

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:30 A.M. on February 10, 2005 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Norman Furse, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michelle Alishahi, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See attached list.

Senator Schodorf moved, with a second by Senator Kelly, to approve the minutes for the meetings of January 18, January 20, January 21, January 24, January 25, and January 26, 2005. Motion carried on a voice vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2005 and FY 2006 were available to the committee.

Subcommittee budget reports on:

School for the Blind, School for the Deaf, Kansas State Historical Society, Kansas Arts Commission, Kansas State Library (Attachment 1)

School for the Blind

Subcommittee Chairman David Wysong reported that the subcommittee on the School for the Blind concurs with the Governor's recommendation in FY 2005 with adjustment and observation and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

Senator Schodorf moved, with a second by Senator Wysong, amend the subcommittee report on the School for the Blind in FY 2006 and consider the \$100,000 reduction in salaries and wages in the Instructional Services program at Omnibus. Motion carried on a voice vote.

School for the Deaf

Subcommittee Chairman David Wysong reported that the subcommittee on the School for the Deaf concurs with the Governor's recommendation in FY 2005 with observation and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

Kansas State Historical Society

Subcommittee Chairman David Wysong reported that the subcommittee on the Kansas State Historical Society concurs with the Governor's recommendation in FY 2005 with adjustment and observation and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:30 A.M. on February 10, 2005 in Room 123-S of the Capitol.

Senator Barone moved, with a second by Senator Emler, to amend the subcommittee report for the Kansas State Historical Society in FY 2006, Item No. 5, to strike the first 3-1/2 lines up to the comma, end the paragraph with the word "Site" and add the \$6,000 SGF at this time to fund temporary staff at the Grinter Place State Historic Site. Motion carried on a voice vote.

Kansas Arts Commission

Subcommittee Chairman David Wysong reported that the subcommittee on the Kansas Arts Commission concurs with the Governor's recommendation in FY 2005 with observation and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

Kansas State Library

Subcommittee Chairman David Wysong reported that the subcommittee on the Kansas State Library concurs with the Governor's recommendation in FY 2005 with adjustment and observation and concurs with the Governor's FY 2006 recommendations with adjustments and observations.

Senator Wysong moved, with a second by Senator Steineger, to adopt the subcommittee budget reports on the School for the Deaf, Kansas Arts Commission, Kansas State Library, and as amended on the School for the Blind and Kansas State Historical Society in FY 2005 and FY 2006. Motion carried on a voice vote.

The meeting adjourned at 11:05 a.m. The next meeting is scheduled for February 11, 2005.

**SENATE WAYS AND MEANS
GUEST LIST**

Date February 10, 2005

NAME	REPRESENTING
Terry Marmet	Ks St Historical Soc
Jennie Ching	Ks St Historical Soc
Margie Cott	Ks Humanities Council
Dore Wilsey	Ks Arts Commission
Jess Cafferata	Keamey & Associates
Rosaline Seemine	Kansas Library Association
Christi Brandau	Kansas State Library
Donnie Heim	Kansas State Library
Jeanette Magellan	School for the Deaf
Robert Male	" "
Bill Daugherty	Ks Sch Blind
Robert Shaumeyer	School for the Blind
Lore Barnett	School for the Deaf
Quinton McElhaney	intern
Twila Drybread	DOB
Amy Salisbury	DOB
Julius Thomas	DOB
Stephanie Buchanan	DOB

Senate Ways and Means Subcommittee

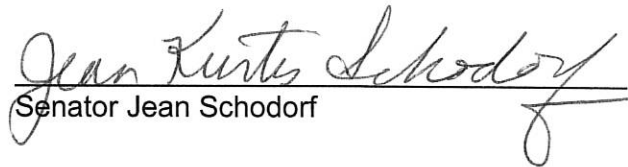
FY 2005-FY 2006

on

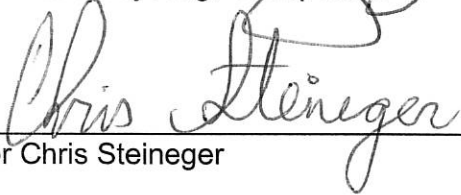
**School for the Blind
School for the Deaf
State Historical Society
Kansas Arts Commission
Kansas State Library**



Senator David Wysong, Chairperson



Senator Jean Schodorf



Senator Chris Steineger

Senate Subcommittee Report

Agency: School for the Blind

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 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 Subcommittee Report

Agency: School for the Blind

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 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>

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

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 Subcommittee Report

Agency: School for the Deaf

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 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 Subcommittee Report

Agency: School for the Deaf

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 1 - 339

Budget Page No. 137

<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	\$ 8,013,462	\$ 8,187,144	\$ (402,750)
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>\$ (402,750)</u>
Capital Improvements	1,861,119	1,145,211	0
TOTAL	<u><u>\$ 9,874,581</u></u>	<u><u>\$ 9,332,355</u></u>	<u><u>\$ (402,750)</u></u>
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	<u>\$ 7,687,659</u>	<u>\$ 7,854,998</u>	<u>\$ (396,407)</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>\$ (396,407)</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 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 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 Subcommittee Report

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

Bill Sec.

Analyst: Spurgin

Analysis Pg. No. Vol. 1, 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.

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 \$1,741 or 0.03 percent above the FY 2005 State General Fund amount approved by the 2004 Legislature.

Senate Subcommittee Report

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

Bill Sec.

Analyst: Spurgin

Analysis Pg. No. Vol. 1, 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	\$ (271,322)
Aid to Local Units	868,030	844,860	0
Other Assistance	614,900	614,900	0
Subtotal-Operating	\$ 8,696,914	\$ 8,665,531	\$ (271,322)
Capital Improvements	1,390,481	473,400	0
TOTAL	\$ 10,087,395	\$ 9,138,931	\$ (271,322)
 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.

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 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	<u>\$ 2,153,573</u>	<u>\$ 2,153,573</u>	<u>\$ 0</u>
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The **agency** 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 Subcommittee Report

Agency: Kansas Arts Commission

Bill No.

Bill Sec.

Analyst: Alishahi

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

Expenditure Summary	Agency Request FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
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>

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.

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 Subcommittee Report

Agency: Kansas State Library

Bill No.

Bill Sec.

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.

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 Subcommittee Report

Agency: Kansas State Library

Bill No.

Bill Sec.

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

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.**

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.