment Board.

Estimated State Fiscal Effect				
	FY 2005 SGF	FY 2005 All Funds	FY 2006 SGF	FY 2006 All Funds
Revenue	(\$3,790,743)	--	(\$5,631,441)	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

In FY 2003, the average interest rate was 1.6 percent and the State General Fund received approximately \$2.7 million from interest earnings on university funds in the Pooled Money Investment Board. This reflects 61.0 percent of the interest earnings for the universities. In FY 2004, the average interest rate was 1.1 percent and the State General Fund received approximately \$2.0 million from interest earnings. This reflects 50.0 percent of the interest

HOUSE APPROPRIATIONS

LANDON STATE OFFICE BUILDING, 900 SW JACKSON, SUITE 504, TC

Voice 785-296-2436 Fax 785-296-0231 <http://do.state>

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The Honorable Melvin Neufeld, Chairperson

February 21, 2005

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earnings for the universities. These numbers were reported based on calculations provided to the Board of Regents by the State University Council of Business Officers in the fall of 2004.

Currently, interest rates are rising which would affect the bill's cost to the State General Fund. Based on the FY 2004 average ending balance in the Pooled Money Investment Fund and the 50.0 percent retention of interest earning for deposit in the State General Fund projections have been made for FY 2005 and FY 2006. For FY 2005 the average interest rate, base on seven months of actual and five months of estimated interest rates, would be 2.08 percent for earnings of \$3.8 million. For FY 2006, the average interest rate is estimated at 3.09 percent for earnings of \$5.6 million. The estimated interest rates are those used in the Consensus Revenue Estimate Memo of November 4, 2004. Any fiscal effect resulting from this bill would not be reflected in *The FY 2006 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Marla Goodrich, PMIB
Marvin Burris, Regents

TESTIMONY HOUSE BILL 2021
HOUSE APPROPRIATIONS COMMITTEE
March 9, 2005

Dr. Edward H. Hammond, President
Fort Hays State University

Thank you, Mr. Chairman. It is my pleasure to speak in support of House Bill 2021, which expands the tuition ownership budget model of the state's six universities so that the interest earnings on all non-state general funds accrue to the fund that generates the earnings.

On behalf of the Kansas Board of Regents and its six Chief Executive Officers, I want to thank the committee for its continued support of higher education. Without your support your Regents' System would not have been able to cope with these challenging economic times.

Our current governance accountability model, tuition ownership and block grants, can be traced to another group of legislators who wanted to make a positive difference for the State of Kansas. In 1999, Senate Bill 345 was adopted and voted into law. In this piece of legislation, the Kansas legislature reorganized higher education in our state. This important piece of legislation started the emphasis on accountability, flexibility and a coordinated system of community colleges and universities.

In 2002, Senate Bill 647 further developed the accountability model and committed the state to block grant support for the six Regents' state universities. As the committee is aware, the Board and the state universities have worked with the Governor's office and the legislature for the past three years to achieve the objectives of this legislation and full operating grant implementation and accountability at the state universities.

The Kansas Board of Regents has been working very hard to implement the requirements of Senate Bill 345 and Senate Bill 647. Statewide goals for the coordinated higher education system have been identified and performance agreements have been entered into with each of the colleges and universities. Institutional performance is being evaluated and institutional accountability will determine whether or not new funds are distributed to each college or university.

In addition, through the university business officers, we have worked with the Department of Administration to achieve increased management flexibility through relief from various administrative requirements. This flexibility is critical to the successful management of your six state universities.

As part of its effort to move the state universities to the Operating Grant Model, the Kansas Board of Regents requests legislation to provide for crediting to state university funds that portion of the state interest earnings attributed to these funds. House Bill 2021

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provides for crediting of interest to special revenue funds of the state universities, as defined in the bill. Interest would be credited based on the average daily balance of each fund and the net earnings rate of the pooled money investment portfolio. Provisions of House Bill 2021 would be applicable to virtually all state universities' special revenue funds, except certain federal grant funds and special revenue funds which currently already earn interest. The university already has flexibility for these fund accounts.

We project that the provisions of House Bill 2021 would result in approximately 2.7 million of additional interest earnings credited to state university funds, which otherwise would be credited to the state general fund. The primary motivation behind this legislation is two-fold. First, to move in the direction of completing the true block grant status for your six regents' universities. Second, to provide an equitable distribution of resources among the coordinated colleges and universities.

The ability of the state universities to receive interest on these funds would put the state universities on the same playing field with other block grant higher education institutions, community colleges and Washburn University. In particular, the crediting of interest to the tuition and fee funds would provide affirmation to students that the state is interested in helping the universities increase the purchasing power of the student dollar. Likewise, crediting interest to the educational building fund would normally enhance the universities' ability to complete desperately needed building repairs and maintenance.

Our quick review of current Kansas law also informs us that this is not the first time that a state agency has been granted this kind of flexibility. Under Section 32-992 of the Kansas Statutes, the state's Department of Wildlife, Parks and Recreation has the authority to capture the interest earned from the Wildlife Fee Fund, which includes "all moneys received from licenses, permits, stamps and other issues of the department."

In addition, under Section 32-992, The Department of Wildlife, Parks and Recreation has the same kind of authority with regard to the Wildlife Conservation Fund, which includes "license fees from the sale of lifetime hunting, fishing or fur harvester or combination hunting and license licensure fees." Finally, the department is authorized to receive interest earned from the Wildlife Parks Gifts and Donations Fund, which includes "all moneys received as bequests, donations, or gifts by the department."

Your support of House Bill 2021 would be an important step, not only to full implementation of block grants for the six Regents' universities, but also for the equitable distribution of resources. The flexibility that is being requested, that already exists at community colleges and Washburn, provides the management of the institution to realize the full impact of the dollars committed for tuition and fees. This exists other places in state government and would be a valuable tool for your state universities.

In closing, we would hope that you would be able to support House Bill 2021 as the next step in implementation of the accountability model and the universities' block grants. If you have any questions, I will be happy to try to answer them.

COMMENTS
Chancellor Robert Hemenway
Regarding HB 2021 – Interest on Tuition and Fees
House Appropriations Committee
March 9, 2005
9:00 – Room 514-S

- Thank you for the hearing on this bill and for the opportunity to appear today.
- This bill was introduced at the request of the Board of Regents. It is an outgrowth of discussions among the Council of Presidents and discussions they have had for at least two years.
- HB 2021 would establish the policy that interest on tuition and tuition-like funds at state colleges and universities should accrue to the benefit of the colleges and universities.
- It does so by calculating the interest earned by those amounts in the Pooled Money Investment Board and crediting the appropriate accounts. (General Fees Funds, etc)
- In discussing this issue with legislators, I have been asked, "How can you distinguish tuition from other state fees and taxes."
- For me, this is easy.
- First of all, four years ago, this legislature adopted a policy that moved state universities to being funded by a Block Grant model. An integral component of this model was the notion of "Tuition Accountability" ---- each of the institutions would be responsible for the management of its tuition revenues, and tuition

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would not be used to offset general fund appropriations, so that if tuition increased, state funding would decrease.

- The issue of "Interest on Tuition" encompassed in HB 2021 is an obvious extension of that concept; of being responsible for management of tuition revenues, and accountable for how they are spent.
- Without "Tuition Accountability" there is no incentive to improve access or increase enrollment, since tuition and appropriations are linked.
- The state universities Block Grant Model created under Governor Graves and continued under Governor Sebelius, is vastly different from how other state agencies are funded.
- I would be remiss if I did not take the opportunity to thank members of this committee for its action earlier this week in adopting the Governor's recommendations for the block grant recommendation this year.
- Currently, all public higher education institutions in Kansas earn "interest" on their tuition dollars except for the six Regents Universities. Why should Regents Universities be denied access to funds given to the rest of public higher education?
- When a parent writes a check for a tuition payment, it a fundamentally different transaction than when a person writes a check for a professional licensure fee, a filing fee, or even a payment for taxes.
- First of all, the payment is voluntary, because nobody is forced by a state law to attend higher education.

- Second, it is a payment which has been determined as a life objective years in advance. Many times the source of payment is savings which have accrued over a substantial time period by an individual or family. Those savings have been invested and have earned interest. Why should this amount suddenly be invested to the benefit of the state instead of the educational institution?
- Indeed, the state has even encouraged these savings activities through its tax policies.
- This is very different from a professional licensure fee, an inspection fee, or a filing fee of a typical state agency. The expectations are quite different, and quite easily distinguishable.
- This is another difficult budget year for the State.
- The issue of "Interest on Tuition" is in some ways a symbolic one in such times.

Testimony
House Appropriations Committee
Wednesday, March 9, 2005
HB 2021 – Interest on Tuition and Fees

Hayley Urkevich
President, Kansas State University Student Body

Steve Munch
President, University of Kansas Student Body

My name is Steve Munch. I am Student Body President at the University of Kansas. I am appearing today also on behalf of Hayley Urkevich, Student Body President at Kansas State University.

I wish to voice our joint support of HB 2021, a bill pertaining to interest earnings on tuition and fee monies.

Although you have heard, or will hear today, from administrators at the state universities about the importance of this issue, I am here to relay to you the great support the students at these institutions have for this issue. In fact, interest ownership has been an issue of significant concern to Kansas students for a number of years.

Students support this bill for reasons that are both practical and philosophical:

On the practical side, I make two points:

First, passage of HB 2021 would generate more revenue, albeit small, for our respective universities, thus assisting with budgetary issues with the university operations in general.

Secondly, and perhaps more importantly, students support this bill because it applies to monies collected by the universities beyond tuition. Most notably, this bill also applies to the campus fees that each university collects for services, which do not receive any support from the State of Kansas. These fees provide for functions as varied as student healthcare and clinics, campus transportation systems, fitness services, and student organization funding. With broad goals, yet tight budgets, every additional dollar that these services could generate would directly and significantly affect the students that rely upon them.

This legislation also has great appeal from the philosophical point of view.

Every semester, thousands of students and families across the state write checks for the costs of tuition and fees. These checks are expressly intended to be used for the benefit of

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the state universities; however, the interest these payments generate is currently used to support other state agencies or obligations. If Kansans are paying money for higher education, it only makes sense that that money be used for that purpose and no other.

I would note that students at the state universities are the only higher education students in Kansas whose payments are handled in such a matter.

We are well aware that there are a number of demands on the state budget this year. However, we strongly encourage you to support HB 2021.

In conclusion, I also want to thank each and every one of you for your service to the State of Kansas. I know that it is necessary to make personal and professional sacrifices to serve in the Kansas Legislature. I recognize this and want to thank you for your individual and collective service.

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The Honorable Melvin Neufeld, Chair
House Appropriations Committee
State Capitol, Room 514-S
Topeka, KS 66612

Re: HB 2021 - Interest on Tuition

Dear Chairman Neufeld:

This letter is being written to you in our capacity as the student body presidents for the six state universities.

We write this letter to you and your committee to express our strong support for HB 2021, which is currently under your consideration.

Students and their families at the state universities annually invest millions of dollars in their education through the payment of tuition and campus fees.

We believe that interest earnings off of these payments should accrue to the benefit of the universities and the programs financed by these fees.

We respectfully request your support for the passage of HB 2021.

Sincerely yours,

Mitchell Hall
Chair, Board of Regents Students Advisory Committee
Student Body President, Fort Hays State University

Hayley Urkevich
Vice-Chair, Board of Regents Students Advisory Committee
Student Body President, Kansas State University

Andrew Johnson
Student Body President, Pittsburg State University

Steve Munch
Student Body President, University of Kansas

Tyler Wray
Student Body President, Emporia State University

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ATTACHMENT 5



KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

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FAX – 785-296-0983

www.kansasregents.org

March 9, 2005

Representative Melvin Neufeld
Chairman
House Appropriations Committee
Statehouse, Room 517-S
Topeka, KS 66612

Representative Bill Feuerborn
Ranking Member
House Appropriations Committee
Statehouse, Room 284-W
Topeka, KS 66612

Dear Chairman Neufeld and Ranking Member Feuerborn:

On behalf of the Board of Regents, I am contacting you regarding House Bill 2021, a bill which makes provision for the crediting of interest earnings to state university funds. This bill was endorsed and introduced by the Legislative Educational Planning Committee.

The six state universities governed by the Board of Regents have operated under a new budget model for four years. That model provides a State General Fund operating grant to each university and tuition ownership. Over the last three of the last four fiscal years, the universities have absorbed \$82 million in funding reductions and increased fringe benefit costs. The universities have had to look to the students to pay a greater cost of their education in the form of increased tuition and other fees in order to meet the continued demand for a quality education in Kansas.

Given the increases the universities are asking students and their families to absorb; it makes sense that the interest earned on those monies be credited back to the General Fees Fund. All of the higher education institutions in the state earn interest on their tuition dollars except the six universities governed by the Board of Regents. By crediting the interest on the General Fees Fund back to the universities, the universities may be able to mitigate future tuition increases.

The ability of the state universities to receive interest on these funds would put the state universities on the same playing field with the community colleges and Washburn University, all of which benefit from interest earned on fund balances. In particular, the crediting of interest to the tuition and fee funds would provide affirmation to students that the state is interested in helping the universities increase the purchasing power of student dollars. Likewise, crediting interest to the Educational Building Fund would nominally enhance the universities' ability to perform desperately needed building repairs and maintenance.

Several other funds should also accrue interest earnings as student fees and research dollars are deposited in these funds: Restricted Fees Funds (including student fee accounts), Research Overhead Funds, Direct Medical Education Funds and others.

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ATTACHMENT 6

For all six state universities, these funds would have earned \$1.9 million in FY 2004, with a corresponding reduction in revenue to the State's General Fund. In addition, a recent Division of the Budget fiscal note estimates that these funds will generate almost \$3.8 million in FY 2005 and \$5.6 million in FY 2006.

Such a proposal is not without precedent. Currently, the Kansas Department of Wildlife and Parks has the authority to capture the interest earned from the Wildlife Fee Fund, which includes "all moneys received from licenses, permits, stamps, and other issues of the department."

Again, thank you for your time and consideration of this important issue. I would urge the Committee's support of HB 2021.

Sincerely,



Reginald L. Robinson
President & CEO

FY 2005 and FY 2006

Education Budget Committee

School for the Blind
School for the Deaf
State Library
Kansas Arts Commission
State Historical Society

Becky Hutchins

Representative Becky Hutchins, Chair

Lana Gordon

Representative Lana Gordon

Steve Huebert

Representative Steve Huebert

Joe McLeland

Representative Joe McLeland

Representative Tom Sawyer

Representative Bill Feuerborn

Representative Bob Grant

Carl C. Krehbiel

Representative Carl Krehbiel

Dean Newton

Representative Dean Newton

HOUSE APPROPRIATIONS

DATE 3-09-2005
ATTACHMENT 7

Senate Subcommittee Report

Agency: School for the Blind

Bill No. SB 272

Bill Sec. 30

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 325

Budget Page No. 85

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 5,141,113	\$ 4,973,847	\$ 58,547
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 5,141,113</u>	<u>\$ 4,973,847</u>	<u>\$ 58,547</u>
Capital Improvements	151,785	151,785	0
TOTAL	<u><u>\$ 5,292,898</u></u>	<u><u>\$ 5,125,632</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 4,754,569	\$ 4,587,303	\$ 58,547
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 4,754,569</u>	<u>\$ 4,587,303</u>	<u>\$ 58,547</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,754,569</u></u>	<u><u>\$ 4,587,303</u></u>	<u><u>\$ 58,547</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 Estimate/Governor's Recommendation

The **agency's** estimate for FY 2005 operating expenditures is \$5,141,113, an increase of \$79,680 or 1.6 percent above the approved amount. The estimate includes \$4,754,569 from the State General Fund, an increase of \$67,266 or 1.4 percent above the approved amount. The agency's estimate includes \$67,270 in State General Fund moneys that were reappropriated from FY 2004 into FY 2005. Excluding the reappropriated funds, the increase is \$12,414 or 0.2 percent above the approved amount, all in fee funds.

The **Governor** recommends FY 2005 operating expenditures of \$4,973,847, a decrease of \$87,586 or 1.7 percent below the approved amount. The recommendation is a decrease of \$167,266 or 3.3 percent below the agency's estimate. The decrease is attributable to the recommendation to lapse the \$67,266 in State General Fund moneys reappropriated from FY 2004 into FY 2005 and an additional reduction of \$100,000 in salaries and wages from the Instructional Services program.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment and observation:

1. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$100,000 or 2.1 percent below the FY 2005 State General Fund amount approved by the 2004 Legislature.
2. Add \$58,547 State General Fund to partially restore the \$100,000 reduction in salaries and wages recommended by the Governor. The Senate Subcommittee was uncertain that the agency would be able to realistically make that significant of a reduction in salaries and wages in the current year. The Subcommittee is concurring with the Governor's recommendation in FY 2006 for the entire \$100,000 as the agency would have an entire year to capture the recommended savings.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: School for the Blind

Bill No. HB 2480

Bill Sec. 30

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 325

Budget Page No. 85

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 5,141,113	\$ 4,973,847	\$ 58,547
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 5,141,113</u>	<u>\$ 4,973,847</u>	<u>\$ 58,547</u>
Capital Improvements	151,785	151,785	0
TOTAL	<u><u>\$ 5,292,898</u></u>	<u><u>\$ 5,125,632</u></u>	<u><u>\$ 58,547</u></u>
State General Fund:			
State Operations	\$ 4,754,569	\$ 4,587,303	\$ 58,547
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 4,754,569</u>	<u>\$ 4,587,303</u>	<u>\$ 58,547</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,754,569</u></u>	<u><u>\$ 4,587,303</u></u>	<u><u>\$ 58,547</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 Estimate/Governor's Recommendation

The **agency's** estimate for FY 2005 operating expenditures is \$5,141,113, an increase of \$79,680 or 1.6 percent above the approved amount. The estimate includes \$4,754,569 from the State General Fund, an increase of \$67,266 or 1.4 percent above the approved amount. The agency's estimate includes \$67,270 in State General Fund moneys that were reappropriated from FY 2004 into FY 2005. Excluding the reappropriated funds, the increase is \$12,414 or 0.2 percent above the approved amount, all in fee funds.

The **Governor** recommends FY 2005 operating expenditures of \$4,973,847, a decrease of \$87,586 or 1.7 percent below the approved amount. The recommendation is a decrease of \$167,266 or 3.3 percent below the agency's estimate. The decrease is attributable to the recommendation to lapse the \$67,266 in State General Fund moneys reappropriated from FY 2004 into FY 2005 and an additional reduction of \$100,000 in salaries and wages from the Instructional Services program.

House Budget Committee Recommendation

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

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$100,000 or 2.1 percent below the FY 2005 State General Fund amount approved by the 2004 Legislature.
2. Add \$58,547 State General Fund to partially restore the \$100,000 reduction in salaries and wages in the Instructional Services program recommended by the Governor.

Senate Subcommittee Report

Agency: School for the Blind

Bill No. SB 270

Bill Sec. 59

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 325

Budget Page No. 85

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 5,128,564	\$ 5,162,753	\$ (251,468)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 5,128,564</u>	<u>\$ 5,162,753</u>	<u>\$ (251,468)</u>
Capital Improvements	188,064	188,064	0
TOTAL	<u><u>\$ 5,316,628</u></u>	<u><u>\$ 5,350,817</u></u>	<u><u>\$ (251,468)</u></u>
State General Fund:			
State Operations	\$ 4,817,538	\$ 4,845,672	\$ (245,413)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 4,817,538</u>	<u>\$ 4,845,672</u>	<u>\$ (245,413)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,817,538</u></u>	<u><u>\$ 4,845,672</u></u>	<u><u>\$ (245,413)</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>

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

Agency Request/Governor's Recommendation

The **agency** requests FY 2006 operating expenditures of \$5,128,564, a decrease of \$12,549 or 0.2 percent below the FY 2005 estimate. The request includes \$4,817,538 from the State General Fund, an increase of \$62,969 or 1.3 percent above the FY 2005 estimate. The request includes two enhancement packages totaling \$117,279, all of which is from the State General Fund. Without the inclusion of the enhancement packages, the request is a reduction of \$129,828 or 2.5 percent below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$5,162,753, an increase of \$188,906 or 3.8 percent above the FY 2005 estimate. The recommendation is an increase of \$34,189 or 0.7 percent above the agency's request. The recommendation includes the addition of \$251,468 for salary adjustments, partially offset by a reduction of \$100,000 in salaries and wages in the Instructional Services program. Additionally, the Governor did not recommend the agency's two enhancement packages totaling \$117,279 State General Fund.

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Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, there would be no reduction to the Governor's recommended FY 2006 State General Fund budget would total \$432,685.**

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment.** Delete \$96,043, including \$93,407 from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$155,425, including \$152,006 from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$142,445), and for the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$12,980) for later Committee consideration.
3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund increase of \$158,369 or 3.4 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is a decrease of \$87,044, or 1.9 percent below the approved amount.
4. The Senate Subcommittee notes its concern with the salary disparity that currently exists between the teachers at the School for the Blind and the neighboring districts. The Subcommittee expressed its intent to review this issue during the 2006 Legislature when it is hoped additional revenue will be available to provide funding for this initiative.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the following adjustment:

1. Review at Omnibus the \$100,000 reduction in salaries and wages in the Instructional Services Program.

House Budget Committee Report

Agency: School for the Blind

Bill No. HB 2482

Bill Sec. 59

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 325

Budget Page No. 85

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 5,128,564	\$ 5,162,753	\$ 83,547
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	\$ 5,128,564	\$ 5,162,753	\$ 83,547
Capital Improvements	188,064	188,064	0
TOTAL	\$ 5,316,628	\$ 5,350,817	\$ 83,547
State General Fund:			
State Operations	\$ 4,817,538	\$ 4,845,672	\$ 83,547
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	\$ 4,817,538	\$ 4,845,672	\$ 83,547
Capital Improvements	0	0	0
TOTAL	\$ 4,817,538	\$ 4,845,672	\$ 83,547
FTE Positions	93.5	93.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	93.5	93.5	0.0

Agency Request/Governor's Recommendation

The **agency** requests FY 2006 operating expenditures of \$5,128,564, a decrease of \$12,549 or 0.2 percent below the FY 2005 estimate. The request includes \$4,817,538 from the State General Fund, an increase of \$62,969 or 1.3 percent above the FY 2005 estimate. The request includes two enhancement packages totaling \$117,279, all of which is from the State General Fund. Without the inclusion of the enhancement packages, the request is a reduction of \$129,828 or 2.5 percent below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$5,162,753, an increase of \$188,906 or 3.8 percent above the FY 2005 estimate. The recommendation is an increase of \$34,189 or 0.7 percent above the agency's request. The recommendation includes the addition of \$251,468 for salary adjustments, partially offset by a reduction of \$100,000 in salaries and wages in the Instructional Services program. Additionally, the Governor did not recommend the agency's two enhancement packages totaling \$117,279 State General Fund.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$432,685.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$4,845,672, an increase of \$158,369 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$93,407), the 27th payroll period (\$139,379), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$12,627), the recommendation is an decrease of \$87,044, or 1.9 percent below the approved amount.
2. Add \$58,547 State General Fund to partially restore the \$100,000 reduction in salaries and wages in the Instructional Services program recommended by the Governor.
3. The Budget Committee notes the disparity in salaries that currently exists between the School for the Blind and the neighboring school districts. The Budget Committee requests that the School for the Blind report back concerning the actual differences in salaries and fringe benefits, both in cost and actual benefits, prior to Omnibus.
4. Add \$25,000 State General Fund to be used for operating expenditures as the Budget Committee felt the school had been adversely affected in the past budget cycle.

Senate Subcommittee Report

Agency: School for the Deaf

Bill No. - -

Bill Sec. - -

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 339

Budget Page No. 137

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,897,633	\$ 7,897,633	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 7,897,633</u>	<u>\$ 7,897,633</u>	<u>\$ 0</u>
Capital Improvements	927,016	1,783,059	0
TOTAL	<u><u>\$ 8,824,649</u></u>	<u><u>\$ 9,705,914</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 7,462,584	\$ 7,462,584	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 7,462,584</u>	<u>\$ 7,462,584</u>	<u>\$ 0</u>
Capital Improvements	25,222	25,222	0
TOTAL	<u><u>\$ 7,487,806</u></u>	<u><u>\$ 7,487,806</u></u>	<u><u>\$ 0</u></u>
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>173.5</u></u>	<u><u>173.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The **agency** is estimating current year operating expenditures of \$7,897,633, an increase of \$78,648 or 1.0 percent above the approved budget. The decrease in State General Fund is due to shifting \$25,222 for debt service principal from operating expenditures to capital improvements. The expenditures were incorrectly categorized last year. The increase of \$103,870 in all other funds is due to increased expenditures in federal and fee funds.

The **Governor** recommends FY 2005 operating expenditures of \$7,897,633, an increase of \$78,648 or 1.0 percent above the approved amount. The recommendation is the same as the agency's estimate.

Senate Subcommittee Recommendation

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

1. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2005 revised recommendation for the State General Fund is unchanged from the FY 2005 State General Fund amount approved by the 2004 Legislature.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 339

Budget Page No. 137

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 7,897,633	\$ 7,897,633	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	\$ 7,897,633	\$ 7,897,633	\$ 0
Capital Improvements	927,016	1,783,059	0
TOTAL	\$ 8,824,649	\$ 9,705,914	\$ 0
State General Fund:			
State Operations	\$ 7,462,584	\$ 7,462,584	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	\$ 7,462,584	\$ 7,462,584	\$ 0
Capital Improvements	25,222	25,222	0
TOTAL	\$ 7,487,806	\$ 7,487,806	\$ 0
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	173.5	173.5	0.0

Agency Estimate/Governor's Recommendation

The **agency** is estimating current year operating expenditures of \$7,897,633, an increase of \$78,648 or 1.0 percent above the approved budget. The decrease in State General Fund is due to shifting \$25,222 for debt service principal from operating expenditures to capital improvements. The expenditures were incorrectly categorized last year. The increase of \$103,870 in all other funds is due to increased expenditures in federal and fee funds.

The **Governor** recommends FY 2005 operating expenditures of \$7,897,633, an increase of \$78,648 or 1.0 percent above the approved amount. The recommendation is the same as the agency's estimate.

House Budget Committee Recommendation

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

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation for the State General Fund is unchanged from the FY 2005 State General Fund amount approved by the 2004 Legislature.

Senate Subcommittee Report

Agency: School for the Deaf

Bill No. SB 270

Bill Sec. 60

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 339 **Budget Page No.** 137

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 8,013,462	\$ 8,187,144	\$ (402,750)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	\$ 8,013,462	\$ 8,187,144	\$ (402,750)
Capital Improvements	1,861,119	1,145,211	0
TOTAL	\$ 9,874,581	\$ 9,332,355	\$ (402,750)
State General Fund:			
State Operations	\$ 7,687,659	\$ 7,854,998	\$ (396,407)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	\$ 7,687,659	\$ 7,854,998	\$ (396,407)
Capital Improvements	52,021	52,021	0
TOTAL	\$ 7,739,680	\$ 7,907,019	\$ (396,407)
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	173.5	173.5	0.0

*The entire amount reflects deletion of the Governor's recommended salary plan adjustments.

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$8,013,462, an increase of \$115,829 or 1.5 percent above the revised FY 2005 estimate. The request includes \$7,687,659 State General Fund, an increase of \$225,075 or 3.0 percent above the FY 2005 revised estimate. The request includes three enhancement packages totaling \$232,344, all of which is from the State General Fund. Without the enhancement packages, the request would be a reduction of \$116,515 or 1.5 percent below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$8,187,144, including \$7,854,998 from the State General Fund. The recommendation is an increase of \$289,511 or 3.7 percent above the FY 2005 recommendation. The recommendation is an increase of \$173,682 or 2.2 percent from the agency's request. The recommendation includes the addition of \$402,750 for salary adjustments, \$396,407 of which is from the State General Fund. This is partially offset by the

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recommend to fund of only a portion of one of the three agency enhancement package totaling \$19,250, for an overall reduction to the agency's request of \$213,094. Additionally, the recommendation includes increasing shrinkage by \$15,974, for a reduction to the agency's request.

Statutory Budget Submission

KSA 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$706,043.**

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment.** Delete \$154,488, including \$152,049 from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$248,262, including \$244,358 from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$229,578), and for the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$18,684) for later Committee consideration.
3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund increase of \$419,213 or 5.6 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is an increase of \$22,806, or 0.3 percent above the approved amount.
4. The Senate Subcommittee notes its concern with the salary disparity that currently exists between the teachers at the School for the Deaf and the neighboring districts. The Subcommittee expressed its intent to review this issue during the 2006 Legislature when it is hoped additional revenue will be available to provide funding for this initiative.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

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House Budget Committee Report

Agency: School for the Deaf

Bill No. HB 2482

Bill Sec. 60

Analyst: Deckard

Analysis Pg. No. Vol. 1, p. 339

Budget Page No. 137

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,013,462	\$ 8,187,144	\$ 5,750
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 8,013,462</u>	<u>\$ 8,187,144</u>	<u>\$ 5,750</u>
Capital Improvements	1,861,119	1,145,211	0
TOTAL	<u><u>\$ 9,874,591</u></u>	<u><u>\$ 9,332,355</u></u>	<u><u>\$ 5,750</u></u>
State General Fund:			
State Operations	\$ 7,687,659	\$ 7,854,998	\$ 5,750
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal- Operating	<u>\$ 7,687,659</u>	<u>\$ 7,854,998</u>	<u>\$ 5,750</u>
Capital Improvements	52,021	52,021	0
TOTAL	<u><u>\$ 7,739,680</u></u>	<u><u>\$ 7,907,019</u></u>	<u><u>\$ 5,750</u></u>
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>173.5</u></u>	<u><u>173.5</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$8,013,462, an increase of \$115,829 or 1.5 percent above the revised FY 2005 estimate. The request includes \$7,687,659 State General Fund, an increase of \$225,075 or 3.0 percent above the FY 2005 revised estimate. The request includes three enhancement packages totaling \$232,344, all of which is from the State General Fund. Without the enhancement packages, the request would be a reduction of \$116,515 or 1.5 percent below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$8,187,144, including \$7,854,998 from the State General Fund. The recommendation is an increase of \$289,511 or 3.7 percent above the FY 2005 recommendation. The recommendation is an increase of \$173,682 or 2.2 percent from the agency's request. The recommendation includes the addition of \$402,750 for salary adjustments, \$396,407 of which is from the State General Fund. This is partially offset by the recommendation to fund only a portion of one of the three agency enhancement package totaling \$19,250, for an overall reduction to the agency's request of \$213,094. Additionally, the recommendation includes increasing shrinkage by \$15,974, for a reduction to the agency's request.

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House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$7,907,019, an increase of \$419,213 or 5.6 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$152,049), the 27th payroll period (\$225,964), and the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$18,394), the recommendation is an increase of \$22,806, or 0.3 percent above the approved amount.
2. The Budget Committee removes \$19,250 State General Fund that the Governor recommended for the purchase of a vehicle and notes its intention to review the issue at Omnibus.
3. The Budget Committee notes the disparity in salaries that currently exists between the School for the Deaf and the neighboring school districts. The Budget Committee requests that the School for the Deaf report back concerning the actual differences in salaries and fringe benefits, both in cost and actual benefits, prior to Omnibus.
4. Add \$25,000 State General Fund to be used for operating expenditures as the Budget Committee felt the school had been adversely affected in the past budget cycle.

Senate Subcommittee Report

Agency: Kansas State Library

Bill No. SB 272

Bill Sec. 29

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 353 **Budget Page No.** 313

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 4,954,803	\$ 4,927,936	\$ (3,133)
Other Funds	1,733,251	1,733,251	0
TOTAL	\$ 6,688,054	\$ 6,661,187	\$ (3,133)
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** estimates a current year operating budget of \$6,688,054, an increase of \$135,231 or 2.1 percent above the approved amount. The agency estimates FY 2005 State General Fund expenditures of \$4,954,803, which is the same as the approved amount. The difference between the approved amount and the agency's revised estimate is the result of an additional \$133,575 in federal funds and an increase of \$1,656 in other operating expenditures.

The **Governor** recommends current year operating expenditures of \$6,661,187, an increase of \$108,364 or 1.7 percent above the approved amount. The recommendation includes State General Fund expenditures of \$4,927,936, a decrease of \$26,867 or 0.5 percent below the approved amount. The recommendation is \$26,867 or 0.4 percent less than the agency's request and includes:

- A decrease of \$30,000 from the State General Fund in salaries and wages, as a result of a salary savings from the retirement of the State Librarian; and
- An additional \$3,133 from the State General Fund for commodities.

Staff Note: The Governor's FY 2005 recommendation inadvertently overstated State General Fund expenditures by \$3,133.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustment and observation:

1. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$26,867 or 0.5 percent below the FY 2005 State General Fund amount approved by the 2004 Legislature.

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- 2. **State General Fund Expenditures.** Delete \$3,133 from the State General Fund to remove the amount of State General Fund expenditures overstated in the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas State Library

Bill No. HB 2480

Bill Sec. 29

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 353

Budget Page No. 313

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,954,803	\$ 4,924,803	\$ 0
Other Funds	1,733,251	1,733,251	0
TOTAL	\$ 6,688,054	\$ 6,658,054	\$ 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

* Reflects Governor's Budget Amendment No. 1, Item 10.

Agency Estimate/Governor's Recommendation

The **agency** estimates a current year operating budget of \$6,688,054, an increase of \$135,231 or 2.1 percent above the approved amount. The agency estimates FY 2005 State General Fund expenditures of \$4,954,803, which is the same as the approved amount. The difference between the approved amount and the agency's revised estimate is the result of an additional \$133,575 in federal funds and an increase of \$1,656 in other operating expenditures.

The **Governor** recommends current year operating expenditures of \$6,661,187, an increase of \$108,364 or 1.7 percent above the approved amount. The recommendation includes State General Fund expenditures of \$4,927,936, a decrease of \$26,867 or 0.5 percent below the approved amount. The recommendation is \$26,867 or 0.4 percent less than the agency's request and includes:

- A decrease of \$30,000 from the State General Fund in salaries and wages, as a result of a salary savings from the retirement of the State Librarian; and

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- An additional \$3,133 from the State General Fund for commodities.

Staff Note: The Governor's FY 2005 recommendation inadvertently overstated State General Fund expenditures by \$3,133.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$26,867 or 0.5 percent below the FY 2005 State General Fund amount approved by the 2004 Legislature.
2. **Governor's Budget Amendment (GBA).** The Budget Committee concurs with the Governor's Budget Amendment No. 1, Item No. 10 to delete \$3,133 from the State General Fund to remove the amount of State General Fund expenditures overstated in the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Library

Bill No. SB 270

Bill Sec. 57

Analyst: Alishahi

Analysis Pg. No. Vol. 1,353 **Budget Page No.** 313

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 9,522,355	\$ 5,030,152	\$ (72,216)
Other Funds	1,733,159	1,733,159	0
TOTAL	\$ 11,255,514	\$ 6,763,311	\$ (72,216)
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

* The entire adjustment reflects deletion of the Governor's recommended salary and wage adjustments.

Agency Request/Governor's Recommendation

The **agency** requests a FY 2006 operating budget of \$11,255,514, an increase of \$4,567,460 or 68.3 percent above the revised current year estimate. The agency requests FY 2006 State General Fund expenditures of \$9,522,355, an increase of \$4,567,552 or 92.2 percent above the revised estimate. The agency's request includes five enhancements totaling \$4,564,419 from the State General Fund. **Without the enhancements**, the agency's request is an increase of \$3,041 or 0.1 percent above the revised current year estimate.

The **Governor** recommends a FY 2006 operating budget of \$6,763,311, an increase of \$102,124 or 1.5 percent above the FY 2005 recommendation. The Governor recommends State General Fund expenditures of \$5,030,152, an increase of \$102,216 or 2.1 percent above the current year recommendation. The recommendation is \$4,492,203 or 39.9 percent less than the agency's request and includes an additional \$72,216 from the State General Fund for the 2.5 percent salary increase, the 27th payroll period, and the increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate. In addition, the Governor does not recommend the agency's five enhancement requests.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the Governor's Budget Report includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$449,158.**

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Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment.** Delete \$27,606 from the State General Fund to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$44,610 from the State General Fund to remove funding recommended by the Governor for the 27th payroll period (\$3,715), and for the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$40,895) for later Committee consideration.
3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund increase of \$75,349 or 1.5 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is an increase of \$3,133 or 0.1 percent above the approved amount.
4. The Subcommittee commends the agency for the type of work that it does for the entire state of Kansas. At the same time, the Subcommittee encourages the agency to become more involved in a private fundraising program.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas State Library

Bill No. 2482

Bill Sec. 57

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 353

Budget Page No. 313

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,522,355	\$ 5,030,152	\$ 0
Other Funds	1,733,159	1,733,159	0
TOTAL	\$ 11,255,514	\$ 6,763,311	\$ 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 an FY 2006 operating budget of \$11,255,514, an increase of \$4,567,460 or 68.3 percent above the revised current year estimate. The agency requests FY 2006 State General Fund expenditures of \$9,522,355, an increase of \$4,567,552 or 92.2 percent above the revised estimate. The agency's request includes five enhancements totaling \$4,564,419 from the State General Fund. **Without the enhancements**, the agency's request is an increase of \$3,041 or 0.1 percent above the revised current year estimate.

The **Governor** recommends an FY 2006 operating budget of \$6,763,311, an increase of \$102,124 or 1.5 percent above the FY 2005 recommendation. The Governor recommends State General Fund expenditures of \$5,030,152, an increase of \$102,216 or 2.1 percent above the current year recommendation. The recommendation is \$4,492,203 or 39.9 percent less than the agency's request and includes an additional \$72,216 from the State General Fund for the 2.5 percent salary increase, the 27th payroll period, and the increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate. In addition, the Governor does not recommend the agency's five enhancement requests.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the Governor's Budget Report includes a "statutory budget" designed to provide for a 7.5 percent ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would be \$449,158.**

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House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$5,030,152, an increase of \$75,349 or 1.5 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$27,606), the 27th payroll period (\$40,895), and the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$3,715), the recommendation is an increase of \$3,133 above the approved amount.
2. **Kanguard Internet Filter Service.** The Budget Committee recommends that the agency's request for an additional \$47,200 from the State General Fund for the Kanguard Internet Filter Service be reviewed at Omnibus. The agency indicated that it provides filtering software for those libraries who choose to filter public Internet access. The cost for providing this service in FY 2006 will increase by \$47,200.
3. The Budget Committee commends the State Library and libraries throughout the state for working hard to do more with less funding. The Budget Committee notes that:
 - Circulation, public use, and programming statistics are up in many libraries;
 - Many libraries are making a special effort to serve the very young by helping them develop a tradition of reading early in life when it is most effective; and
 - Many libraries are addressing after school needs, and the needs of job seekers, entrepreneurs, new immigrants, and seniors.

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 313 Budget Page No. 61

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,481,857	\$ 1,481,857	\$ 0
Other Funds	671,716	671,716	0
TOTAL	\$ 2,153,573	\$ 2,153,573	\$ 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 Estimate/Governor's Recommendation

The **agency** estimates a current year operating budget of \$2,153,573, an increase of \$136,825 or 6.8 percent above the approved amount. The agency estimates FY 2005 State General Fund expenditures of \$1,481,857, which is the same as the approved amount. The difference between the approved amount and the agency's revised estimate is the result of an additional \$137,271 in federal funds that the agency received in FY 2004 and carried forward to FY 2005, and a reduction of \$446 in expenditures from all other special revenue funds.

The **Governor** concurs with the agency's revised estimate.

Senate Subcommittee Recommendation

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

1. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2005 revised State General Fund recommendation is the same as the amount approved by the 2004 Legislature.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 313

Budget Page No. 61

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,481,857	\$ 1,481,857	\$ 0
Other Funds	671,716	671,716	0
TOTAL	\$ 2,153,573	\$ 2,153,573	\$ 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 Estimate/Governor's Recommendation

The **agency** estimates a current year operating budget of \$2,153,573, an increase of \$136,825 or 6.8 percent above the approved amount. The agency estimates FY 2005 State General Fund expenditures of \$1,481,857, which is the same as the approved amount. The difference between the approved amount and the agency's revised estimate is the result of an additional \$137,271 in federal funds that the agency received in FY 2004 and carried forward to FY 2005, and a reduction of \$446 in expenditures from all other special revenue funds.

The **Governor** concurs with the agency's revised estimate.

House Budget Committee Recommendation

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

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is the same as the amount approved by the 2004 Legislature.

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No. SB 270

Bill Sec. 58

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 313 **Budget Page No.** 61

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 1,762,979	\$ 1,534,154	\$ (16,410)
Other Funds	516,253	527,192	(10,939)
TOTAL	<u>\$ 2,279,232</u>	<u>\$ 2,061,346</u>	<u>\$ (27,349)</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>

* The entire adjustment reflects deletion of the Governor's recommended salary and wage adjustments.

Agency Request/Governor's Recommendation

The **agency** requests a FY 2006 operating budget of \$2,279,232, an increase of \$125,659 or 5.8 percent above the current year revised estimate. The agency requests FY 2006 State General Fund expenditures of \$1,762,979, an increase of \$281,122 or 19.0 percent above the FY 2005 revised estimate. The agency's request includes three enhancements totaling \$280,235 from the State General Fund. **Without the enhancements**, the agency's request is a decrease of \$154,576 or 7.2 percent below the revised current year estimate.

The **Governor** recommends a FY 2006 operating budget of \$2,061,346, a decrease of \$92,227 or 4.3 percent below the FY 2005 recommendation. The Governor recommends State General Fund expenditures of \$1,534,154, an increase of \$52,297 or 3.5 percent above the current year recommendation. The recommendation is \$217,886 or 9.6 percent less than the agency's request and includes:

- An additional \$27,349, including \$16,410 from the State General Fund, for the 2.5 percent salary increase, the 27th payroll period, and the increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate; and
- An additional \$35,000 from the State General Fund to restore a \$35,000 State General Fund reduction in arts grants that the Governor recommended during the 2004 Session.

In addition, the Governor does not recommend the agency's three enhancement requests.

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Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the Governor's Budget Report includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$136,989.**

Senate Subcommittee Recommendation

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

1. **Pay Plan Adjustment.** Delete \$10,473, including \$6,284 from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$16,876, including \$10,126 from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$15,515), and for the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$1,361) for later Committee consideration.
3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund increase of \$52,297 or 3.5 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is an increase of \$35,887 or 2.4 percent above the approved amount.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Kansas Arts Commission

Bill No. HB 2482

Bill Sec. 58

Analyst: Alishahi

Analysis Pg. No. Vol. 1, 313

Budget Page No. 61

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,762,979	\$ 1,534,154	\$ 0
Other Funds	516,253	527,192	0
TOTAL	<u>\$ 2,279,232</u>	<u>\$ 2,061,346</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 Request/Governor's Recommendation

The **agency** requests an FY 2006 operating budget of \$2,279,232, an increase of \$125,659 or 5.8 percent above the current year revised estimate. The agency requests FY 2006 State General Fund expenditures of \$1,762,979, an increase of \$281,122 or 19.0 percent above the FY 2005 revised estimate. The agency's request includes three enhancements totaling \$280,235 from the State General Fund. **Without the enhancements**, the agency's request is a decrease of \$154,576 or 7.2 percent below the revised current year estimate.

The **Governor** recommends an FY 2006 operating budget of \$2,061,346, a decrease of \$92,227 or 4.3 percent below the FY 2005 recommendation. The Governor recommends State General Fund expenditures of \$1,534,154, an increase of \$52,297 or 3.5 percent above the current year recommendation. The recommendation is \$217,886 or 9.6 percent less than the agency's request and includes:

- An additional \$27,349, including \$16,410 from the State General Fund, for the 2.5 percent salary increase, the 27th payroll period, and the increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate; and
- An additional \$35,000 from the State General Fund to restore a \$35,000 State General Fund reduction in arts grants that the Governor recommended during the 2004 Session.

In addition, the Governor does not recommend the agency's three enhancement requests.

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Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the Governor's Budget Report includes a "statutory budget" designed to provide for a 7.5 percent ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would be \$136,989.**

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$1,534,154, an increase of \$52,297 or 3.5 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$6,284), the 27th payroll period (\$9,309), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$817), the recommendation is an increase of \$35,887 or 2.4 percent above the approved amount.
2. **Funding for Arts Grants.** The Budget Committee notes that the Governor's FY 2006 recommendation includes the restoration of \$35,000 from the State General Fund for arts grants. The Budget Committee recommends that the funding source for the \$35,000 be reviewed at Omnibus to determine whether the moneys should come from the State General Fund or the Economic Development Initiatives Fund (EDIF).
3. The Budget Committee notes that:
 - In FY 2004, almost 4.5 million Kansas residents and tourists benefitted from Kansas Arts Commission grants, and of these attendees, over 1.6 million were youth under the age of 18.
 - In FY 2004, the Kansas Arts Commission grants triggered, in local communities around the state, over \$36.0 million in expenditures (grants and match), involved almost 30,000 artists and over 23,500 volunteers, and employed approximately 896 full-time and 2,225 part-time employees.
 - The Tourism Arts Alliance of Kansas (TAAK) has a new arts tourism website at www.discoverkansasarts.com which provides information on various arts and cultural attractions located throughout Kansas.

Senate Subcommittee Report

Agency: Kansas State Historical Society **Bill No.** SB 272

Bill Sec. 31

Analyst: Spurgin

Analysis Pg. No. Vol. I, 295

Budget Page No. 201

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY05	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,029,498	\$ 7,029,498	\$ 0
Aid to Local Units	794,860	794,860	0
Other Assistance	614,900	614,900	0
Subtotal-Operating	\$ 8,439,258	\$ 8,439,258	\$ 0
Capital Improvements	729,469	729,469	0
TOTAL	\$ 9,168,727	\$ 9,168,727	\$ 0
State General Fund:			
State Operations	\$ 5,452,245	\$ 5,452,245	\$ 0
Aid to Local Units	109,760	109,760	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 5,562,005	\$ 5,562,005	\$ 0
Capital Improvements	250,000	250,000	0
TOTAL	\$ 5,812,005	\$ 5,812,005	\$ 0
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	140.5	140.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** current year estimate for operating expenditures of \$8,439,258 is an increase of \$487,044 (6.1 percent) from the approved budget. The agency estimates State General Fund expenditures of \$5,562,005, an increase of \$1,741 from the approved budget. The increase is accounted for by a reappropriation of funding approved for FY 2004, but not spent, which carried forward to FY 2005. The increase in other funding of \$485,103 is due to increases from original estimates of funds from the Heritage Trust Fund and additional federal funds for the Historic Preservation Office. Additional funding was also available from renting facilities to outside groups and funding in the visitors admissions and donations fee fund that carried forward from previous years.

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The agency request an additional \$125,000 from the State General Fund to repair tornado damage to the Pawnee Indian Village State Historic Site. The site was damaged by a tornado in May 2004.

The **Governor** concurs with the agency's estimates for operating expenditures and capital improvements for FY 2005.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor, with the following adjustments and observation:

1. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$126,741 or 2.2 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

Senate Committee Recommendation

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

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet addressed this issue.

House Budget Committee Report

Agency: Kansas State Historical Society **Bill No.** HB 2480

Bill Sec. 31

Analyst: Spurgin

Analysis Pg. No. Vol. I, 295 **Budget Page No.** 201

Expenditure Summary	Agency Estimate FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 7,029,498	\$ 7,029,498	\$ 0
Aid to Local Units	794,860	794,860	0
Other Assistance	614,900	614,900	0
Subtotal-Operating	\$ 8,439,258	\$ 8,439,258	\$ 0
Capital Improvements	729,469	729,469	0
TOTAL	\$ 9,168,727	\$ 9,168,727	\$ 0
State General Fund:			
State Operations	\$ 5,452,245	\$ 5,452,245	\$ 0
Aid to Local Units	109,760	109,760	0
Other Assistance	0	0	0
Subtotal -Operating	\$ 5,562,005	\$ 5,562,005	\$ 0
Capital Improvements	250,000	250,000	0
TOTAL	\$ 5,812,005	\$ 5,812,005	\$ 0
FTE Positions	136.5	136.5	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	140.5	140.5	0.0

Agency Estimate/Governor's Recommendation

The **agency's** current year estimate for operating expenditures of \$8,439,258 is an increase of \$487,044 (6.1 percent) from the approved budget. The agency estimates State General Fund expenditures of \$5,562,005, an increase of \$1,741 from the approved budget. The increase is accounted for by a reappropriation of funding approved for FY 2004, but not spent, which carried forward to FY 2005. The increase in other funding of \$485,103 is due to increases from original estimates of funds from the Heritage Trust Fund and additional federal funds for the Historic Preservation Office. Additional funding was also available from renting facilities to outside groups and funding in the visitors admissions and donations fee fund that carried forward from previous years.

The agency request an additional \$125,000 from the State General Fund to repair tornado damage to the Pawnee Indian Village State Historic Site. The site was damaged by a tornado in May 2004.

The **Governor** concurs with the agency's estimates for operating expenditures and capital improvements for FY 2005.

House Budget Committee Recommendation

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

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund increase of \$126,741 or 2.2 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.
2. The House Budget Committee concurs with the Governor's recommendation for an additional \$125,000 SGF to cover the expense of repairs at the Pawnee Indian Village State Historic Site.

Senate Subcommittee Report

Agency: Kansas State Historical Society **Bill No.** 270

Bill Sec. 61

Analyst: Spurgin

Analysis Pg. No. Vol. I, 295

Budget Page No. 201

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY06	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,213,984	\$ 7,205,771	\$ (323,548)
Aid to Local Units	868,030	844,860	0
Other Assistance	614,900	614,900	0
Subtotal-Operating	\$ 8,696,914	\$ 8,665,531	\$ (323,548)
Capital Improvements	1,390,481	473,400	0
TOTAL	\$ 10,087,395	\$ 9,138,931	\$ (323,548)
State General Fund:			
State Operations	\$ 5,797,971	\$ 5,697,532	\$ (271,322)
Aid to Local Units	182,930	159,760	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 5,980,901	\$ 5,857,292	\$ (271,322)
Capital Improvements	1,042,081	125,000	0
TOTAL	\$ 7,022,982	\$ 5,982,292	\$ (271,322)
FTE Positions	136.5	134.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	140.5	138.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2006 operating expenditures of \$8,696,914 is an increase of \$257,656 (3.1 percent) above the revised current year estimate. The agency estimates State General Fund expenditures of \$5,980,901, an increase of \$418,896 (7.5 percent) above the revised current year estimate. The agency requests four enhancement packages totaling \$404,931 funded by the State General Fund:

- \$106,761 for a computer security upgrade project;
- \$50,000 for the Kansas Statehood Sesquicentennial;
- \$175,000 to reduce shrinkage in the agency; and
- \$73,170 for the Kansas Humanities Council that would provide \$3,170 to restore the grant funding to the Kansas Humanities Council to \$85,000 per year, and \$70,000 to provide funding for a new program: Our Neighbors/Ourselves: Kansans Tell Their Stories.

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The agency requests additional funding from the subcommittee for opportunities which became available after the budget was submitted. The agency requests \$22,500 from the State General Fund to complete the matching funds for repair work at the Fort Hays State Historic Site. The agency reports funding on a \$250,000 grant has been approved. The local community has raised \$22,500 and \$22,500 is needed to complete the State's match. The agency requests \$30,000 from the State General Fund to fund the state match for a \$120,000 pending grant request that would provide funds to repair the Grinter Place State Historic Site in Wyandotte County.

The agency requests \$75,000 from the State General fund, which would provide funding for temporary staff that could complete the work once done by permanent staff. These employees would give tours of historic sites, enter collections onto the web and produce additional curriculum materials for the schools.

The **Governor** recommends FY 2006 operating expenditures of \$8,665,531, an increase of \$226,273 above the current year recommendation. The Governor recommends expenditures of \$5,857,291 from the State General Fund, an increase of \$295,286 (5.3 percent). The Governor recommends \$40,000 of funding for salaries and wages requested by the agency to be funded from the State General Fund be shifted to the Land Survey Fund. The recommendation includes adjustments to the expenditure amounts for salaries and wages to fund the 27th payroll period and the base salary adjustment, including the increase in KPERS death and disability. The Governor recommends a reduction of 2.5 FTE positions. The Governor recommends \$50,000 from the State General Fund to fund the enhancement request for the Kansas Humanities Council for Our Neighbors/Ourselves, Kansans Tell Their Stories.

Statutory Budget Submission

K.S.A. 75-6701 requires that the budget submitted by the Governor and the budget ultimately approved by the Legislature provide for a State General Fund ending balance of at least 7.5 percent of expenditures for FY 2006. To comply with this provision, Volume 1 of the *Governor's Budget Report* includes a "statutory budget" designed to provide for a 7.5 ending balance. In general, this requires a 8.9 percent reduction to the FY 2006 State General Fund executive branch budget recommendations submitted by the Governor. That reduction has not been applied to school finance funding in the Department of Education, to the Board of Regents and its institutions, or to the judicial or legislative branches. **For this agency, the reduction to the Governor's recommended FY 2006 State General Fund budget would total \$534,178.**

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$123,175, including \$103,311 from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$200,373, including \$168,011 from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$182,429), and for the Kansas Public Employees

Retirement System (KPERS) death and disability increase (\$17,944) for later Committee consideration.

3. **Change from FY 2005 Approved.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund increase of \$297,028 or 5.2 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent the above pay plan and salary and wage adjustments, the recommendation is an increase of \$25,706 or 0.5 percent above the approved amount.
4. The Subcommittee recommends that the Senate Capital Improvements Subcommittee and, ultimately, the Senate Committee, approve \$30,000 from the State General Fund for the Grinter Place State Historic Site in Wyandotte County. The agency is seeking \$120,000 in pending grant funding for this project, which would require a \$30,000 match.
5. The Subcommittee notes that testimony was provided that the agency would like to use additional funds to hire temporary staff at State Historic Sites. If the \$30,000 recommended for capital improvements for the Grinter Place State Historic Site is approved, the Subcommittee recommends \$6,000 to fund temporary staff at the Grinter Place State Historic Site be considered at Omnibus.
6. The Subcommittee congratulates the agency for always seeking additional grants or funds for its projects. The Subcommittee recommends that the agency continue on this path in the future.

Senate Committee Recommendation

The **Senate Committee** concurs with the recommendation of the Subcommittee, with the following adjustments:

1. The Senate Committee modifies the Subcommittee's recommendation item 5 to add \$6,000 SGF for salaries and wages for temporary staff located at the Grinter Place State Historic Site.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet addressed this issue.

House Budget Committee Report

Agency: Kansas State Historical Society **Bill No.** HB 2482

Bill Sec. 61

Analyst: Spurgin

Analysis Pg. No. Vol. I, 295 **Budget Page No.** 201

Expenditure Summary	Agency Request FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 7,213,984	\$ 7,205,771	\$ 0
Aid to Local Units	868,030	844,860	(50,000)
Other Assistance	614,900	614,900	0
Subtotal-Operating	\$ 8,696,914	\$ 8,665,531	\$ (50,000)
Capital Improvements	1,390,481	473,400	0
TOTAL	\$ 10,087,395	\$ 9,138,931	\$ (50,000)
State General Fund:			
State Operations	\$ 5,797,971	\$ 5,697,532	\$ 0
Aid to Local Units	182,930	159,760	(50,000)
Other Assistance	0	0	0
Subtotal-Operating	\$ 5,980,901	\$ 5,857,292	\$ (50,000)
Capital Improvements	1,042,081	125,000	0
TOTAL	\$ 7,022,982	\$ 5,982,292	\$ (50,000)
FTE Positions	136.5	134.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	140.5	138.0	0.0

Agency Request/Governor's Recommendation

The **agency's** request for FY 2006 operating expenditures of \$8,696,914 is an increase of \$257,656 (3.1 percent) above the revised current year estimate. The agency estimates State General Fund expenditures of \$5,980,901, an increase of \$418,896 (7.5 percent) above the revised current year estimate. The agency requests four enhancement packages totaling \$404,931 funded by the State General Fund:

- \$106,761 for a computer security upgrade project;
- \$50,000 for the Kansas Statehood Sesquicentennial;
- \$175,000 to reduce shrinkage in the agency; and
- \$73,170 for the Kansas Humanities Council that would provide \$3,170 to restore the grant funding to the Kansas Humanities Council to \$85,000 per year, and \$70,000 to provide funding for a new program: Our Neighbors/Ourselves: Kansas Tell Their Stories.

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The agency requests additional funding from the subcommittee for opportunities which became available after the budget was submitted. The agency requests \$22,500 from the State General Fund to complete the marching funds for repair work at the Fort Hays State Historic Site. The agency reports funding on a \$250,000 grant has been approved. The local community has raised \$22,500 and \$22,500 is needed to complete the State's match. The agency requests \$30,000 from the State General Fund to fund the state match for a \$120,000 grant that would provide funds to repair the Grinter Place State Historic Site in Wyandotte County.

The agency requests \$75,000 from the State General fund, which would provide funding for temporary staff that could complete the work once done by permanent staff. These employees would give tours of historic sites, enter collections onto the web and produce additional curriculum materials for the schools.

The **Governor** recommends FY 2006 operating expenditures of \$8,665,531, an increase of \$226,273 above the current year recommendation. The Governor recommends expenditures of \$5,857,291 from the State General Fund, an increase of \$295,286 (5.3 percent). The Governor recommends \$40,000 of funding for salaries and wages requested by the agency to be funded from the State General Fund be shifted to the Land Survey Fund. The recommendation includes adjustments to the expenditure amounts for salaries and wages to fund the 27th payroll period and the base salary adjustment, including the increase in KPERs death and disability. The Governor recommends a reduction of 2.5 FTE positions. The Governor recommends \$50,000 from the State General Fund to fund the enhancement request for the Kansas Humanities Council for Our Neighbors/Ourselves: Kansans Tell Their Stories.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Change from FY 2005 Approved.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the agency totals \$5,697,532, an increase of \$297,028 above the FY 2005 State General Fund amount approved by the 2004 Legislature. Absent amounts recommended for the 2.5 percent base salary adjustment (\$103,311), the 27th payroll period (\$153,033), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$14,978), the recommendation is an increase of \$25,706, or 0.5 percent above the approved amount.
2. Delete \$50,000 SGF. The Budget Committee recommends removing the \$50,000 recommended by the Governor for the enhancement request for the Kansas Humanities Council program "Our Neighbors/Ourselves: Kansans Tell Their Stories." The Budget Committee recommends that the \$50,000 SGF funding removed from the budget for the Historical Society be reallocated \$25,000 to the School for the Blind and \$25,000 to the School for the Deaf.
3. The Budget Committee recommends a review at Omnibus of \$6,000 SGF funding for a temporary employee at the Grinter House State Historic Site.
4. The Budget Committee notes that the agency also requests an additional \$30,000 from the State General Fund for capital improvements at the Grinter Place State Historic Site. The agency would be eligible to receive \$120,000 in grant funding

for this project if funding of \$30,000 can be used to match the grant funding. The Building Committee recommends that funding for this project be reviewed at Omnibus.

5. The Budget Committee notes that the agency's request for Museum rehabilitation would fund maintenance and repairs at the State Historical Society Museum in Topeka. The agency has reported that one of the most important repairs to be made is to the skylights in the building. The seals on these skylights have worn out allowing water to collect between the panes of glass, which results in a danger of the skylights breaking. According to the agency, the approximate cost of replacing the skylights would be \$90,000 of the \$419,358 SGF requested for Museum Rehabilitation. The Building Committee recommends that funding to replace the skylights be addressed at Omnibus.

**House Agriculture and Natural Resources
Budget Committee Report**

**FY 2005
FY 2006
FY 2007**

Office of the State Bank Commissioner



Representative Sharon Schwartz, Chair



Representative Vaughn Flora




Representative JoAnn Freeborn



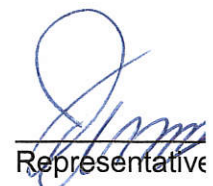
Representative Carl Holmes



Representative Larry Powell



Representative Tom Sloan



Representative


HOUSE APPROPRIATIONS

DATE 3-09-2005

ATTACHMENT 8

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No.** SB 272 **Bill Sec.** 2

Analyst: Alishahi **Analysis Pg. No.** Vol. 3, 1505 **Budget Page No.** 473

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Operating Expenditures:			
Special Revenue Funds	\$ 6,509,006	\$ 7,156,416	\$ 0
FTE Positions	86.0	86.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	86.0	86.0	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates a current year operating budget of \$6,509,006, an increase of \$227,727 or 3.6 percent above the approved amount. The estimate includes an additional \$299,047 in Kansas Savings Incentive Program (KSIP) expenditures.

The **Governor** recommends an FY 2005 operating budget of \$7,156,416, an increase of \$875,137 or 13.9 percent above the approved amount. The recommendation is \$647,410 or 9.9 percent more than the agency's revised estimate and includes an additional \$779,166 in KSIP expenditures, and a reduction of \$131,756 in salaries and wages, as a result of a set shrinkage rate of 2.5 percent. In addition, the Governor recommends the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Governor recommends the agency reevaluate its assessment fees as the ending balance of the fund is excessive and continues to grow.

Senate Subcommittee Recommendation

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

1. **Fee Fund Balance.** The Subcommittee recommends that the ending balance of the Bank Commissioner Fee Fund be watched for another year to see if the additional 4.0 FTE positions the Governor recommended for the Consumer Mortgage and Lending (CML) program, in FY 2006 and FY 2007, will help lower the fee fund balance. The agency indicated that the large fee fund balance is attributable to the CML program. The agency explained that the Consumer and Mortgage Lending program has experienced significant growth in the number of licensed and regulated entities. At the same time, the program's staffing has been historically inadequate to properly carry out all of its supervisory responsibilities. As a result, revenue from licensing fees, while already significantly lower than fee structures in other states, exceed expenditures which are primarily made up of salary and travel costs related to examinations. The Subcommittee notes that with an additional 4.0 FTE positions, the program's expenditures will increase which will likely reduce the fee fund ending balance.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** HB 2480 **Bill Sec.** 2

Analyst: Alishahi **Analysis Pg. No.** Vol. 3, 1505 **Budget Page No.** 473

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 6,509,006	\$ 7,156,416	\$ 0
FTE Positions	86.0	86.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	86.0	86.0	0.0

Agency Estimate/Governor's Recommendation

The **agency** estimates a current year operating budget of \$6,509,006, an increase of \$227,727 or 3.6 percent above the approved amount. The estimate includes an additional \$299,047 in Kansas Savings Incentive Program (KSIP) expenditures.

The **Governor** recommends an FY 2005 operating budget of \$7,156,416, an increase of \$875,137 or 13.9 percent above the approved amount. The recommendation is \$647,410 or 9.9 percent more than the agency's revised estimate and includes an additional \$779,166 in KSIP expenditures, and a reduction of \$131,756 in salaries and wages, as a result of a set shrinkage rate of 2.5 percent. In addition, the Governor recommends the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Governor recommends the agency reevaluate its assessment fees as the ending balance of the fund is excessive and continues to grow.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No.** SB 270 **Bill Sec.** 4

Analyst: Alishahi **Analysis Pg. No.** Vol. 3, 1505 **Budget Page No.** 473

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
Special Revenue Funds	\$ 6,666,458	\$ 6,858,710	\$ (327,972)
FTE Positions	90.0	90.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>90.0</u>	<u>90.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating budget of \$6,666,458, an increase of \$157,452 or 2.4 percent above the FY 2005 revised estimate. The request includes two enhancements totaling \$214,653. The enhancements include an additional \$32,000 to replace two high mileage vehicles, and an additional \$182,653 and 4.0 FTE positions for four additional field examiner positions in the Consumer and Mortgage Lending program.

The **Governor** recommends an FY 2006 operating budget of \$6,858,710, a decrease of \$297,706 or 4.2 percent below the FY 2005 recommendation. The recommendation is \$192,252 or 2.9 percent more than the agency's request and includes:

- An additional \$327,972 for the 2.5 percent salary increase, the 27th payroll period, and the increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate; and
- A reduction of \$135,720 in salaries and wages, as a result of a set shrinkage rate of 2.5 percent.

In addition, the Governor recommends the agency's two enhancement requests. The Governor also recommends the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Governor recommends the agency reevaluate its assessment fees as the ending balance of the fund in excessive and continues to grow.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

8-4

1. **Pay Plan Adjustment.** Delete \$126,426, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$201,546, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$185,381), and for the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$16,165) for later Committee consideration.
3. **Fee Fund Balance.** The Subcommittee recommends that the ending balance of the Bank Commissioner Fee Fund be watched for another year to see if the additional 4.0 FTE positions the Governor recommended for the Consumer Mortgage and Lending (CML) program, in FY 2006 and FY 2007, will help lower the fee fund balance. The agency indicated that the large fee fund balance is attributable to the CML program. The agency explained that the Consumer and Mortgage Lending program has experienced significant growth in the number of licensed and regulated entities. At the same time, the program's staffing has been historically inadequate to properly carry out all of its supervisory responsibilities. As a result, revenue from licensing fees, while already significantly lower than fee structures in other states, exceed expenditures which are primarily made up of salary and travel costs related to examinations. The Subcommittee notes that with an additional 4.0 FTE positions, the program's expenditures will increase which will likely reduce the fee fund ending balance.
4. **Vehicles.** The Subcommittee notes that the majority of fee boards that own vehicles, including the Office of the State Bank Commissioner, have included an enhancement request to purchase vehicles as replacements for high mileage currently owned vehicles. The Subcommittee recommends the agency do a cost analysis of a long-term lease versus the purchase of vehicles. The cost analysis should include associated costs, specifically insurance and maintenance costs. The Subcommittee notes that the current state contract with Enterprise limits the agency to a four week contract and notes that the state contract expires on October 30, 2006. Additionally, the Subcommittee recommends the agency do a needs analysis to determine an internal rotation cycle that would allow for the most efficient use of all vehicles within the agency's fleet.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** HB 2482 **Bill Sec.** 4

Analyst: Alishahi **Analysis Pg. No.** Vol. 3, 1505 **Budget Page No.** 473

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 6,666,458	\$ 6,858,710	\$ 43,000
FTE Positions	90.0	90.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>90.0</u>	<u>90.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating budget of \$6,666,458, an increase of \$157,452 or 2.4 percent above the FY 2005 revised estimate. The request includes two enhancements totaling \$214,653. The enhancements include an additional \$32,000 to replace two high mileage vehicles, and an additional \$182,653 and 4.0 FTE positions for four additional field examiner positions in the Consumer and Mortgage Lending program.

The **Governor** recommends an FY 2006 operating budget of \$6,858,710, a decrease of \$297,706 or 4.2 percent below the FY 2005 recommendation. The recommendation is \$192,252 or 2.9 percent more than the agency's request and includes:

- An additional \$327,972 for the 2.5 percent salary increase, the 27th payroll period, and the increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate; and
- A reduction of \$135,720 in salaries and wages, as a result of a set shrinkage rate of 2.5 percent.

In addition, the Governor recommends the agency's two enhancement requests. The Governor also recommends the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Governor recommends the agency reevaluate its assessment fees as the ending balance of the fund in excessive and continues to grow.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

8-6

1. **KSIP Expenditures.** The Budget Committee notes that the Governor's recommendation for FY 2005 includes \$1,078,213 in KSIP expenditures. Past experience indicates the agency will not expend the full amount in the current year and because the Budget Committee feels that this is an extremely large balance, it recommends that the agency readjust its budgeted expenditures for employee training and information technology purchases from KSIP authorization in FY 2006. The Budget Committee feels that by funding these expenses from KSIP rather than authorized fee fund moneys, the agency will reduce its large KSIP balance over the next two fiscal years.

2. **Additional Funding for Consumer Education.** The Budget Committee notes the Governor's recommendation that the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Budget Committee recommends that the agency increase funding for consumer education in the Consumer Mortgage and Lending (CML) Division as a means of reducing the ending balance of the fee fund. The Budget Committee notes strategy No. 15 of the agency's Comprehensive Strategic Plan (to utilize the media and Internet and work with other related parties to enhance consumer education programs and assistance) and recommends that the agency not remove the strategy as it had indicated it would do. The Budget Committee recommends an additional \$75,000 from the Bank Commissioner Fee Fund for the CML Division to fund other educational programs similar to the program offered at Wichita State University. The Budget Committee also recommends the agency promote education programs on the Internet, and programs that teach young people the challenges of assuming credit card debt.

In addition, the Budget Committee notes that the agency funded the development of a cd-rom for children in kindergarten through the eighth grade that provides lessons about economic learning tools. The agency indicated that the cd-rom will be released sometime in 2005. The agency also funds financial counseling programs for adults.

3. **Vehicle Purchase.** Delete \$32,000 to remove funding recommended by the Governor to replace two high mileage vehicles. The Governor recommends the agency's purchase of vehicles be reviewed at Omnibus.

4. **Four Additional Examiner Positions.** The Budget Committee notes that the Governor's recommendation includes an additional 4.0 FTE positions and \$182,653 for four additional field examiner positions in the Consumer and Mortgage Lending Division. In addition, the agency recently transferred four positions from the Banking Division to the CML Division. The agency indicated that the Consumer and Mortgage Lending Division is understaffed and the additional positions are needed to achieve a 36 month examination cycle.

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No.** SB 270 **Bill Sec.** 4
Analyst: Alishahi **Analysis Pg. No.** Vol. 3, 1505 **Budget Page No.** 473

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments*
Operating Expenditures:			
Special Revenue Funds	\$ 6,844,064	\$ 6,810,731	\$ (140,841)
FTE Positions	90.0	90.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>90.0</u>	<u>90.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 operating budget of \$6,844,064, an increase of \$177,606 or 2.7 percent above the FY 2006 request. The request includes two enhancements totaling \$216,783. The enhancements include an additional \$32,800 to replace two high mileage vehicles, and an additional \$183,983 and 4.0 FTE positions for the continuation of the four additional field examiner positions requested in FY 2006.

The **Governor** recommends an FY 2007 operating budget of \$6,810,731, a decrease of \$47,979 or 0.7 percent below the FY 2006 recommendation. The recommendation is \$33,333 or 0.5 percent less than the agency's request and includes:

- An additional \$140,841 for the continuation of the 2.5 percent salary increase, and the continuation of the FY 2006 increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate; and
- A reduction of \$141,374 in salaries and wages, as a result of a set shrinkage rate of 2.5 percent.

In addition, the Governor recommends the agency's enhancement request for additional funding to continue the 4.0 FTE positions recommended in FY 2006. However, the Governor does not recommend the agency's enhancement request for additional funding to replace two high mileage vehicles in FY 2007. The Governor also recommends the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Governor recommends the agency reevaluate its assessment fees as the ending balance of the fund in excessive and continues to grow.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$124,676, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.
2. **Other Salary and Wage Adjustment.** Delete \$16,165, none of which is from the State General Fund, to remove funding recommended by the Governor for the Kansas Public Employees Retirement System (KPERS) death and disability increase for later Committee consideration.
3. **Fee Fund Balance.** The Subcommittee recommends that the ending balance of the Bank Commissioner Fee Fund be watched for another year to see if the additional 4.0 FTE positions the Governor recommended for the Consumer Mortgage and Lending (CML) program, in FY 2006 and FY 2007, will help lower the fee fund balance. The agency indicated that the large fee fund balance is attributable to the CML program. The agency explained that the Consumer and Mortgage Lending program has experienced significant growth in the number of licensed and regulated entities. At the same time, the program's staffing has been historically inadequate to properly carry out all of its supervisory responsibilities. As a result, revenue from licensing fees, while already significantly lower than fee structures in other states, exceed expenditures which are primarily made up of salary and travel costs related to examinations. The Subcommittee notes that with an additional 4.0 FTE positions, the program's expenditures will increase which will likely reduce the fee fund ending balance.
4. **Vehicles.** The Subcommittee notes the agency's enhancement request to purchase two vehicles, which the Governor did not recommend. The Subcommittee recommends the agency do a cost analysis of a long-term lease versus the purchase of vehicles prior to requesting vehicle purchases in the future. The cost analysis should include associated costs, specifically insurance and maintenance costs. The Subcommittee notes that the current state contract with Enterprise limits the agency to a four week contract and notes that the state contract expires on October 30, 2006. Additionally, the Subcommittee recommends the agency do a needs analysis to determine an internal rotation cycle that would allow for the most efficient use of all vehicles within the agency's fleet.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** HB 2482 **Bill Sec.** 4

Analyst: Alishahi **Analysis Pg. No.** Vol. 3, 1505 **Budget Page No.** 473

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
Special Revenue Funds	\$ 6,844,064	\$ 6,810,731	\$ 75,000
FTE Positions	90.0	90.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>90.0</u>	<u>90.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 operating budget of \$6,844,064, an increase of \$177,606 or 2.7 percent above the FY 2006 request. The request includes two enhancements totaling \$216,783. The enhancements include an additional \$32,800 to replace two high mileage vehicles, and an additional \$183,983 and 4.0 FTE positions for the continuation of the four additional field examiner positions requested in FY 2006.

The **Governor** recommends an FY 2007 operating budget of \$6,810,731, a decrease of \$47,979 or 0.7 percent below the FY 2006 recommendation. The recommendation is \$33,333 or 0.5 percent less than the agency's request and includes:

- An additional \$140,841 for the continuation of the 2.5 percent salary increase, and the continuation of the FY 2006 recommendation to increase in the Kansas Public Employees Retirement System (KPERs) death and disability contribution rate; and
- A reduction of \$141,374 in salaries and wages, as a result of a set shrinkage rate of 2.5 percent.

In addition, the Governor recommends the agency's enhancement request for additional funding to continue the 4.0 FTE positions recommended in FY 2006. However, the Governor does not recommend the agency's enhancement request for additional funding to replace two high mileage vehicles in FY 2007. The Governor also recommends the agency reduce the ending balance of the Bank Commissioner Fee Fund. The Governor recommends the agency reevaluate its assessment fees as the ending balance of the fund in excessive and continues to grow.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **KSIP Expenditures.** The Budget Committee notes that the Governor's recommendation for FY 2005 includes \$1,078,213 in KSIP expenditures. Past experience indicates the agency will not expend the full amount in the current year and because the Budget Committee feels that this is an extremely large balance, it recommends that the agency readjust its budgeted expenditures for employee training and information technology purchases from KSIP authorization in FY 2007. The Budget Committee feels that by funding these expenses from KSIP rather than authorized fee fund moneys, the agency will reduce its large KSIP balance over the next two fiscal years.
2. **Additional Funding for Consumer Education.** The Budget Committee recommends that the agency increase funding for consumer education in the Consumer Mortgage and Lending (CML) Division as a means of reducing the ending balance of the Bank Commissioner Fee Fund. The Budget Committee recommends that an additional \$75,000 from the fee fund for the CML Division to fund consumer education programs similar to the program offered at Wichita State University. The Budget Committee also recommends the agency promote education programs on the Internet, and programs that teach young people the challenges of assuming credit card debt.
3. **Four Additional Examiner Positions.** The Budget Committee notes that the Governor's recommendation includes an additional 4.0 FTE positions and \$183,983 for the continuation of the four new field examiner positions recommended for FY 2006.

House Budget Committee

FY 2005

on

State Department of Education

Becky Hutchins

Representative Becky Hutchins, Chairperson

Representative Bill Feuerborn

Steve Huebert

Representative Steve Huebert

Carl C. Krehbiel

Representative Carl Krehbiel

Joe McLeland

Representative Joe McLeland

Dean Newton

Representative Dean Newton

Representative Tom Sawyer

HOUSE APPROPRIATIONS

DATE 3-09-2005
ATTACHMENT 9

Senate Subcommittee Report

Agency: State Department of Education

Bill No.

Bill Sec.

Analyst: Rampey

Analysis Pg. No. 367

Budget Pg. No. 139

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures: State General Fund	\$ 2,349,095,695	\$ 2,316,424,490	\$ 0
All Other Funds	<u>448,889,328</u>	<u>448,889,328</u>	<u>0</u>
TOTAL	<u>\$ 2,797,985,023</u>	<u>\$ 2,765,313,818</u>	<u>\$ 0</u>
FTE Positions	210.8	210.8	--
Non FTE Uncl. Perm. Pos.	<u>46.1</u>	<u>46.6</u>	<u>--</u>
TOTAL	<u>257.4</u>	<u>257.4</u>	<u>--</u>

Agency Estimate/Governor's Recommendation

The State Department of Education estimates total expenditures of \$2,797,985,023, of which \$2,349,095,695 is from the State General Fund. Key points in the budget are the following:

- Based on revised estimates made November 18, 2004, the amount of funding needed for general and supplemental state aid is \$1,903,949,000. This results in State General Fund savings totaling \$29,650,000 in the current year, of which \$18,243,000 is due to general state aid and \$11,416,000 is due to supplemental general state aid.
- The State Department requests a supplemental appropriation of \$2,963,348 from the State General Fund for special education, which would increase the funding for excess costs from 81.7 percent to 82.7 percent.
- The State Department requests a supplemental appropriation of \$987,795 from the State General Fund for the Juvenile Detention Facilities Program. The 2004 Legislature added money to the program in FY 2004 because the facilities have experienced an increase in enrollments, but additional funding for the increase in enrollments was not made available for FY 2005.
- The State Department requests a supplemental appropriation of \$48,857 from the State General Fund to pay the State Department's portion of a surcharge on leased space in Shawnee County. Revenues generated from the surcharge, which was first imposed in FY 2005, are used by the State Department of

Administration to maintain and operate the State Capitol, the Judicial Center, and Cedar Crest. The State Department's total surcharge in the current year is \$54,005, which includes \$5,198 that will be paid from special revenue funds.

The Governor recommends a total of \$2,765,313,818, of which \$2,316,424,490 is from the State General Fund. The Governor concurs with the revised estimates for general and supplemental general state aid and reduces expenditures in the current year by \$29,659,000. The Governor does not add additional funding for special education or for the State Department's portion of the surcharge used to maintain the State Capitol, the Judicial Center, and Cedar Crest. The Governor concurs with the revised estimate for the School District Capital Improvements Fund transfer and approves the requested supplemental appropriation of \$987,795 for the Juvenile Detention Facilities Program.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following observation:

1. **Change from FY 2005 Approved Budget.** The Subcommittee notes that the Governor's FY 2005 revised recommendation is a net State General Fund decrease of \$28,660,902 (1.2 percent) below the FY 2005 State General Fund amount approved by the 2004 Legislature. The reduction is attributable to savings totaling \$29,659,000 in general and supplemental general state aid, based on revised school finance estimates.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

House Budget Committee Report

Agency: State Department of Education

Bill No. HB 2480

Bill Sec.28

Analyst: Rampey

Analysis Pg. No. Vol. 1, 367

Budget Pg. No. 139

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures: State General Fund	\$ 2,349,095,695	\$ 2,316,424,490	\$ 29,659,000
All Other Funds	448,889,328	448,889,328	0
TOTAL	\$ 2,797,985,023	\$ 2,765,313,818	\$ 29,659,000
FTE Positions	210.8	210.8	--
Non FTE Uncl. Perm. Pos.	46.1	46.6	--
TOTAL	257.4	257.4	--

Agency Estimate/Governor's Recommendation

The State Department of Education estimates total expenditures of \$2,797,985,023, of which \$2,349,095,695 is from the State General Fund. Key points in the budget are the following:

- Based on revised estimates made November 18, 2004, the amount of funding needed for general and supplemental state aid is \$1,903,949,000. This results in State General Fund savings totaling \$29,650,000 in the current year, of which \$18,243,000 is due to general state aid and \$11,416,000 is due to supplemental general state aid.
- The State Department requests a supplemental appropriation of \$2,963,348 from the State General Fund for special education, which would increase the funding for excess costs from 81.7 percent to 82.7 percent.
- The State Department requests a supplemental appropriation of \$987,795 from the State General Fund for the Juvenile Detention Facilities Program. The 2004 Legislature added money to the program in FY 2004 because the facilities have experienced an increase in enrollments, but additional funding for the increase in enrollments was not made available for FY 2005.
- The State Department requests a supplemental appropriation of \$48,857 from the State General Fund to pay the State Department's portion of a surcharge on leased space in Shawnee County. Revenues generated from the surcharge,

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which was first imposed in FY 2005, are used by the State Department of Administration to maintain and operate the State Capitol, the Judicial Center, and Cedar Crest. The State Department's total surcharge in the current year is \$54,005, which includes \$5,198 that will be paid from special revenue funds.

The Governor recommends a total of \$2,765,313,818, of which \$2,316,424,490 is from the State General Fund. The Governor concurs with the revised estimates for general and supplemental general state aid and reduces expenditures in the current year by \$29,659,000. The Governor does not add additional funding for special education or for the State Department's portion of the surcharge used to maintain the State Capitol, the Judicial Center, and Cedar Crest. The Governor concurs with the revised estimate for the School District Capital Improvements Fund transfer and approves the requested supplemental appropriation of \$987,795 for the Juvenile Detention Facilities Program.

House Budget Committee Recommendation

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

1. **Change from Approved Budget.** The Budget Committee notes that the Governor's FY 2005 revised recommendation is a State General Fund decrease of \$28,660,902 (1.2 percent) from the FY 2005 State General Fund amount approved by the 2004 Legislature. The change primarily is attributable to savings totaling \$29,659,000 in general and supplemental general state aid.
2. Reappropriate State General Fund savings of \$18,243,000 to FY 2006 in the general state aid account of the State General Fund.
3. Reappropriate State General Fund savings of \$11,416,000 to FY 2006 in the supplemental general state aid account of the State General Fund.
4. Reappropriate savings of \$4,000,000 to FY 2006, based on revised estimates of the revenue transfer for the School District Capital Improvements Program, to the School District Capital Improvements Fund account in the State General Fund.

House Budget Committee

FY 2006

on

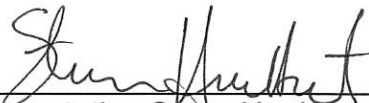
State Department of Education



Representative Becky Hutchins, Chairperson

Representative Bill Feuerborn

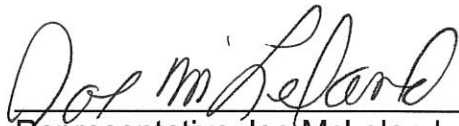
Representative Bob Grant



Representative Steve Huebert



Representative Carl Krehbiel



Representative Joe McLeland



Representative Dean Newton

Representative Tom Sawyer

Senate Subcommittee Report

Agency: State Department of Education

Bill No. SB 270

Bill Sec. 56

Analyst: Rampey

Analysis Pg. No. 367

Budget Pg. No. 139

<u>Expenditure Summary</u>	<u>Agency Request FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures:			
State General Fund	\$ 2,497,186,637	\$ 2,328,399,370	\$ (12,595,695)
All Other Funds	<u>457,258,731</u>	<u>457,437,336</u>	<u>(459,560)</u>
TOTAL	<u>\$ 2,954,445,368</u>	<u>\$ 2,785,836,706</u>	<u>\$ (13,055,255)</u>
FTE Positions	210.8	210.8	--
Non FTE Uncl. Perm. Pos.	<u>46.1</u>	<u>46.6</u>	<u>--</u>
TOTAL	<u>257.4</u>	<u>257.4</u>	<u>--</u>

*The Subcommittee's adjustment includes a reduction of \$11,505,255, of which \$11,045,695 is from the State General Fund, recommended by the Governor for the 2.5 percent base salary increase, the 27th payroll period, and the KPERS death and disability increase. (Of the amount for the KPERS death and disability increase, \$10,657,802 from the State General Fund is attributable to KPERS—School.)

Agency Request/Governor's Recommendation

The State Department requests a total of \$2,954,445,368, of which \$2,497,186,637 is from the State General Fund.

- The budget includes funding to increase Base State Aid Per Pupil (BSAPP) from the allotment rate of \$3,863, to \$4,047, an increase of \$184. (The amount would be an increase of \$157 over the statutory rate of \$3,890.) Based on the revised estimates, the \$184 increase would total \$107,000,000 from the State General Fund:
- The State Department requests funding for 90 percent of special education excess costs, or a total of \$284,484,600. The total is an increase of \$33,467,755 over the appropriation for the current year, which is expected to fund excess costs at the 81.7 percent level.
- The State Department requests \$10,000,000 from the State General Fund for a new initiative to boost reading and mathematics achievement of students in kindergarten through grade three. Under the proposal, school districts would receive \$81 per full-time equivalent student in kindergarten through grade three. The money would be used for professional development, extended learning time, and the implementation of research-based reading programs.

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The Governor recommends a total of \$2,785,836,706, of which \$2,328,399,370 is from the State General Fund. Major items in the Governor's budget include the following:

- BSAPP is continued at the current allotment rate of \$3,863.
- Special education funding is recommended at the current level of \$251,016,845, which would fund special education excess costs at the 79.4 percent level, compared to the 81.7 percent level in the current year.
- The Governor resumes funding for the Teacher Mentoring Program, with a recommendation of \$1,000,000 from the State General Fund, and recommends \$2,500,000 from the State General Fund for Professional Development, which has not been funded since FY 2003.
- The Governor recommends continuation of voluntary audits of school districts by recommending \$300,000 from the State General Fund. In the current year, funding for the audits is provided by the Kauffman Foundation
- The **Governor** recommends \$325,000 from the State General Fund for teacher licensure performance assessments.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor, with the following exceptions and observations:

1. **Pay Plan Adjustment.** Delete \$323,986, of which \$148,193 is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$480,050, of which \$219,607 is from the State General Fund, for the 27th payroll period, and \$10,701,219, of which \$10,677,895 is from the State General Fund, for the Kansas Public Employees Retirement System (KPERs) death and disability increase for later Committee consideration. (Of the KPERs death and disability increase, \$10,657,802 from the State General Fund is attributable to KPERs—School.)
3. **Change from Approved Budget.** The Subcommittee notes that the Governor's FY 2006 recommendation is a State General Fund decrease of \$16,686,022 (0.7 percent) from the amount approved by the 2004 Legislature for FY 2005. The decrease is primarily accounted for by the fact that local resources of school districts are expected to increase from FY 2005 to FY 2006, thereby offsetting the amount of general and supplemental general state aid needed for school finance.
4. Add \$100,000 from the State General Fund for Information Technology. The money would be used to replace outdated network servers, computers, printers, and related hardware and software.
5. Increase the transfer from the State Safety Fund to the State General Fund by \$600,000, for a total transfer of \$2,600,000. Because of increased drivers license fees, a balance has built in the state Safety Fund, part of which can be

transferred to the State General Fund without reducing the current level of support for school district driver training programs.

6. Delete \$1,500,000 from the State General Fund from the \$2,500,000 recommended by the Governor for the Professional Development Program, for a total of \$1,000,000. The Subcommittee notes that the Professional Development Program has not been funded since FY 2003 and the recommended amount will help defray costs which school districts have had to pay entirely on their own in recent years.
7. Delete \$150,000 from the State General Fund for the Parent Education Program. The effect of the Committee's recommendation would be to fund the program at the level approved by the 2004 Legislature for FY 2005 (\$4,667,000 from the State General Fund and \$2,500,000 from the Children's Initiatives Fund, for a total of \$7,167,000).
8. Concur with the Governor's recommendation to add \$1,004,045 from the Children's Initiatives Fund for the four-year-old at-risk program (for a total of \$5,504,045). The increase would allow 500 more children to be served, for a total of 6,000. Because the number of children who can be served is set statutorily at 5,500, recommend the introduction of legislation to raise the cap to 6,000.
9. Members of the Subcommittee wish to state that they believe more funding should be added to elementary-secondary education. The Subcommittee is mindful that the Kansas Supreme Court has told the Legislature that school funding is inadequate, particularly in the areas of special education, Base State Aid Per Pupil, and funding for at-risk and bilingual students. The Subcommittee is particularly aware of the importance of early childhood programs, including the Parent Education Program. It also is aware that it has placed an increasing burden on teachers, who need the help provided by the Professional Development Program and the Teacher Mentor Program, and who are being asked to do more with less. Finally, the Subcommittee acknowledges the demands that have been placed on the State Department of Education and expresses the hope that the Legislature will consider adding more funding for elementary-secondary education at the end of the session.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee, with the following exception:

1. Regarding item 9, say that additional funding for elementary-secondary education will be considered in the Omnibus Bill.

House Budget Committee Report

Agency: State Department of Education

Bill No. HB 2480

Bill Sec. 28

Analyst: Rampey

Analysis Pg. No. 367 **Budget Pg. No.** Vol. 1, 139

<u>Expenditure Summary</u>	<u>Agency Request FY 2006</u>	<u>Governor's Recommendation FY 2006</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 2,497,186,637	\$ 2,328,399,370	\$ 16,175,000
All Other Funds	<u>457,258,731</u>	<u>457,437,336</u>	<u>(1,083,845)</u>
TOTAL	<u><u>\$ 2,954,445,368</u></u>	<u><u>\$ 2,785,836,706</u></u>	<u><u>\$ 15,091,155</u></u>
FTE Positions	210.8	210.8	--
Non FTE Uncl. Perm. Pos.	<u>46.1</u>	<u>46.6</u>	<u>--</u>
TOTAL	<u><u>257.4</u></u>	<u><u>257.4</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

The State Department requests a total of \$2,954,445,368, of which \$2,497,186,637 is from the State General Fund.

- The budget includes funding to increase Base State Aid Per Pupil (BSAPP) from the allotment rate of \$3,863, to \$4,047, an increase of \$184. (The amount would be an increase of \$157 over the statutory rate of \$3,890.) Based on the revised estimates, the \$184 increase would total \$107,000,000 from the State General Fund.
- The State Department requests funding for 90 percent of special education excess costs, or a total of \$284,484,600. The total is an increase of \$33,467,755 over the appropriation for the current year, which is expected to fund excess costs at the 81.7 percent level.
- The State Department requests \$10,000,000 from the State General Fund for a new initiative to boost reading and mathematics achievement of students in kindergarten through grade three. Under the proposal, school districts would receive \$81 per full-time equivalent student in kindergarten through grade three. The money would be used for professional development, extended learning time, and the implementation of research-based reading programs.

The Governor recommends a total of \$2,785,836,706, of which \$2,328,399,370 is from the State General Fund. Major items in the Governor's budget include the following:

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- BSAPP is continued at the current allotment rate of \$3,863.
- Special education funding is recommended at the current level of \$251,016,845, which would fund special education excess costs at the 79.4 percent level, compared to the 81.7 percent level in the current year.
- The Governor resumes funding for the Teacher Mentoring Program, with a recommendation of \$1,000,000 from the State General Fund, and recommends \$2,500,000 from the State General Fund for Professional Development, which has not been funded since FY 2003.
- The Governor recommends continuation of voluntary audits of school districts by recommending \$300,000 from the State General Fund. In the current year, funding for the audits is provided by the Kauffman Foundation
- The **Governor** recommends \$325,000 from the State General Fund for teacher licensure performance assessments.

House Budget Committee Recommendations

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

1. **Change from Approved Budget.** The Budget Committee notes that the Governor's FY 2006 State General Fund recommendation for the State Department of Education totals \$2,328,399,370, a decrease of \$16,686,022 (0.1 percent) from the FY 2005 amount approved by the 2004 Legislature. The decrease primarily is attributable to an estimated increase in school district local effort (property taxes and other revenues) which offsets the amount of state aid necessary to fund the school finance formula. Absent amounts from the State General Fund recommended for the 2.5 percent base salary adjustment (\$148,193), the 27th pay period (\$219,607), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$20,093 for the State Department and \$10,657,802 for KPERs-School), the recommendation is a decrease of \$27,731,717 (1.2 percent) from the approved amount.
2. Create as a line item in the appropriations bill the "Children's Future Fund."
3. Delete \$18,243,000 from the State General Fund for general state aid. The effect of this recommendation is to fund general state aid at the same level recommended by the Governor (Base State Aid Per Pupil at the allotment rate of \$3,863) because the recommended deletion is offset by the Budget Committee's recommendation contained in the FY 2005 Budget Committee Report that savings of \$18,243,000 in FY 2005 be reappropriated to FY 2006.
4. Delete \$11,416,000 from the State General Fund for supplemental general state aid. The reduction is offset by \$11,416,000 in savings from FY 2005 that the Budget Committee recommends be reappropriated to FY 2006.
5. Add \$29,659,000 from the State General Fund (combined savings in general and supplemental general state aid in FY 2005) to the Children's Future Fund.

6. Add \$17,700,000 from the State General Fund to the Children's Future Fund. The amount represents savings to the State General Fund as the result of increased school district local effort (property taxes and other revenues) from FY 2005 to FY 2006.
7. Transfer an additional \$600,000 in balances in the State Safety Fund to the State General Fund (for a total transfer of \$2,600,000).
8. Add \$2,600,000 from the State General Fund to the Children's Future Fund.
9. The Budget Committee calls attention to the fact that, based on its recommendations, the total State General Fund amount added to the Children's Future Fund is \$49,959,000.
10. Delete \$1,004,045 from the Children's Initiative Fund for the four-year-old at-risk program. The amount was recommended by the Governor to expand the program from 5,500 to 6,000 children. The Budget Committee's recommendation would maintain the program at the current level.
11. Delete \$300,000 from the State General Fund for voluntary school district audits. The Budget Committee notes that the Legislative Division of Post Audit currently is conducting an audit of options concerning the State Department's school district database.
12. Delete \$325,000 from the State General Fund for Teacher Licensure Performance Assessments. The Budget Committee observes that the assessments are an initiative of the State Board of Education which was not approved by the Legislature.
13. Delete \$1,000,000 from the State General Fund for the Mentor Teacher Program.
14. Delete \$79,800 from special revenue funds (the Conversion of Materials and Equipment Fund and the Service Clearing Fund) for six vehicle purchases and consider in the Omnibus Bill.
15. Consider Information Technology needs in the Omnibus Bill, following the completion of an audit by the Legislative Division of Post Audit on school district data collected by the State Department of Education. (The State Department requested \$175,000 from the State General Fund to replace outdated network servers, computers, printers, and related hardware and software.)
16. Delete \$2,500,000 from the State General Fund for Professional Development and consider in the Omnibus Bill.

First-Year Funding for HB 2474*

Program	Additional Funding Required
BSAPP increased to \$4,187 by adding \$80 to the base, and eliminate correlation weighting	\$ 39,560,000
At-Risk Weighting definition expanded	18,600,000
Bilingual Education Weighting from .2 to .4	11,000,000
Special Education Excess Cost Funding at 85%	17,700,000
Increase in LOB State Aid due to increase in BSAPP & increased equalization	10,000,000
Capital Outlay Equalized at 4 mills	15,000,000
Reduction in Federal Impact Aid: From 75 to 70 percent	798,000
Exempting new military students from deduction	3,200,000
TOTAL	\$ 115,858,000

* Excludes programs subject to appropriation.

PROPOSED AMENDMENT TO HB 2482
March 9, 2005

On page 104, following line 1, by inserting the following material:

“(g) No moneys appropriated for fiscal year 2005 or fiscal year 2006 by chapter 123 or 184 of the 2004 Session Laws of Kansas or by this or other appropriation act of the 2005 regular session of the legislature for the department of education and paid or otherwise distributed to one or more school districts shall be expended or otherwise used by any school district to engage in or to directly support in any manner any litigation by the school district or by any person, association, corporation, or other entity against the state of Kansas, including the state board of education, the department of education, any other state agency, or any state officer or employee, regarding the Kansas school district finance and quality performance act, or any other statute, and no such moneys shall be paid, donated or otherwise provided to any person, association, corporation or other entity and used for the purpose of any such litigation.”;

HOUSE APPROPRIATIONS

DATE 3-09-2005
ATTACHMENT 11

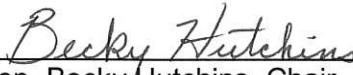
House Budget Committee Report

FY 2005

FY 2006

FY 2007

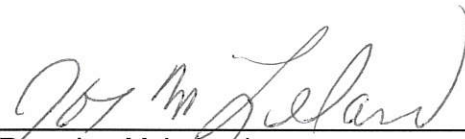
Board of Healing Arts



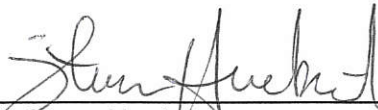
Rep. Becky Hutchins, Chair



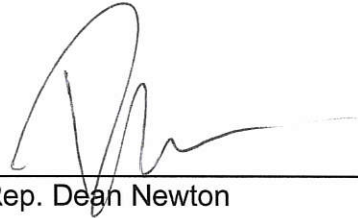
Rep. Lana Gordon



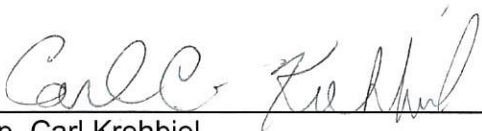
Rep. Joe McLeland



Rep. Steve Huebert



Rep. Dean Newton



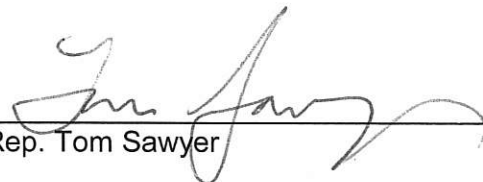
Rep. Carl Krehbiel



Rep. Bill Feuerborn



Rep. Bob Grant



Rep. Tom Sawyer

HOUSE APPROPRIATIONS

DATE 3-09-2005

ATTACHMENT 12

Senate Subcommittee Report

Agency: Board of Healing Arts **Bill No.** SB 272

Bill Sec. 3

Analyst: Spurgin **Analysis Pg. No.** Vol. III, 1594

Budget Page No. 487

Expenditure Summary	Agency Estimate FY 2005	Governor's Recommendation FY 2005	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,425,211	2,525,211	0
TOTAL	<u>\$ 2,425,211</u>	<u>\$ 2,525,211</u>	<u>\$ 0</u>
FTE Positions	30.0	30.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>30.0</u>	<u>30.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency request** for FY 2005 expenditures is \$2,425,211 which is a \$105,000 (4.1 percent) decrease from the amount approved by the 2004 Legislature. The FY 2005 approved amount included \$105,000 from a no-limit hearing fund. The agency did not include any funding from this source in the FY 2005 estimated budget. The agency has requested to add 1.0 FTE for the last three months of FY 2005, but has not requested any additional funding. The agency reported that the funds were present, but that the FTE had not been granted along with the legislation related to the licensing of radiology technicians.

The **Governor** recommends FY 2005 expenditures of \$2,525,211, which is a decrease of \$5,000 (0.2 percent) below the approved amount. The recommendation includes \$100,000 from the agency's no-limit Hearing Fund, which accounts for the difference between the agency request and the Governor recommendation. With the exception of this no-limit fund amount, the Governor concurred with agency estimates. The change from the approved amount is in the no-limit hearing fund estimates. Additionally, the 2004 Legislature authorized the transfer of monies from biennial boards to the state general fund. The Board of Healing Arts was not included in this fee sweep, however, the Governor now recommends that \$750,000 be transferred from the Board's fee fund to the State General Fund. The Governor concurs with the agency request for the 1.0 FTE position.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

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Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet addressed this issue.

House Budget Committee Report

Agency: Board of Healing Arts **Bill No.** HB 2480

Bill Sec. 3

Analyst: Spurgin

Analysis Pg. No. Vol. III, 1594

Budget Page No. 487

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,425,211	2,525,211	0
TOTAL	<u>\$ 2,425,211</u>	<u>\$ 2,525,211</u>	<u>\$ 0</u>
FTE Positions	30.0	30.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>30.0</u>	<u>30.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency request** for FY 2005 expenditures is \$2,425,211 which is a \$105,000 (4.1 percent) decrease from the amount approved by the 2004 Legislature. The FY 2005 approved amount included \$105,000 from a no-limit hearing fund. The agency did not include any funding from this source in the FY 2005 estimated budget. The agency has requested to add 1.0 FTE for the last three months of FY 2005, but has not requested any additional funding. The agency reported that the funds were present, but that the FTE had not been granted along with the legislation related to the licensing of radiology technicians.

The **Governor** recommends FY 2005 expenditures of \$2,525,211, which is a decrease of \$5,000 (0.2 percent) below the approved amount. The recommendation includes \$100,000 from the agency's no-limit Hearing Fund, which accounts for the difference between the agency request and the Governor recommendation. With the exception of this no-limit fund amount, the Governor concurred with agency estimates. The change from the approved amount is in the no-limit hearing fund estimates. Additionally, the 2004 Legislature authorized the transfer of monies from biennial boards to the state general fund. The Board of Healing Arts was not included in this fee sweep, however, the Governor now recommends that \$750,000 be transferred from the Board's fee fund to the State General Fund. The Governor concurs with the agency request for the 1.0 FTE position.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor.

Senate Subcommittee Report

Agency: Board of Healing Arts **Bill No.** SB 270

Bill Sec. 7

Analyst: Spurgin **Analysis Pg. No.** Vol. III, 1594

Budget Page No. 487

Expenditure Summary	Agency Request FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,483,122	2,659,350	(95,220)
TOTAL	\$ 2,483,122	\$ 2,659,350	\$ (95,220)
FTE Positions	33.0	32.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	33.0	32.0	0.0

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

Agency Request/Governor's Recommendation

The **agency** requests expenditures of \$2,483,122 for FY 2006 which is an increase of \$57,911 (2.4 percent) from the FY 2005 estimate.

Salaries and Wages

- \$1,588,413 to fund 30.0 FTE, temporary salaries, and Board and Committee members and an enhancement request for two additional FTE positions, a Special Investigator II and a Legal Assistant. The agency also requests that the existing temporary FTE attorney position be made a permanent FTE. The agency requests a total of 33.0 FTE positions for FY 2006.
- An increase of \$114,540 (7.8 percent) over FY 2005 estimates.

Contractual Services

- \$816,109 to fund Impaired Provider Program expenses, two contractual special investigators, out of state travel, and the new computer system and software maintenance.
- The request also includes \$23,992 for a possible move to larger quarters. Also included is increased operating expenditures for licensing Radiology Technicians.

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- An increase of \$106,640 (15.0 percent) over FY 2005 estimates. The increase is due, in part, to a possible moving expense. Rental costs for FY 2006 are based upon rent at the current location.

Commodities

- \$78,600 for office supplies including the extra costs associated with the licensing of Radiology Technicians.
- The request includes a \$10,000 enhancement request to fund furniture and equipment for the two new FTE positions requested in the FY 2006 enhancement.
- An increase of \$46,731 from FY 2005.

Capital Outlay

- The agency did not submit a request for capital outlay funds for FY 2006.

The **Governor** recommends expenditures of \$2,659,350, an increase of \$134,139 (5.3 percent) above the FY 2005 recommendation. The Governor recommends salaries and wages of \$1,683,633, an increase of \$209,760 (14.2 percent) from the FY 2005 recommendation. The Governor recommends expenditures for the KPERS death and disability increase (\$4,619), the base salary adjustment (\$36,512) and the 27th payroll period in FY 2006 (\$54,089). The Governor recommends the enhancement request for 2.0 FTE positions, but recommends that the temporary attorney position remain a temporary position. The Governor recommends the request for office furniture and equipment for the 2.0 FTE positions added in FY 2006. The Governor does not recommend funding possible moving expenses (\$23,992). The Governor's request also includes \$105,000 for hearing costs from the agency's no limit fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$36,512, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$58,708 to remove funding recommended by the Governor for the 27th payroll period (\$54,089), and for the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$4,619) for later Committee consideration.
3. The Subcommittee notes that the Board of Healing Arts has maintained high balances in the Board of Healing Arts Fee Fund. The Subcommittee recommends that the agency review the fees charged for licenses and registrations and consider reducing those fees.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation with the following adjustment:

1. Prior to Omnibus, the Committee will review the adjustment made in the Governor's recommendation to the amount of the transfer from the Board of Healing Arts Fee Fund to the State General Fund scheduled to occur on June 30, 2005.

Additionally, the Committee will review the policy for transfers from all the biennial fee boards' fee funds to the State General Fund in subsequent fiscal years.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet addressed this issue.

House Budget Committee Report

Agency: Board of Healing Arts **Bill No.** HB 2482 **Bill Sec.** 7

Analyst: Spurgin **Analysis Pg. No.** Vol. III, 1594 **Budget Page No.** 487

Expenditure Summary	Agency Request FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,483,122	2,659,350	0
TOTAL	\$ 2,483,122	\$ 2,659,350	\$ 0
FTE Positions	33.0	32.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	33.0	32.0	0.0

Agency Request/Governor's Recommendation

The **agency** requests expenditures of \$2,483,122 for FY 2006 which is an increase of \$57,911 (2.4 percent) from the FY 2005 estimate.

Salaries and Wages

- \$1,588,413 to fund 30.0 FTE, temporary salaries, and Board and Committee members and an enhancement request for two additional FTE positions, a Special Investigator II and a Legal Assistant. The agency also requests that the existing temporary FTE attorney position be made a permanent FTE. The agency requests a total of 33.0 FTE positions for FY 2006.

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- An increase of \$114,540 (7.8 percent) over FY 2005 estimates.

Contractual Services

- \$816,109 to fund Impaired Provider Program expenses, two contractual special investigators, out of state travel, and the new computer system and software maintenance.
- The request also includes \$23,992 for a possible move to larger quarters. Also included is increased operating expenditures for licensing Radiology Technicians.
- An increase of \$106,640 (15.0 percent) over FY 2005 estimates. The increase is due, in part, to a possible moving expense. Rental costs for FY 2006 are based upon rent at the current location.

Commodities

- \$78,600 for office supplies including the extra costs associated with the licensing of Radiology Technicians.
- The request includes a \$10,000 enhancement request to fund furniture and equipment for the two new FTE positions requested in the FY 2006 enhancement.
- An increase of \$46,731 from FY 2005.

Capital Outlay

- The agency did not submit a request for capital outlay funds for FY 2006.

The **Governor** recommends expenditures of \$2,659,350, an increase of \$134,139 (5.3 percent) above the FY 2005 recommendation. The Governor recommends salaries and wages of \$1,683,633, an increase of \$209,760 (14.2 percent) from the FY 2005 recommendation. The Governor recommends expenditures for the KPERs death and disability increase (\$4,619), the base salary adjustment (\$36,512) and the 27th payroll period in FY 2006 (\$54,089). The Governor recommends the enhancement request for 2.0 FTE positions, but recommends that the temporary attorney position remain a temporary position. The Governor recommends the request for office furniture and equipment for the 2.0 FTE positions added in FY 2006. The Governor does not recommend funding possible moving expenses (\$23,992). The Governor's request also includes \$105,000 for hearing costs from the agency's no limit fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. The Budget Committee notes that the Governor's recommendation for the agency includes amounts recommended for the 2.5 percent base salary adjustment (\$36,512), the 27th payroll period (\$58,708), and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$4,619).

12-7

2. The Budget Committee heard testimony that the agency can fine licensees up to \$5,000 per violation of the Healing Arts Act. The agency provided testimony that the fines actually levied are often less than this amount. All amounts collected as fines are transferred to the State General Fund. The agency also has the ability to recover costs of disciplinary actions against licensees. Those recovered costs stay with the agency.

3. The Budget Committee recommends that the Board of Healing Arts review its policies and procedures in respect to disciplinary actions taken by the Board. Additionally, the Budget Committee recommends the Board review the fines and sanctions imposed upon licensees in relation to the nature of the violation and be proactive in ensuring that all sanctions are being completed. The Budget Committee notes its hope that with additional FTE positions in FY 2006 investigations will be completed in a more timely manner.

Senate Subcommittee Report

Agency: Board of Healing Arts **Bill No.** SB 270

Bill Sec. 7

Analyst: Spurgin

Analysis Pg. No. Vol. III, 1594

Budget Page No. 487

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,650,690	2,704,218	(35,722)
TOTAL	\$ 2,650,690	\$ 2,704,218	\$ (35,722)
FTE Positions	35.0	32.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	35.0	32.0	0.0

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

Agency Request/Governor's Recommendation

The **agency** requests expenditures of \$2,650,690 for FY 2007 which is an increase of \$167,568 (6.7 percent) above the FY 2006 request.

Salaries and Wages

- \$1,711,385 to fund 33.0 FTE, temporary salaries, Board and Committee members, and an enhancement request for an additional Special Investigator II position and an Administrative Assistant position. The agency requests a total of 35.0 FTE for FY 2007.
- An increase of \$122,972 (7.7 percent) from the FY 2006 request.

Contractual Services

- \$853,005 to fund Impaired Provider Program expenses, two contractual special investigators, out of state travel, and the new computer system and software maintenance. Also included is increased operating expenditures for licensing Radiology Technicians and an increase in funding to the Impaired Provider Program.
- An increase of \$36,896 (4.5 percent) over the FY 2006 request.

12-9

Commodities

- \$86,300 for office supplies.
- An increase of \$7,700 (9.8 percent) from the FY 2006 request to provide for increases in the cost of supplies. The request also includes a \$10,000 enhancement request for furniture and equipment for the additional FTE requested for FY 2007.

Capital Outlay

- The agency did not submit a request for capital outlay funds for FY 2007.

The **Governor** recommends FY 2007 expenditures of \$2,704,218, an increase of \$44,868 (1.7 percent) from the FY 2006 recommendation. The recommendation for salaries and wages is a decrease of \$18,720 (1.1 percent) below the FY 2006 recommendation and a decrease of \$46,472 from the agency request. The Governor did not recommend the additional FTE enhancements for FY 2007. The recommendation for contractual services of \$963,005 is an increase of \$65,888 (7.3 percent) from the FY 2006 recommendation and \$110,000 more than the agency's request. The \$110,000 is accounted for by a recommendation in that amount from the agency's no-limit hearing expenditure fund, which was not requested by the agency in the budget request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$31,103 to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.
2. **Other Salary and Wage Adjustment.** Delete \$4,619 to remove funding recommended by the Governor for the Kansas Public Employees Retirement System (KPERs) death and disability increase for later Committee consideration.
3. The Subcommittee notes that the Board of Healing Arts has maintained high balances in the Board of Healing Arts Fee Fund. The Subcommittee recommends that the agency review the fees charged for licenses and registrations and consider reducing those fees.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet addressed this issue.

12-10

House Budget Committee Report

Agency: Board of Healing Arts **Bill No.** HB 2482

Bill Sec. 7

Analyst: Spurgin

Analysis Pg. No. Vol. III, 1594

Budget Page No. 487

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	2,650,690	2,704,218	0
TOTAL	\$ 2,650,690	\$ 2,704,218	\$ 0
FTE Positions	35.0	32.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	35.0	32.0	0.0

Agency Request/Governor's Recommendation

The **agency** requests expenditures of \$2,650,690 for FY 2007 which is an increase of \$167,568 (6.7 percent) above the FY 2006 request.

Salaries and Wages

- \$1,711,385 to fund 33.0 FTE, temporary salaries, Board and Committee members, and an enhancement request for an additional Special Investigator II position and an Administrative Assistant position. The agency requests a total of 35.0 FTE for FY 2007.
- An increase of \$122,972 (7.7 percent) from the FY 2006 request.

Contractual Services

- \$853,005 to fund Impaired Provider Program expenses, two contractual special investigators, out of state travel, and the new computer system and software maintenance. Also included is increased operating expenditures for licensing Radiology Technicians and an increase in funding to the Impaired Provider Program.
- An increase of \$36,896 (4.5 percent) over the FY 2006 request.

Commodities

- \$86,300 for office supplies.
- An increase of \$7,700 (9.8 percent) from the FY 2006 request to provide for increases in the cost of supplies. The request also includes a \$10,000 enhancement request for furniture and equipment for the additional FTE requested for FY 2007.

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Capital Outlay

- The agency did not submit a request for capital outlay funds for FY 2007.

The **Governor** recommends FY 2007 expenditures of \$2,704,218, an increase of \$44,868 (1.7 percent) from the FY 2006 recommendation. The recommendation for salaries and wages is a decrease of \$18,720 (1.1 percent) below the FY 2006 recommendation and a decrease of \$46,472 from the agency request. The Governor did not recommend the additional FTE enhancements for FY 2007. The recommendation for contractual services of \$963,005 is an increase of \$65,888 (7.3 percent) from the FY 2006 recommendation and \$110,000 more than the agency's request. The \$110,000 is accounted for by a recommendation in that amount from the agency's no-limit hearing expenditure fund, which was not requested by the agency in the budget request.

House Budget Committee Recommendation

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

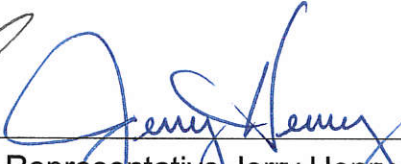
1. The Budget Committee notes that the Governor's FY 2007 recommendation includes funding for the 2.5 percent base salary adjustment (\$31,103) and the Kansas Public Employees Retirement System (KPERs) death and disability increase (\$4,619).

FY 2005, FY 2006, and FY 2007

Social Services Budget Committee

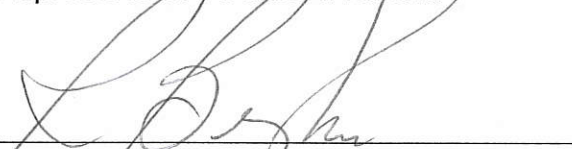
Board of Nursing


Representative Brenda Landwehr, Chair



Representative Jerry Henry

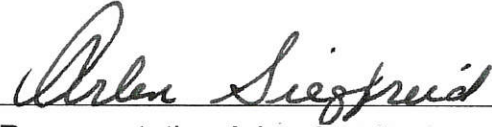

Representative Barbara Ballard

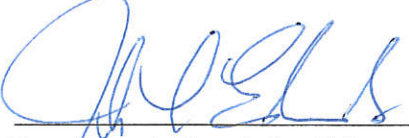

Representative Peggy Mast


Representative Bob Bethell


Representative Louis Ruiz


Representative Willa DeCastro


Representative Arlen Siegfried


Representative John Edmonds

HOUSE APPROPRIATIONS

DATE 3-09-2005
ATTACHMENT 13

Senate Subcommittee Report

Agency: Board of Nursing

Bill No. SB 272

Bill Sec. 09

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1630

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Board of Nursing Fee Fund	\$ 1,622,156	\$ 1,631,909	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** estimates FY 2005 operating expenditures of \$1,622,156, an increase of \$127,079 or 8.5 percent above the amount approved by the 2004 Legislature. This is due to a supplemental request of \$160,000 for computer software and installation and customization of the computer software. The supplemental request is funded by KSIP funds and fee funds.

The **Governor** recommends \$1,631,090 for FY 2005 operating expenditures, an increase of \$136,832 or 9.2 percent above the approved amount. The recommendation is an increase of \$9,753 or 0.6 percent above the agency estimate. The increase is attributable to the addition of \$9,753 for increased rent expenditures.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Board of Nursing

Bill No. HB 2480

Bill Sec. 09

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1630

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Nursing Fee Fund	\$ 1,622,156	\$ 1,631,909	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** estimates FY 2005 operating expenditures of \$1,622,156, an increase of \$127,079 or 8.5 percent above the amount approved by the 2004 Legislature. This is due to a supplemental request of \$160,000 for computer software and installation and customization of the computer software. The supplemental request is funded by KSIP funds and fee funds.

The **Governor** recommends \$1,631,090 for FY 2005 operating expenditures, an increase of \$136,832 or 9.2 percent above the approved amount. The recommendation is an increase of \$9,753 or 0.6 percent above the agency estimate. The increase is attributable to the addition of \$9,753 for increased rent expenditures.

House Budget Committee Recommendation

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

1. The Budget Committee notes that it concurs with the Governor's recommendation to include \$160,000 for the purchase of new computer software, which includes \$95,000 from KSIP. The Budget Committee notes the agency's past success in moving to on-line applications and renewal options for licenses and includes the new software to allow the agency to continue to move forward.

Senate Subcommittee Report

Agency: Board of Nursing

Bill No. SB 270

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1630

Budget Page No. 493

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
Board of Nursing Fee Fund	\$ 1,468,825	\$ 1,539,427	\$ (58,359)
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$1,468,825, a decrease of \$153,331 or 9.5 percent below the FY 2005 revised estimate. The decrease is due to the agency's FY 2005 supplemental request of \$160,000.

The **Governor** recommends \$1,539,427 for FY 2006 operating expenditures, a decrease of \$153,331 or 9.5 percent below the FY 2005 recommendation. The recommendation is an increase of \$70,602 or 4.8 percent above the agency request. The increase is attributable to the addition of \$12,243 for increases in rent expenditures and the addition of \$58,359 for salary adjustments. The salary adjustments include: \$2,963 for KPERS death and disability payments; \$33,072 to fund the 27th payroll period; and \$22,324 for the 2.5 percent base salary adjustment for state employees.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$22,324, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$36,035, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$33,072), and for the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$2,963) for later Committee consideration.
3. The Subcommittee notes their appreciation for the agency's efforts in being fiscally conservative through the use of technology, specifically through the implementation of a paperless board.

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Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Board of Nursing

Bill No. HB 2482

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1630

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Board of Nursing Fee Fund	\$ 1,468,825	\$ 1,539,427	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$1,468,825, a decrease of \$153,331 or 9.5 percent below the FY 2005 revised estimate. The decrease is due to the agency's FY 2005 supplemental request of \$160,000.

The **Governor** recommends \$1,539,427 for FY 2006 operating expenditures, a decrease of \$153,331 or 9.5 percent below the FY 2005 recommendation. The recommendation is an increase of \$70,602 or 4.8 percent above the agency request. The increase is attributable to the addition of \$12,243 for increases in rent expenditures and the addition of \$58,359 for salary adjustments. The salary adjustments include: \$2,963 for KPERS death and disability payments; \$33,072 to fund the 27th payroll period; and \$22,324 for the 2.5 percent base salary adjustment for state employees.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following adjustment and observations:

1. The Budget Committee notes that the agency has improved its operations significantly in the recent past and commends the agency for its activities, specifically on-line application and renewal process. The Budget Committee notes the accuracy of the information which is available.

Additionally, the Budget Committee notes its expectation that the agency continually strives to improve its processes and implementation. The Budget Committee notes it will continue to monitor the agency's efforts in the future.

13-5

2. The Budget Committee notes the current situation with Excelsior College, an on-line nursing program based in New York with students in Kansas. These students were recently notified that they would not be granted a license to practice in Kansas due to a deficiency in the clinical portion of the education required by the Board of Nursing.

The Budget Committee notes its understanding that representatives from Excelsior College will be present at the March, 2005 Board of Nursing meeting. The Budget Committee requests that the Board of Nursing report back prior to Omnibus as to the outcome of the meeting. Additionally, the Budget Committee requests that the agency formalize its policies in regard to out-of-state nursing programs.

The Budget Committee notes its belief that the Board of Nursing and Excelsior College will be able to resolve the current situation without penalizing the current Kansas students of Excelsior College who are enrolled in the nursing program, while ensuring that the safety of Kansas residents is not jeopardized.

Senate Subcommittee Report

Agency: Board of Nursing

Bill No. SB 270

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1630

Budget Page No. 493

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments*
Board of Nursing Fee Fund	\$ 1,481,891	\$ 1,518,777	\$ (24,539)
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

The **agency** requests FY 2007 operating expenditures of \$1,481,891, an increase of \$13,066 or 0.9 percent above the FY 2006 request. The increase is due to an increase in fringe benefit costs and an increase in professional services.

The **Governor** recommends \$1,518,777 for FY 2007 operating expenditures, a decrease of \$20,650 or 1.3 percent below the FY 2006 recommendation. The recommendation is an increase of \$36,886 or 2.5 percent above the agency request. The increase is attributable to the addition of \$12,347 for increased rent expenditures and \$24,539 for salary adjustments. The salary adjustments include: \$2,963 for KPERS death and disability payments; and \$21,576 for the 2.5 percent base salary adjustment for state employees.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$21,576, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.
2. **Other Salary and Wage Adjustment.** Delete \$2,963, none of which is from the State General Fund, to remove funding recommended by the Governor for the Kansas Public Employees Retirement System (KPERS) death and disability increase for later Committee consideration.

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Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Board of Nursing

Bill No. HB 2482

Bill Sec. 13

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1630

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
Board of Nursing Fee Fund	\$ 1,481,891	\$ 1,518,777	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests FY 2007 operating expenditures of \$1,481,891, an increase of \$13,066 or 0.9 percent above the FY 2006 request. The increase is due to an increase in fringe benefit costs and an increase in professional services.

The **Governor** recommends \$1,518,777 for FY 2007 operating expenditures, a decrease of \$20,650 or 1.3 percent below the FY 2006 recommendation. The recommendation is an increase of \$36,886 or 2.5 percent above the agency request. The increase is attributable to the addition of \$12,347 for increased rent expenditures and \$24,539 for salary adjustments. The salary adjustments include: \$2,963 for KPERs death and disability payments; and \$21,576 for the 2.5 percent base salary adjustment for state employees.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

House Budget Committee

FY 2005, FY 2006 and FY 2007

on

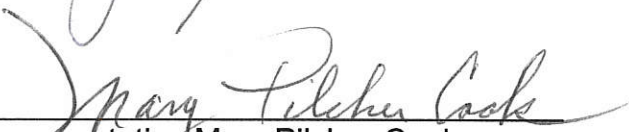
Abstracters' Board of Examiners
Board of Technical Professions


Representative Bill Light, Chairperson

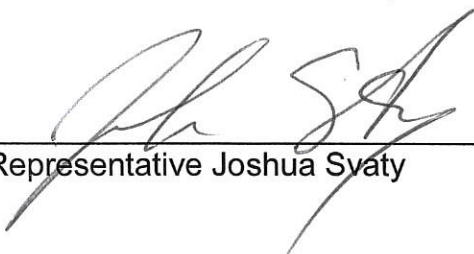

Representative Joann Flower


Representative Mitch Holmes


Representative Melvin Neufeld


Representative Mary Pilcher-Cook


Representative Bonnie Sharp


Representative Joshua Svaty

HOUSE APPROPRIATIONS

DATE 3-09-2005
ATTACHMENT 14

Senate Subcommittee Report

Agency: Abstracters' Board of Examiners **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1483

Budget Page No. 469

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Abstracters' Fee Fund	\$ 21,315	\$ 21,315	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 2005 expenditures of \$21,315, the same amount that was approved by the 2004 Legislature.

The **Governor** recommends \$21,315, the same amount requested by the agency.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

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House Budget Committee Report

Agency: Abstracters' Board of Examiners **Bill No. --**

Bill Sec. --

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1483

Budget Page No. 469

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Abstracters' Fee Fund	\$ 21,315	\$ 21,315	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 2005 expenditures of \$21,315, the same amount that was approved by the 2004 Legislature.

The **Governor** recommends \$21,315, the same amount requested by the agency.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Abstracters' Board of Examiners **Bill No.** SB 270

Bill Sec. 02

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1483

Budget Page No. 469

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>Senate Subcommittee Adjustments*</u>
Abstracters' Fee Fund	\$ 21,315	\$ 22,358	\$ (1,043)
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$21,315, the same amount as the FY 2005 estimate.

The FY 2006 request includes \$16,190 for salaries and wages for two employees, whose combined hours do not equal a full FTE position. This is an increase of \$15 above the FY 2005 estimate and is located in fringe benefits. The agency requests \$4,865 for contractual services, a decrease of \$15 below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$21,315, an increase of \$1,043 or 4.9 percent above the agency request. The increase is attributable to the addition of \$622 for the 27th Pay Period and \$421 for the 2.5 percent base salary adjustment for state employees.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$421, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$622, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

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House Budget Committee Report

Agency: Abstracters' Board of Examiners **Bill No.** HB 2482

Bill Sec. 02

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1483

Budget Page No. 469

<u>Expenditure Summary</u>	<u>Agency Request FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Abstracters' Fee Fund	\$ 21,315	\$ 22,358	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 operating expenditure limitation of \$21,315, the same amount as the FY 2005 estimate.

The FY 2006 request includes \$16,190 for salaries and wages for two employees, whose combined hours do not equal a full FTE position. This is an increase of \$15 above the FY 2005 estimate and is located in fringe benefits. The agency requests \$4,865 for contractual services, a decrease of \$15 below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$21,315, an increase of \$1,043 or 4.9 percent above the agency request. The increase is attributable to the addition of \$622 for the 27th Pay Period and \$421 for the 2.5 percent base salary adjustment for state employees.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Abstracters' Board of Examiners **Bill No.** SB 270

Bill Sec. 02

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1483

Budget Page No. 469

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments*</u>
Abstracters' Fee Fund	\$ 21,315	\$ 21,719	\$ (404)
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 operating expenditure limitation of \$21,315, the same as the FY 2006 request.

The **Governor** recommends an operating expenditure limitation of \$21,719 for FY 2007. The recommendation is an increase of \$404 or 1.9 percent from the agency's FY 2007 request. The increase is attributable to the 2.5 percent base salary adjustment for state employees. The recommendation is a reduction of \$639 or 2.9 percent from the FY 2006 recommendation. The reduction is due to the one-time expenditures in FY 2006 to fund the 27th pay check.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$404, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

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House Budget Committee Report

Agency: Abstracters' Board of Examiners **Bill No.** HB 2482

Bill Sec. 02

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1483

Budget Page No. 469

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
Abstracters' Fee Fund	\$ 21,315	\$ 21,719	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 operating expenditure limitation of \$21,315, the same as the FY 2006 request.

The **Governor** recommends an operating expenditure limitation of \$21,719 for FY 2007. The recommendation is an increase of \$404 or 1.9 percent from the agency's FY 2007 request. The increase is attributable to the 2.5 percent base salary adjustment for state employees. The recommendation is a reduction of \$639 or 2.9 percent from the FY 2006 recommendation. The reduction is due to the one-time expenditures in FY 2006 to fund the 27th payroll period.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.** SB 272

Bill Sec. 12

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1704

Budget Page No. 505

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Board of Technical Professions Fee Fund	\$ 555,857	\$ 627,363	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2005 is \$555,857 which is funded entirely from the Technical Professions Fee Fund. This is the same as the amount approved by the 2004 Legislature.

The Governor's recommendation for FY 2005 operating expenditures is \$627,363, an increase of \$71,506 above the agency's estimate and the approved amount. The increase is attributable to the increase in the KSIP funds.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

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House Budget Committee Report

Agency: Board of Technical Professions **Bill No.** HB 2480

Bill Sec. 12

Analyst: Deckard **Analysis Pg. No.** Vol. 3, p. 1704

Budget Page No. 505

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Board of Technical Professions Fee Fund	\$ 555,857	\$ 627,363	\$ (60,506)
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency's** estimate for FY 2005 is \$555,857 which is funded entirely from the Board of Technical Professions Fee Fund. This is the same as the amount approved by the 2004 Legislature.

The **Governor's** recommendation for FY 2005 operating expenditures is \$627,363, an increase of \$71,506 above the agency's estimate and the approved amount. The increase is attributable to the increase in the KSIP funds.

House Budget Committee Recommendation

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

1. Reduce expenditures by \$60,506 fee funds which the Governor added for KSIP expenditures. The Budget Committee is concerned about the agency's cash flow during FY 2006 and this current year reduction would allow the agency a larger beginning balance in the Board of Technical Professions Fee Fund at the start of FY 2006. The agency has indicated that they do not intend to expend the entire amount recommended by the Governor.

Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.** SB 270

Bill Sec. 19

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1704

Budget Page No. 505

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
Board of Technical Professions Fee Fund	\$ 526,556	\$ 539,050	\$ (15,494)
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 expenditure limitation of \$526,556, a decrease of \$29,301 or 5.3 percent below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$539,050, a decrease of \$88,313 or 14.1 percent below the FY 2005 recommendation. The recommendation is an increase of \$12,494 or 2.4 percent above the agency's request. The difference is attributable to the addition of \$15,494 for salary and wage adjustments including: KPERS death and disability payments of \$778; \$8,785 in funding for the 27th payroll period; and \$5,931 for the 2.5 percent base salary adjustment for state employees, offset by a \$3,000 reduction in KSIP expenditures in capital outlay, which the Governor accelerated into FY 2005.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$5,931, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$9,563, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$8,785), and for the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$778) for later Committee consideration.

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- The Subcommittee recommends that the agency carefully review the amount of the potential fee increase. The Subcommittee notes that the agency should consider raising the fee to \$80 instead of \$90 so the agency's fee fund balance does not become too large.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No.** HB 2482

Bill Sec. 19

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1704

Budget Page No. 505

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Board of Technical Professions Fee Fund	\$ 526,556	\$ 539,050	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

Agency Request/Governor's Recommendation

The **agency** requests an FY 2006 expenditure limitation of \$526,556, a decrease of \$29,301 or 5.3 percent below the FY 2005 estimate.

The **Governor** recommends FY 2006 operating expenditures of \$539,050, a decrease of \$88,313 or 14.1 percent below the FY 2005 recommendation. The recommendation is an increase of \$12,494 or 2.4 percent above the agency's request. The difference is attributable to the addition of \$15,494 for salary and wage adjustments including: KPERS death and disability payments of \$778; \$8,785 in funding for the 27th payroll period; and \$5,931 for the 2.5 percent base salary adjustment for state employees, offset by a \$3,000 reduction in KSIP expenditures in capital outlay, which the Governor accelerated into FY 2005.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.** SB 270

Bill Sec. 19

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1704

Budget Page No. 505

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments*
Board of Technical Professions Fee Fund	\$ 537,826	\$ 541,336	\$ (6,513)
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

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

Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 expenditure limitation of \$537,823, an increase of \$11,267 or 2.1 percent above the FY 2006 request.

The **Governor** recommends FY 2007 operating expenditures of \$541,336, an increase of \$2,286 or 0.4 percent above the FY 2006 recommendation. The recommendation is an increase of \$3,513 or 0.7 percent above the agency's request. The difference is attributable to the addition of \$6,513 in salaries and wages adjustments including the addition of: \$778 for KPERS death and disability payments, and the addition of \$5,735 for the 2.5 percent base salary adjustment for state employees; partially offset by a \$3,000 reduction in KSIP expenditures for capital outlay, which the Governor accelerated into FY 2005.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$5,735, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.
2. **Other Salary and Wage Adjustment.** Delete \$778, none of which is from the State General Fund, to remove funding recommended by the Governor for the Kansas Public Employees Retirement System (KPERS) death and disability increase for later Committee consideration.

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Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No.** HB 2482

Bill Sec. 19

Analyst: Deckard

Analysis Pg. No. Vol. 3, p. 1704

Budget Page No. 505

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
Board of Technical Professions Fee Fund	\$ 537,826	\$ 541,336	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The **agency** requests an FY 2007 expenditure limitation of \$537,823, an increase of \$11,267 or 2.1 percent above the FY 2006 request.

The **Governor** recommends FY 2007 operating expenditures of \$541,336, an increase of \$2,286 or 0.4 percent above the FY 2006 recommendation. The recommendation is an increase of \$3,513 or 0.7 percent above the agency's request. The difference is attributable to the addition of \$6,513 in salaries and wages adjustments including the addition of: \$778 for KPERS death and disability payments, and the addition of \$5,735 for the 2.5 percent base salary adjustment for state employees; partially offset by a \$3,000 reduction in KSIP expenditures for capital outlay, which the Governor accelerated into FY 2005.

House Budget Committee Recommendation

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

FY 2005, FY 2006, and FY 2007

Education Budget Committee

Behavioral Sciences Regulatory Board

Becky Hutchins

Representative Becky Hutchins, Chair

Lana Gordon

Representative Lana Gordon

Steve Huebert

Representative Steve Huebert

Joe McLeland

Representative Joe McLeland

Tom Sawyer

Representative Tom Sawyer

Bill Feuerborn

Representative Bill Feuerborn

Bob Grant

Representative Bob Grant

Carl C. Krehbiel

Representative Carl Krehbiel

Dean Newton

Representative Dean Newton

HOUSE APPROPRIATIONS

DATE 3-09-2005
ATTACHMENT 15

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No. --** **Bill Sec. --**

Analyst: Deckard **Analysis Pg. No.** Vol. 3, p. 1535 **Budget Page No.** 477

Expenditure Summary	Agency Estimate FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Behavioral Sciences Reg Board Fee Fund	\$ 580,869	\$ 580,869	\$ 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 Estimate/Governor's Recommendation

The **agency** requests FY 2005 operating expenditures of \$580,869, an increase of \$32,860 or 6.0 percent above the amount approved by the 2004 Legislature. The increase is entirely due to KSIP expenditures.

The **Governor** recommends FY 2005 operating expenditures of \$580,869, the same as the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No. --** **Bill Sec. --**

Analyst: Deckard **Analysis Pg. No.** Vol. 3, p. 1535 **Budget Page No.** 477

<u>Expenditure Summary</u>	<u>Agency Estimate FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Behavioral Sciences Reg Board Fee Fund	\$ 580,869	\$ 580,869	\$ 0
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** requests FY 2005 operating expenditures of \$580,869, an increase of \$32,860 or 6.0 percent above the amount approved by the 2004 Legislature. The increase is entirely due to KSIP expenditures.

The **Governor** recommends FY 2005 operating expenditures of \$580,869, the same as the agency's estimate.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** SB 270 **Bill Sec.** 06
Analyst: Deckard **Analysis Pg. No.** Vol. 3, p. 1535 **Budget Page No.** 477

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments*
Behavioral Sciences Reg Board Fee Fund	\$ 546,894	\$ 568,376	\$ (21,482)
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

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

Agency Request/Governor's Recommendation

The **agency** requests FY 2006 operating expenditures of \$546,894, a decrease of \$33,975 or 5.8 percent below the FY 2005 revised estimate. This reduction is attributable to a KSIP technology purchases of \$32,860 in FY 2005, in addition there is a decrease in the amount requested for contractual services and commodities and an increase in salaries and wages.

The **Governor** recommends FY 2006 operating expenditures of \$568,376, an increase of \$21,482 above the agency's request. The difference is attributable to salary adjustments made in the Governor's recommendation. These include: \$985 for KPERS death and disability payments; \$12,238 to fund the 27th pay check; and \$8,259 for a 2.5 percent cost of living adjustment for state employees' salaries and wages.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$8,259, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (a 2.5 percent base salary adjustment for all state employees) for consideration in a separate bill.
2. **Other Salary and Wage Adjustments.** Delete \$13,223, none of which is from the State General Fund, to remove funding recommended by the Governor for the 27th payroll period (\$12,238), and for the Kansas Public Employees Retirement System (KPERS) death and disability increase (\$985) for later Committee consideration.

15-4

- The Subcommittee notes their appreciation for the agency's efforts in being fiscally conservative through the use of technology, specifically through the implementation of a paperless board.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** HB 2482 **Bill Sec.** 06
Analyst: Deckard **Analysis Pg. No.** Vol. 3, p. 1535 **Budget Page No.** 477

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
Behavioral Sciences Reg Board Fee Fund	\$ 546,894	\$ 568,376	\$ 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 FY 2006 operating expenditures of \$546,894, a decrease of \$33,975 or 5.8 percent below the FY 2005 revised estimate. This reduction is attributable to a KSIP technology purchases of \$32,860 in FY 2005, in addition there is a decrease in the amount requested for contractual services and commodities and an increase in salaries and wages.

The **Governor** recommends FY 2006 operating expenditures of \$568,376, an increase of \$21,482 above the agency's request. The difference is attributable to salary adjustments made in the Governor's recommendation. These include: \$985 for KPERS death and disability payments; \$12,238 to fund the 27th payroll period; and \$8,259 for a 2.5 percent base salary adjustment for state employees.

House Budget Committee Recommendation

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

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** SB 270 **Bill Sec.** 06

Analyst: Deckard **Analysis Pg. No.** Vol. 3, p. 1535 **Budget Page No.** 477

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments*</u>
Behavioral Sciences Reg Board Fee Fund	\$ 552,356	\$ 561,563	\$ (9,207)
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>

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

Agency Request/Governor's Recommendation

The **agency** requests FY 2007 operating expenditures of \$552,356, an increase of \$5,462 or 1.0 percent above the FY 2006 request. The increase is due to an increase in salaries and wages partially offset by reductions in contractual services, commodities, and capital outlay.

The **Governor** recommends \$561,563 for FY 2007 operating expenditures. This is an increase of \$9,207 or 1.7 percent above the agency request. The increase is attributable to \$985 for KPERS death and disability payments and \$8,222 for the 2.5 percent cost of living adjustment for state employees's salaries and wages. The recommendation is a reduction of \$6,813 or 1.2 percent below the FY 2006 Governor's recommendation. The reduction is due to the one-time expenditures in FY 2006 to fund the 27th pay check.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. **Pay Plan Adjustment.** Delete \$8,222, none of which is from the State General Fund, to remove pay plan funding recommended by the Governor (the continuation of the 2.5 percent base salary adjustment for all state employees recommended in FY 2006) for consideration in a separate bill.
2. **Other Salary and Wage Adjustment.** Delete \$985, none of which is from the State General Fund, to remove funding recommended by the Governor for the Kansas Public Employees Retirement System (KPERS) death and disability increase for later Committee consideration.

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Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.** HB 2482

Bill Sec. 06

Analyst: Deckard

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<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>House Budget Committee Adjustments</u>
Behavioral Sciences Reg Board Fee Fund	\$ 552,356	\$ 561,563	\$ 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 FY 2007 operating expenditures of \$552,356, an increase of \$5,462 or 1.0 percent above the FY 2006 request. The increase is due to an increase in salaries and wages partially offset by reductions in contractual services, commodities, and capital outlay.

The **Governor** recommends \$561,563 for FY 2007 operating expenditures. This is an increase of \$9,207 or 1.7 percent above the agency request. The increase is attributable to \$985 for KPERS death and disability payments and \$8,222 for the 2.5 percent base salary adjustment for state employees. The recommendation is a reduction of \$6,813 or 1.2 percent below the FY 2006 Governor's recommendation. The reduction is due to the one-time expenditures in FY 2006 to fund the 27th payroll period.

House Budget Committee Recommendation

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