

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE
SPECIAL LEGISLATIVE SESSION - 2005

The meeting was called to order by Chairman Dwayne Umbarger at 10:20 A.M. on June 25, 2005 in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts- excused
Senator Mark Taddiken- excused

Committee staff present:

Norman Furse, Revisor of Statutes
Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Senator Karin Brownlee

Others attending:

See attached list.

Chairman Umbarger explained to the Committee that the reason he called the meeting was that the Committee needs to consider action because the gaming bill did not pass. He further explained that from his perspective, the committed Senate position is \$160.8 million in new dollars for K - 12 school funding. The Chairman noted it affects ending balances in the next few years and puts the State way below the water line. He noted that additional revenue needs to be found either in gaming or taxes, or would need to look at across-the-board cuts which is something that no one is promoting, but the Committee needs to give consideration to it in order to give better understanding of what the fiscal outlook will be in the future. If nothing is done regarding school funding during the special session and nothing is done to address the revenue component it needs to be understood what it would do in FY 2006 and particularly in FY 2007, FY 2008 and FY 2009 with already committed future expenditures such as the bonds.

The Chairman presented information that he had asked Kansas Legislative Research Staff to prepare regarding potential budget amendments, the handout titled, Potential Budget Adjustments, prepared at the request and direction of Senator Dwayne Umbarger, and published by the Kansas Legislative Research Department (Attachment 1). Chairman Umbarger specifically noted that he is not supporting nor proposing these types of reductions and he only wanted to see what direction the Committee was willing to take regarding reductions. Senator Barone suggested that there may be a way to take a more specialized look at reductions where some entities would be better able to absorb a reduction than a flat across-the-board cut. General Committee questions and discussion followed regarding taxes, gaming and potential reductions across-the-board.

Chairman Umbarger acknowledged Alan Conroy, Director of the Kansas Legislative Research Department, who reviewed potential budget adjustments which looks at an alternative to finance the \$160.8 million dollars

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:20 A.M. on June 25, 2005 in Room 123-S of the Capitol.

in terms of the Senate position regarding education spending and not getting that amount through gaming or taxes.

Staff explained additional information regarding potential reductions:

- State General Fund Receipts, Expenditures and Balances as Projected FY 2005 - FY 2008, In Millions, Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates and June Updated Consensus Revenue Estimates, Plus Education Spending in **SB 3** (Attachment 2)
- Impact by Agency of Potential Across the Board of Reductions to Approved FY 2006 State General Fund Expenditures (Attachment 3).

Senator Emler moved, with a second by Senator Steineger, an immediate moratorium on any tax incentives on a go-forward basis with everything grand-fathered in and effective upon publication in the Kansas Register, and an 8.8 percent reduction across-the-board for state agencies to begin January 1, 2006, through FY 2007. Committee questions and discussion followed. Chairman Umbarger held the motion on the floor and mentioned that the vote on this motion would be held until later in the afternoon so the Committee would be able to consider it and give more thought to it. The Committee was awaiting clarification on the motion regarding the effective date and the amount of the reductions because the amount would have to be doubled if for a full year. Senator Emler withdrew his motion, with consent from Senator Steineger, who had provided the second to the motion.

The Chairman called the Committee's attention to discussion of the Senate Resolution by Senator Karin Brownlee:

SR 1804 - Augenblick & Myers school funding study

Staff briefed the Committee on the bill and it was explained that since it was only a Senate Resolution, it would not be going over to the House of Representatives, if passed, and would be considered as a Senate position rather than an House position. Committee questions and discussion followed. The Committee suggested toning down the wording in the Senate Resolution.

Written testimony was submitted by Senator Karin Brownlee on **SR 1804** (Attachment 4).

An amendment was proposed by Senator Kelly regarding **SR 1804** (Attachment 5). Following committee discussion, Senator Wysong moved, with a second by Senator McGinn, to take no action on SR 1804. Motion carried on a voice vote.

Chairman Umbarger turned the Committee's attention to further discussion of the proposed budget adjustments.

Senator Emler requested information from Staff showing various profiles of what the budget adjustments will look like. Senator Emler moved, with a second by Senator Schodorf, to introduce a bill for proposed budget adjustments addressing those items in the motion earlier in the meeting which includes an immediate moratorium on any tax incentives programs on a go-forward basis with existing programs grand-fathered in and effective upon publication in the Kansas Register, and an 8.8 percent reduction across-the-board for state agencies to begin January 1, 2006 and goes through FY 2007 (as discussed earlier in the meeting). Motion carried on a voice vote.

The meeting recessed at 11:50 a.m. and reconvened at 1:15 p.m.

Chairman Umbarger turned the Committee's attention to discussion of **SR 1804**. Senator Schodorf moved, with a second by Senator Kelly, to reconsider the previous action on SR 1804 taken earlier in the day. Motion carried on a voice vote.

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MINUTES OF THE Senate Ways and Means Committee at 10:20 A.M. on June 25, 2005 in Room 123-S of the Capitol.

An amendment was proposed by Senator Schodorf regarding **SR 1804** (Attachment 6) and discussion followed. Senator Emler moved, with a second by Senator Schodorf, to adopt the amendment proposed by Senator Schodorf and recommend SR 1804 favorable for passage as amended. Motion carried on a roll call vote. Senator Wysong explained his vote of "Pass" on **SR 1804** to allow the full Senate to vote on the Resolution.

Chairman Umbarger turned the Committee's attention back to discussion of the proposed budget adjustments in regard to reductions. In response to Committee requests during discussion, Staff presented the following information to the Committee:

- State General Fund Receipts, Expenditures and Balances as Projected FY 2005 - FY 2008, In Millions, Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates and June Updated Consensus Revenue Estimates, Plus Education Spending in **SB 3**, and 8.8 Percent Across-the-Board Reduction - Full Year (Attachment 7)
- Impact by Agency of Potential Across the Board Reductions to Approved FY 2006 State General Fund Expenditures (Attachment 8)
- State General Fund Receipts, Expenditures and Balances as Projected FY 2005 - FY 2008, In Millions, Reflects FY 2005 and FY 2006 Expenditures Action by Legislature and April Consensus Revenue Estimates and June Updated Consensus Revenue Estimates, Plus Education Spending in **SB 3**, and 8.8 Percent Across-the-Board Reduction - Half-Year (Attachment 9)
- Impact by Agency of Potential Across the Board Reductions to Approved FY 2006 State General Fund Expenditures (Attachment 10)
- State General Fund Receipts, Expenditures and Balances as Projected FY 2005 - FY 2008, In Millions, Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates and June Updated Consensus Revenue Estimates, Plus Education Spending in **SB 3** and 8.8 Percent Across-the-Board Reduction - 9 Months (Attachment 11)
- Impact by Agency of Potential Across the Board Reductions to Approved FY 2006 State General Fund Expenditures (Attachment 12)

Senator Teichman moved, with a second by Senator Schodorf, to clarify the bill introduction and give further directions to Staff for the proposed budget adjustments for a full twelve months, not six months, and add in all of the transfers across-the-board into what was already proposed in the earlier motion. Motion carried on a voice vote.

The meeting adjourned at 2:00 p.m. The next meeting was scheduled for the morning of June 27, 2005.

**SENATE WAYS AND MEANS
GUEST LIST**

Date June 25, 2005

NAME	REPRESENTING
Tim Carpenter	C-5
Duane Coosser	DOB
Gavin Young	DofA
Tanya Dorf	KACIL
Dione Gjerstad	Wichita Public Schools
Tom Burgess	River Falls Com
Mark Tallman	KASR
Glenn Thompson	Stand Up For Us.
Jerry Sloan	Judicial Branch
George Wergert	Ruffin Comp.
John Peterson	Ks Governmental Consulting
Mike Murray	Sprint
Marci Ferrill	KDOT
Julie Hein	Hein Law Firm
Matt Damm	Damm & Assoc.
John Ratzberger	InterHab
Andy Sanchez	KAPE
Jessie Torres	SILCK
Duane Simpson	KGFA-KARA
CV Cotsoradis	KDA
MAX FOSTER	KDA
GADID OWEN	Homeless Come Home
Murphy Campbell	Intern. Uratl

Potential Budget Adjustments

If the goal is to find funding or budget adjustment alternatives to finance \$160.8 million in additional education spending, some of the following alternatives could be considered:

- Across-the-board State General Fund (SGF) reductions:
 - All expenditures, except K-12 and debt service - Roughly a **6.4 percent reduction**;
 - All expenditures, except K-12, debt service, or Medicaid consensus caseloads - Roughly a **8.3 percent reduction**;
 - All expenditures, except K-12, debt service, or any SRS or Aging caseloads - Roughly a **8.8 percent reduction**.
- Delete the funding for the state employee salary increase (funding for the 2.5 percent for the last six months of the fiscal year - **\$11.9 million**).
- Sweep special revenue funds from fee funded agencies to the State General Fund.
- Sweep receipts from the State Highway Fund to the State General Fund.
- Delete the State Fair Capital Improvement Fund transfer from the State General Fund - **\$300,000**.
- Delete the Regents Faculty of Distinction State General Fund transfer - **\$400,000**.
- Stop the State General Fund transfer to the Special City-County Highway Fund - **\$10.1 million**.
- Delete state General Fund transfer to the State Water Plan Fund - **\$6.0 million**.

Prepared at the request and direction of
Senator Dwayne Umbarger

*Senate Ways and Means
2005 Special Session
6-25-05
Attachment 1*

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS PROJECTED FY 2005-FY 2008
In Millions**

**(Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates
and June Updated Consensus Revenue Estimates, Plus Education Spending in SB 3)**

Senate Ways & Means
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Attachment 2

	Actual FY 2004	Revised FY 2005	Revised FY 2006	Projected FY 2007	Projected FY 2008
Beginning Balance	\$ 122.7	\$ 327.5	\$ 396.4	\$ 174.8	\$ (152.8)
Released Encumbrances	2.4	0.0	0.0	0.0	0.0
Receipts (April 2005 Consensus, Adjusted for Legislation)	4,518.9	4,707.8	4,854.2	4,868.3	4,947.6
Informal Consensus Revenue Update - June 14, 2005	0.0	86.0	86.0	89.4	93.0
Additional SGF Revenue Receipts	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,518.9	4,793.8	4,940.2	4,957.7	5,040.6
Total Available	\$ 4,644.0	\$ 5,121.3	\$ 5,336.6	\$ 5,132.5	\$ 4,887.8
Less Additional Expenditures for School Finance - HB 2247	-	-	140.2	195.3	272.9
Less Additional Expenditures for School Finance - SB 3	-	-	160.8	160.8	160.8
Less All Other Expenditures	4,316.5	4,724.9	4,860.8	4,929.2	5,017.8
Total Expenditures	4,316.5	4,724.9	5,161.8	5,285.3	5,451.5
Ending Balance	\$ 327.5	\$ 396.4	\$ 174.8	\$ (152.8)	\$ (563.7)
Ending Balance as a Percentage of Expenditures	7.6%	8.4%	3.4%	-2.9%	-10.3%

- 1) FY 2005 and FY 2006 expenditures as approved by the 2005 Legislature, including \$140.2 million for school finance and \$160.8 million in SB 3.
- 2) FY 2007 and FY 2008 base receipts assume a four percent growth; and expenditures include out-year significant obligations (i.e., SRS and Aging caseloads).
- 3) Additional school finance expenditures - HB 2247; FY 2006 - \$140.2 million; FY 2007 - \$195.3 million; and FY 2008 - \$272.9 million (excludes Skills for Success, but including special education, local option budget and the CPI-U adjustments.) Plus \$160.8 million as provided in SB 3.
- 4) SGF receipts based on State General Fund Consensus Revenue Estimating Group estimate as of April, 2005, adjusted for legislation, and the June 14, 2005 informal update.

Prepared at the request and direction of Senator Dwayne Umbarger

June 17, 2005

STATE GENERAL FUND OUTYEAR DEMANDS

● Out-Year Demands on State General Fund Resources:

- **KPERS pension obligation bonds** (\$0.5 billion in bonds issued in 2004)
 - FY 2007 - \$15.0 million, **an increase of \$5.0 million**
 - FY 2008 - \$26.1 million, **an increase of \$11.1 million**
 - FY 2009 through FY 2034 - \$36.1 million, an increase of \$10.0 million in FY 2009)

- **KPERS increased employer contributions** (Statutory cap for state and school employer contribution increases from 0.2 percent annually to 0.4 percent in FY 2006; 0.5 percent in FY 2007; and 0.6 percent in FY 2008 and subsequent year, plus normal growth in the covered payroll):
 - FY 2007 - **an increase of \$31.0 million**
 - FY 2008 - **an increase of \$29.0 million**

- **KDOT Sales Tax Transfer** - Department of Transportation (Comprehensive Transportation Plan) State General Fund (Sales Tax) direct deposit to the State Highway Fund. The transfer amount is 0.25 percent in FY 2006; 0.38 percent in FY 2007; and 0.65 percent in FY 2008 thereafter:
 - FY 2007 - \$150.9 million, **an increase of \$51.5 million**
 - FY 2008 - \$267.1 million, **an increase of \$115.5 million**

- **KDOT Bond Payment** - Additional bonding authority granted by the 2004 Legislature to ensure the funding stream for the Comprehensive Transportation Plan:
 - FY 2007 - \$8.0 million
 - FY 2008 - \$11.0 million

- **KDOT Loan Repayment** - A repayment to the State Highway Fund for a diversion of State General Fund resources from the old demand transfer (\$94.6 million) and for operational support of the Kansas Highway Patrol (\$31.0 million); the loan is to be repaid over a four-year period:
 - FY 2007 - \$32.5 million
 - FY 2008 - \$30.9 million
 - FY 2009 - \$31.2 million
 - FY 2010 - \$30.9 million

- **Regents Research Initiative** - Bond payments for Regents research facilities:
 - FY 2006 - \$4.9 million
 - FY 2007 - \$10.0 million
 - FY 2008 - \$10.0 million

- **Annualize FY 2006 State Employee Salary Increase** (funding for a 2.5 percent salary increase was only financed for six months):
 - FY 2007 - \$11.9 million

- **Department of Education** - Additional funding for School Finance - HB 2247. Special Education was raised to 88 percent in FY 2007 and to 91 percent in FY 2008. The Local Option Budget was raised to 88 percent in FY 2007 and to 91 percent in FY 2008. An inflation factor also begins in FY 2008, which is the Consumer Price Index-Urban.
 - FY 2007 - \$71.1 million
 - FY 2008 - \$77.6 million

- **Summary of Identified Out-Year Demands:**
 - FY 2007 - \$208.1 million
 - FY 2008 - \$223.5 million

- **Other Selected Potential Demands on the State Budget:**
 - SRS and Aging caseload increases - \$50 million estimated
 - Funding for K-12 education (base state aid per pupil, special education, and capital improvement aid)
 - Higher education - Funding for the Higher Education Reform Act
 - State employee health insurance
 - State employee salary increases

IMPACT BY AGENCY OF POTENTIAL ACROSS THE BOARD REDUCTIONS TO APPROVED FY 2006 STATE GENERAL FUND EXPENDITURES

	FY 2006 Approved	Option 1		Option 2		Option 3	
		Reduction	Change From Approved	Reduction	Change From Approved	Reduction	Change From Approved
Governmental Ethics Commission	\$ 492,430	\$ (31,291)	(6.4) %	\$ (40,851)	(8.3) %	\$ (43,369)	(8.8) %
Legislative Coordinating Council	750,032	(47,660)	(6.4)	(62,221)	(8.3)	(66,056)	(8.8)
Legislative Research Department	3,039,683	(193,155)	(6.4)	(252,164)	(8.3)	(267,707)	(8.8)
Revisor of Statutes	2,694,885	(171,245)	(6.4)	(223,561)	(8.3)	(237,340)	(8.8)
Legislature	15,535,830	(987,217)	(6.4)	(1,288,813)	(8.3)	(1,368,249)	(8.8)
Division of Post Audit	2,540,146	(161,412)	(6.4)	(210,724)	(8.3)	(223,712)	(8.8)
Office of the Governor	2,303,136	(146,352)	(6.4)	(191,062)	(8.3)	(202,838)	(8.8)
Lieutenant Governor	174,008	(11,057)	(6.4)	(14,435)	(8.3)	(15,325)	(8.8)
Attorney General	5,615,123	(356,810)	(6.4)	(465,816)	(8.3)	(494,527)	(8.8)
Board of Indigents' Defense Services	17,963,617	(1,141,490)	(6.4)	(1,490,216)	(8.3)	(1,582,066)	(8.8)
Judicial Branch	97,384,189	(6,188,234)	(6.4)	(8,078,744)	(8.3)	(8,576,680)	(8.8)
Kansas Public Employers Retirement System	3,211,692	(204,086)	(6.4)	(266,434)	(8.3)	(282,856)	(8.8)
Commission on Human Rights	1,647,800	(104,709)	(6.4)	(136,697)	(8.3)	(145,123)	(8.8)
Department of Administration	458,430,256	(27,885,578)	(6.1)	(3,459,055)	(0.8)	(3,672,255)	(0.8)
Board of Tax Appeals	1,355,563	(86,139)	(6.4)	(112,454)	(8.3)	(119,385)	(8.8)
Department of Revenue	20,487,097	(1,301,843)	(6.4)	(1,699,557)	(8.3)	(1,804,310)	(8.8)
Department of Commerce	229,602	(14,590)	(6.4)	(19,047)	(8.3)	(20,221)	(8.8)
Subtotal - General Government	\$ 633,855,089	\$ (39,032,869)	(6.2) %	\$ (18,011,852)	(2.8) %	\$ (19,122,018)	(3.0) %
Department of Labor	\$ 342,448	\$ (21,761)	(6.4) %	\$ (28,409)	(8.3) %	\$ (30,160)	(8.8) %
Commission on Veterans Affairs	7,511,078	(477,288)	(6.4)	(623,100)	(8.3)	(661,505)	(8.8)
Dept. of Health and Environment - Health	18,506,241	(1,175,971)	(6.4)	(1,535,231)	(8.3)	(1,629,855)	(8.8)
Department on Aging	171,096,825	(10,872,270)	(6.4)	(3,134,931)	(1.8)	(3,328,154)	(1.9)
Social and Rehabilitation Services	492,285,287	(31,282,046)	(6.4)	(35,724,436)	(7.3)	(28,016,533)	(5.7)
Kansas Neurological Institute	12,089,114	(768,197)	(6.4)	(1,002,882)	(8.3)	(1,064,695)	(8.8)
Larned State Hospital	34,171,938	(2,171,440)	(6.4)	(2,834,817)	(8.3)	(3,009,542)	(8.8)
Osawatomie State Hospital	8,916,789	(566,613)	(6.4)	(739,714)	(8.3)	(785,307)	(8.8)
Parsons State Hospital	8,403,787	(534,015)	(6.4)	(697,157)	(8.3)	(740,126)	(8.8)
Rainbow Mental Health Facility	3,825,760	(243,106)	(6.4)	(317,375)	(8.3)	(336,937)	(8.8)
<i>Subtotal - SRS and Hospitals</i>	<i>559,692,675</i>	<i>(35,565,418)</i>	<i>(6.4)</i>	<i>(41,316,381)</i>	<i>(7.4)</i>	<i>(33,953,140)</i>	<i>(6.1)</i>
Kansas Guardianship Program	1,045,507	(66,436)	(6.4)	(86,733)	(8.3)	(92,078)	(8.8)
Health Care Policy Authority	1,450,000	(92,140)	(6.4)	(120,288)	(8.3)	(127,702)	(8.8)
Subtotal - Human Resources	\$ 759,644,774	\$ (48,271,284)	(6.4) %	\$ (46,845,072)	(6.2) %	\$ (39,822,594)	(5.2) %
Department of Education	\$ 2,438,111,945	\$ -	- %	\$ -	- %	\$ -	- %
State Library	5,014,996	(318,676)	(6.4)	(416,031)	(8.3)	(441,674)	(8.8)
Kansas Arts Commission	1,530,723	(97,269)	(6.4)	(126,985)	(8.3)	(134,812)	(8.8)
School for the Blind	5,025,381	(319,336)	(6.4)	(416,893)	(8.3)	(442,588)	(8.8)

Senate Ways and Means
 2005 Special Session
 6-25-05
 Attachment 3

	FY 2006 Approved	Option 1		Option 2		Option 3	
		Reduction	Change From Approved	Reduction	Change From Approved	Reduction	Change From Approved
School for the Deaf	8,180,339	(513,889)	(6.3)	(670,882)	(8.2)	(712,233)	(8.7)
State Historical Society	6,121,056	(388,960)	(6.4)	(507,787)	(8.3)	(539,085)	(8.8)
Fort Hays State University	31,879,264	(2,025,753)	(6.4)	(2,644,623)	(8.3)	(2,807,625)	(8.8)
Kansas State University	104,668,061	(6,639,046)	(6.3)	(8,667,280)	(8.3)	(9,201,490)	(8.8)
KSU - Ext. Systems and Ag. Research Programs	48,660,568	(3,092,114)	(6.4)	(4,036,757)	(8.3)	(4,285,564)	(8.8)
KSU - Veterinary Medical Center	9,988,928	(634,742)	(6.4)	(828,656)	(8.3)	(879,731)	(8.8)
Emporia State University	31,006,452	(1,970,291)	(6.4)	(2,572,216)	(8.3)	(2,730,756)	(8.8)
Pittsburg State University	33,570,974	(2,115,206)	(6.3)	(2,761,403)	(8.2)	(2,931,602)	(8.7)
University of Kansas	136,646,183	(8,586,956)	(6.3)	(11,210,278)	(8.2)	(11,901,227)	(8.7)
University of Kansas Medical Center	104,414,508	(6,634,973)	(6.4)	(8,661,962)	(8.3)	(9,195,844)	(8.8)
Wichita State University	68,810,586	(4,289,390)	(6.2)	(5,599,801)	(8.1)	(5,944,947)	(8.6)
Board of Regents	178,153,972	(11,320,714)	(6.4)	(14,779,200)	(8.3)	(15,690,120)	(8.8)
<i>Subtotal - Regents</i>	747,799,496	(47,309,184)	(6.3)	(61,762,173)	(8.3)	(65,568,905)	(8.8)
Subtotal - Education	\$ 3,211,783,936	\$ (48,947,313)	(1.5) %	\$ (63,900,752)	(2.0) %	\$ (67,839,296)	(2.1) %
Department of Corrections	\$ 100,308,147	\$ (6,057,565)	(6.0) %	\$ (7,908,155)	(7.9) %	\$ (8,395,577)	(8.4) %
Topeka Correctional Facility	11,034,013	(701,151)	(6.4)	(915,354)	(8.3)	(971,772)	(8.8)
Hutchinson Correctional Facility	25,967,928	(1,629,111)	(6.3)	(2,126,805)	(8.2)	(2,257,891)	(8.7)
Lansing Correctional Facility	34,255,570	(2,149,225)	(6.3)	(2,805,814)	(8.2)	(2,978,751)	(8.7)
Ellsworth Correctional Facility	11,235,979	(713,985)	(6.4)	(932,108)	(8.3)	(989,559)	(8.8)
Larned Correctional Mental Health Facility	8,695,027	(552,522)	(6.4)	(721,317)	(8.3)	(765,776)	(8.8)
Winfield Correctional Facility	10,617,672	(663,849)	(6.3)	(866,655)	(8.2)	(920,071)	(8.7)
Norton Correctional Facility	13,020,893	(814,452)	(6.3)	(1,063,268)	(8.2)	(1,128,803)	(8.7)
El Dorado Correctional Facility	21,994,267	(1,381,106)	(6.3)	(1,803,034)	(8.2)	(1,914,165)	(8.7)
<i>Subtotal - Corrections</i>	237,129,496	(14,662,964)	(6.2)	(19,142,510)	(8.1)	(20,322,365)	(8.6)
Juvenile Justice Authority	29,788,792	(1,892,915)	(6.4)	(2,471,202)	(8.3)	(2,623,516)	(8.8)
Atchison Juvenile Correctional Facility	6,031,363	(383,260)	(6.4)	(500,347)	(8.3)	(531,186)	(8.8)
Beloit Juvenile Correctional Facility	4,570,242	(290,414)	(6.4)	(379,136)	(8.3)	(402,504)	(8.8)
Larned Juvenile Correctional Facility	7,943,219	(504,748)	(6.4)	(658,949)	(8.3)	(699,564)	(8.8)
Kansas Juvenile Correctional Complex	15,395,739	(978,315)	(6.4)	(1,277,191)	(8.3)	(1,355,911)	(8.8)
<i>Subtotal - Juvenile Justice</i>	63,729,355	(4,049,653)	(6.4)	(5,286,825)	(8.3)	(5,612,680)	(8.8)
Adjutant General	10,090,756	(546,259)	(5.4)	(713,141)	(7.1)	(757,096)	(7.5)
Kansas Parole Board	452,988	(28,785)	(6.4)	(37,579)	(8.3)	(39,895)	(8.8)
Highway Patrol	35,294,183	(2,242,753)	(6.4)	(2,927,915)	(8.3)	(3,108,379)	(8.8)
Kansas Bureau of Investigation	14,288,995	(887,910)	(6.2)	(1,159,168)	(8.1)	(1,230,613)	(8.6)
Sentencing Commission	6,601,104	(419,464)	(6.4)	(547,611)	(8.3)	(581,363)	(8.8)
Subtotal - Public Safety	\$ 367,586,877	\$ (22,837,788)	(6.2) %	\$ (29,814,749)	(8.1) %	\$ (31,652,391)	(8.6) %
Dept. of Health and Environment - Environment	\$ 9,818,618	\$ (623,920)	(6.4) %	\$ (814,528)	(8.3) %	(864,731)	(8.8) %
Department of Agriculture	10,399,625	(660,839)	(6.4)	(862,726)	(8.3)	(915,901)	(8.8)

	FY 2006 Approved	Option 1		Option 2		Option 3	
		Reduction	Change From Approved	Reduction	Change From Approved	Reduction	Change From Approved
Animal Health Department	774,801	(49,234)	(6.4)	(64,276)	(8.3)	(68,237)	(8.8)
Kansas State Fair Board	1,550,044	-	-	-	-	-	-
State Conservation Commission	634,112	(40,294)	(6.4)	(52,604)	(8.3)	(55,847)	(8.8)
Kansas Water Office	1,433,384	(91,084)	(6.4)	(118,910)	(8.3)	(126,239)	(8.8)
Department of Wildlife and Parks	3,562,447	(226,374)	(6.4)	(295,532)	(8.3)	(313,747)	(8.8)
Subtotal - Agriculture and Natural Resources	\$ 28,173,031	\$ (1,691,746)	(6.0) %	\$ (2,208,575)	(7.8) %	\$ (2,344,701)	(8.3) %
FY 2006 Total	\$ 5,001,043,707	\$ (160,781,000)	(3.2) %	\$ (160,781,000)	(3.2) %	\$ (160,781,000)	(3.2) %

Option 1 - No reductions to K-12 expenditures or debt service

Option 2 - No reductions to K-12 expenditures or debt service, or Medicaid consensus caseloads

Option 3 - No reductions to K-12 expenditures or debt service, or anySRS/Aging consensus caseloads

STATE OF KANSAS

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SENATOR KARIN BROWNLEE
ASSISTANT MAJORITY LEADER

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COMMERCE, CO-CHAIRPERSON
FEDERAL & STATE AFFAIRS
FINANCIAL INSTITUTIONS & INSURANCE
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TESTIMONY TO SENATE WAYS & MEANS

SR 1804 - AUGENBLICK & MYERS STUDY

June 25, 2005

Thank you for taking the time to consider this resolution which is a public document pronouncing that the Legislature has not and did not endorse the results of the Augenblick & Myers (A & M) school finance study. The *Montoy* school finance lawsuit seemed to have this study as its centerpiece.

What may seem obvious to us as legislators appeared to work against us as the lawsuit moved forward in our Kansas courts. When we received the results of this consultant study, as individual legislators we had varied responses but as a body, we never clearly endorsed or rejected the study. By default, that typically means that the Legislature does not support the body of work. However, the plaintiff attorneys quite cleverly made sure this study was entered into the court record. Regardless of how the Kansas Legislature viewed the A & M study, we have now been asked to pony up the funds to of all things, *meet the recommendations of a consultant study*. Most of us thought our oath was to uphold the Constitution of the state of Kansas and of the United States. Consultant study results were not part of our oath.

Even though this official document is in a sense, after the fact, it would nonetheless serve as an official statement that the Kansas Legislature does not endorse the results and recommendations of the A & M study.

Senate Ways and Means
2005 Special Session
6-25-05
Attachment 4

Proposed amendment to Senate Resolution No. 1804

A RESOLUTION concerning the Augenblick & Myers school funding study.

WHEREAS, In 2001 the legislature contracted with the consulting firm of Augenblick & Myers to provide an evaluation as to the cost of a ``suitable education`` for Kansas students, as required by the Kansas constitution; and

WHEREAS, The study provided two cost approaches, the successful school district approach and the professional judgment approach: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That the body has considered the Augenblick & Myers study and does not support the findings of the study.

Senate Ways and Means
2005 Special Session
6-25-05
Attachment 5

SENATE RESOLUTION No. 1804

By Committee on Ways and Means

6-23

A RESOLUTION concerning the Augenblick & Myers school funding study.

WHEREAS, In 2001, the legislature contracted with the consulting firm of Augenblick & Myers to provide an evaluation of the cost of a "suitable education" for Kansas students, as required by the Kansas constitution. The study was used extensively by the district and supreme courts in their determinations as to what constitutes a suitable education; and

WHEREAS, The study provided two cost approaches, the successful school district approach and the professional judgment approach; and

WHEREAS, The legislature receives and considers hundreds of pieces of legislation and studies each year, and it is common practice to accept parts or pieces of a bill or a study while rejecting the rest; Now, therefore,

Be it resolved by the Senate of the State of Kansas: That the body does not accept the Augenblick & Myers school funding study as the benchmark for funding public education in Kansas.

Senate Ways and Means
2005 Special Session
6-25-05
Attachment 6

Senate Ways and Means
2005 Special Session
6-25-05
Attachment 7

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS PROJECTED FY 2005-FY 2008**

In Millions

**(Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates
and June Updated Consensus Revenue Estimates, Plus Education Spending in SB 3)
(8.8 Percent Across-the-Board Reduction - Full-Year)**

	Actual FY 2004	Revised FY 2005	Revised FY 2006	Projected FY 2007	Projected FY 2008
Beginning Balance	\$ 122.7	\$ 327.5	\$ 396.4	\$ 335.6	\$ 168.8
Released Encumbrances	2.4	0.0	0.0	0.0	0.0
Receipts (April 2005 Consensus, Adjusted for Legislation)	4,518.9	4,707.8	4,854.2	4,868.3	4,947.6
Informal Consensus Revenue Update - June 14, 2005	0.0	86.0	86.0	89.4	93.0
Additional SGF Revenue Receipts	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,518.9	4,793.8	4,940.2	4,957.7	5,040.6
Total Available	\$ 4,644.0	\$ 5,121.3	\$ 5,336.6	\$ 5,293.3	\$ 5,209.4
Less Additional Expenditures for School Finance - HB 2247	-	-	140.2	195.3	272.9
Less Additional Expenditures for School Finance - SB 3	-	-	160.8	160.8	160.8
Less Cross-the-Board Reductions (8.8 percent - full-year)	-	-	(160.8)	(160.8)	(160.8)
Less All Other Expenditures	4,316.5	4,724.9	4,860.8	4,929.2	5,017.8
Total Expenditures	4,316.5	4,724.9	5,001.0	5,124.5	5,290.7
Ending Balance	\$ 327.5	\$ 396.4	\$ 335.6	\$ 168.8	\$ (81.3)
Ending Balance as a Percentage of Expenditures	7.6%	8.4%	6.5%	3.2%	-1.5%

1) FY 2005 and FY 2006 expenditures as approved by the 2005 Legislature, including \$140.2 million for school finance and \$160.8 million in SB 3, minus an 8.8 percent across-the-board reduction for the full-year.

2) FY 2007 and FY 2008 base receipts assume a four percent growth; and expenditures include out-year significant obligations (i.e., SRS and Aging caseloads).

3) Additional school finance expenditures - HB 2247; FY 2006 - \$140.2 million; FY 2007 - \$195.3 million; and FY 2008 - \$272.9 million (excludes Skills for Success, but including special education, local option budget and the CPI-U adjustments.) Plus \$160.8 million as provided in SB 3.

4) SGF receipts based on State General Fund Consensus Revenue Estimating Group estimate as of April, 2005, adjusted for legislation, and the June 14, 2005 informal update.

IMPACT BY AGENCY OF POTENTIAL ACROSS THE BOARD REDUCTIONS TO APPROVED FY 2006 STATE GENERAL FUND EXPENDITURES

	FY 2006 Approved	8.8 Percent for Full Year	
		Reduction	Change From Approved
Governmental Ethics Commission	\$ 492,430	\$ (43,376)	(8.8) %
Legislative Coordinating Council	750,032	(66,067)	(8.8)
Legislative Research Department	3,039,683	(267,754)	(8.8)
Revisor of Statutes	2,694,885	(237,382)	(8.8)
Legislature	15,535,830	(1,368,490)	(8.8)
Division of Post Audit	2,540,146	(223,752)	(8.8)
Office of the Governor	2,303,136	(202,874)	(8.8)
Lieutenant Governor	174,008	(15,328)	(8.8)
Attorney General	5,615,123	(494,614)	(8.8)
Board of Indigents' Defense Services	17,963,617	(1,582,345)	(8.8)
Judicial Branch	97,384,189	(8,578,192)	(8.8)
Kansas Public Employers Retirement System	3,211,692	(254,569)	(7.9)
Commission on Human Rights	1,647,800	(145,148)	(8.8)
Department of Administration	458,430,256	(3,672,902)	(0.8)
Board of Tax Appeals	1,355,563	(119,406)	(8.8)
Department of Revenue	20,487,097	(1,804,628)	(8.8)
Department of Commerce	229,602	(20,225)	(8.8)
Subtotal - General Government	\$ 633,855,089	\$ (19,097,052)	(3.0) %
Department of Labor	\$ 342,448	\$ (30,165)	(8.8) %
Commission on Veterans Affairs	7,511,078	(661,621)	(8.8)
Dept. of Health and Environment - Health	18,506,241	(1,630,142)	(8.8)
Department on Aging	171,096,825	(3,328,740)	(1.9)
Social and Rehabilitation Services	492,285,287	(28,021,471)	(5.7)
Kansas Neurological Institute	12,089,114	(1,064,883)	(8.8)
Larned State Hospital	34,171,938	(3,010,072)	(8.8)
Osawatomie State Hospital	8,916,789	(785,445)	(8.8)
Parsons State Hospital	8,403,787	(740,257)	(8.8)
Rainbow Mental Health Facility	3,825,760	(336,996)	(8.8)
<i>Subtotal - SRS and Hospitals</i>	<i>559,692,675</i>	<i>(33,959,124)</i>	<i>(6.1)</i>
Kansas Guardianship Program	1,045,507	(92,095)	(8.8)
Health Care Policy Authority	1,450,000	(127,725)	(8.8)
Subtotal - Human Resources	\$ 759,644,774	\$ (39,829,612)	(5.2) %
Department of Education	\$ 2,438,111,945	\$ -	- %
State Library	5,014,996	(441,751)	(8.8)
Kansas Arts Commission	1,530,723	(134,835)	(8.8)
School for the Blind	5,025,381	(442,666)	(8.8)
School for the Deaf	8,180,339	(712,358)	(8.7)
State Historical Society	6,121,056	(539,180)	(8.8)
Fort Hays State University	31,879,264	(2,808,120)	(8.8)
Kansas State University	104,668,061	(9,203,112)	(8.8)
KSU - Ext. Systems and Ag. Research Programs	48,660,568	(4,286,319)	(8.8)
KSU - Veterinary Medical Center	9,988,928	(879,886)	(8.8)
Emporia State University	31,006,452	(2,731,237)	(8.8)
Pittsburg State University	33,570,974	(2,932,119)	(8.7)
University of Kansas	136,646,183	(11,903,324)	(8.7)
University of Kansas Medical Center	104,414,508	(9,197,465)	(8.8)
Wichita State University	68,810,586	(5,945,994)	(8.6)
Board of Regents	178,153,972	(15,692,886)	(8.8)
<i>Subtotal - Regents</i>	<i>747,799,496</i>	<i>(65,580,461)</i>	<i>(8.8)</i>
Subtotal - Education	\$ 3,211,783,936	\$ (67,851,252)	(2.1) %

Senate Ways and Means
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Attachment 8

	FY 2006 Approved	8.8 Percent for Full Year	
		Reduction	Change From Approved
Department of Corrections	\$ 100,308,147	\$ (8,397,056)	(8.4) %
Topeka Correctional Facility	11,034,013	(971,943)	(8.8)
Hutchinson Correctional Facility	25,967,928	(2,258,289)	(8.7)
Lansing Correctional Facility	34,255,570	(2,979,276)	(8.7)
Ellsworth Correctional Facility	11,235,979	(989,733)	(8.8)
Larned Correctional Mental Health Facility	8,695,027	(765,911)	(8.8)
Winfield Correctional Facility	10,617,672	(920,234)	(8.7)
Norton Correctional Facility	13,020,893	(1,129,002)	(8.7)
El Dorado Correctional Facility	21,994,267	(1,914,502)	(8.7)
<i>Subtotal - Corrections</i>	237,129,496	(20,325,947)	(8.6)
Juvenile Justice Authority	29,788,792	(2,623,978)	(8.8)
Atchison Juvenile Correctional Facility	6,031,363	(531,279)	(8.8)
Beloit Juvenile Correctional Facility	4,570,242	(402,575)	(8.8)
Larned Juvenile Correctional Facility	7,943,219	(699,687)	(8.8)
Kansas Juvenile Correctional Complex	15,395,739	(1,356,150)	(8.8)
<i>Subtotal - Juvenile Justice</i>	63,729,355	(5,613,669)	(8.8)
Adjutant General	10,090,756	(757,229)	(7.5)
Kansas Parole Board	452,988	(39,902)	(8.8)
Highway Patrol	35,294,183	(3,108,926)	(8.8)
Kansas Bureau of Investigation	14,288,995	(1,230,830)	(8.6)
Sentencing Commission	6,601,104	(581,465)	(8.8)
Subtotal - Public Safety	\$ 367,586,877	\$ (31,657,969)	(8.6) %
Dept. of Health and Environment - Environment	\$ 9,818,618	\$ (864,884)	(8.8) %
Department of Agriculture	10,399,625	(916,062)	(8.8)
Animal Health Department	774,801	(68,249)	(8.8)
Kansas State Fair Board	1,550,044	-	-
State Conservation Commission	634,112	(55,856)	(8.8)
Kansas Water Office	1,433,384	(126,261)	(8.8)
Department of Wildlife and Parks	3,562,447	(313,802)	(8.8)
Subtotal - Agriculture and Natural Resources	\$ 28,173,031	\$ (2,345,115)	(8.3) %
FY 2006 Total	\$ 5,001,043,707	\$ (160,781,000)	(3.2) %

Exempts K-12 expenditures, debt service, and SRS/Aging caseloads

Senate Ways and Means
2005 Special Session
6-25-05
Attachment 9

**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS PROJECTED FY 2005-FY 2008**

In Millions

**(Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates
and June Updated Consensus Revenue Estimates, Plus Education Spending in SB 3)
(8.8 Percent Across-the-Board Reduction - Half-Year)**

	Actual FY 2004	Revised FY 2005	Revised FY 2006	Projected FY 2007	Projected FY 2008
Beginning Balance	\$ 122.7	\$ 327.5	\$ 396.4	\$ 255.2	\$ 8.0
Released Encumbrances	2.4	0.0	0.0	0.0	0.0
Receipts (April 2005 Consensus, Adjusted for Legislation)	4,518.9	4,707.8	4,854.2	4,868.3	4,947.6
Informal Consensus Revenue Update - June 14, 2005	0.0	86.0	86.0	89.4	93.0
Additional SGF Revenue Receipts	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,518.9	4,793.8	4,940.2	4,957.7	5,040.6
Total Available	\$ 4,644.0	\$ 5,121.3	\$ 5,336.6	\$ 5,212.9	\$ 5,048.6
Less Additional Expenditures for School Finance - HB 2247	-	-	140.2	195.3	272.9
Less Additional Expenditures for School Finance - SB 3	-	-	160.8	160.8	160.8
Less Across-the-Board Reductions (8.8 percent - Half-Year)	-	-	(80.4)	(80.4)	(80.4)
Less All Other Expenditures	4,316.5	4,724.9	4,860.8	4,929.2	5,017.8
Total Expenditures	4,316.5	4,724.9	5,081.4	5,204.9	5,371.1
Ending Balance	\$ 327.5	\$ 396.4	\$ 255.2	\$ 8.0	\$ (322.5)
Ending Balance as a Percentage of Expenditures	7.6%	8.4%	4.9%	0.2%	-5.9%

- 1) FY 2005 and FY 2006 expenditures as approved by the 2005 Legislature, including \$140.2 million for school finance and \$160.8 million in SB 3, minus an 8.8 percent across-the-board reduction for six months.
- 2) FY 2007 and FY 2008 base receipts assume a four percent growth; and expenditures include out-year significant obligations (i.e., SRS and Aging caseloads).
- 3) Additional school finance expenditures - HB 2247; FY 2006 - \$140.2 million; FY 2007 - \$195.3 million; and FY 2008 - \$272.9 million (excludes Skills for Success, but including special education, local option budget and the CPI-U adjustments.) Plus \$160.8 million as provided in SB 3.
- 4) SGF receipts based on State General Fund Consensus Revenue Estimating Group estimate as of April, 2005, adjusted for legislation, and the June 14, 2005 informal update.

**IMPACT BY AGENCY OF POTENTIAL ACROSS THE BOARD REDUCTIONS TO APPROVED FY 2006 STATE
GENERAL FUND EXPENDITURES**

	FY 2006 Approved	8.8 Percent for 6 Months	
		Reduction	Change From Approved
Governmental Ethics Commission	\$ 492,430	\$ (21,688)	(4.4) %
Legislative Coordinating Council	750,032	(33,034)	(4.4)
Legislative Research Department	3,039,683	(133,877)	(4.4)
Revisor of Statutes	2,694,885	(118,691)	(4.4)
Legislature	15,535,830	(684,245)	(4.4)
Division of Post Audit	2,540,146	(111,876)	(4.4)
Office of the Governor	2,303,136	(101,437)	(4.4)
Lieutenant Governor	174,008	(7,664)	(4.4)
Attorney General	5,615,123	(247,307)	(4.4)
Board of Indigents' Defense Services	17,963,617	(791,172)	(4.4)
Judicial Branch	97,384,189	(4,289,096)	(4.4)
Kansas Public Employers Retirement System	3,211,692	(127,284)	(4.0)
Commission on Human Rights	1,647,800	(72,574)	(4.4)
Department of Administration	458,430,256	(1,836,451)	(0.4)
Board of Tax Appeals	1,355,563	(59,703)	(4.4)
Department of Revenue	20,487,097	(902,314)	(4.4)
Department of Commerce	229,602	(10,112)	(4.4)
Subtotal - General Government	\$ 633,855,089	\$ (9,548,526)	(1.5) %
Department of Labor	\$ 342,448	\$ (15,082)	(4.4) %
Commission on Veterans Affairs	7,511,078	(330,811)	(4.4)
Dept. of Health and Environment - Health	18,506,241	(815,071)	(4.4)
Department on Aging	171,096,825	(1,664,370)	(1.0)
Social and Rehabilitation Services	492,285,287	(14,010,736)	(2.8)
Kansas Neurological Institute	12,089,114	(532,441)	(4.4)
Larned State Hospital	34,171,938	(1,505,036)	(4.4)
Osawatomie State Hospital	8,916,789	(392,723)	(4.4)
Parsons State Hospital	8,403,787	(370,128)	(4.4)
Rainbow Mental Health Facility	3,825,760	(168,498)	(4.4)
<i>Subtotal - SRS and Hospitals</i>	<i>559,692,675</i>	<i>(16,979,562)</i>	<i>(3.0)</i>
Kansas Guardianship Program	1,045,507	(46,047)	(4.4)
Health Care Policy Authority	1,450,000	(63,862)	(4.4)
Subtotal - Human Resources	\$ 759,644,774	\$ (19,914,806)	(2.6) %
Department of Education	\$ 2,438,111,945	\$ -	- %
State Library	5,014,996	(220,876)	(4.4)
Kansas Arts Commission	1,530,723	(67,418)	(4.4)
School for the Blind	5,025,381	(221,333)	(4.4)
School for the Deaf	8,180,339	(356,179)	(4.4)
State Historical Society	6,121,056	(269,590)	(4.4)
Fort Hays State University	31,879,264	(1,404,060)	(4.4)
Kansas State University	104,668,061	(4,601,556)	(4.4)
KSU - Ext. Systems and Ag. Research Programs	48,660,568	(2,143,159)	(4.4)
KSU - Veterinary Medical Center	9,988,928	(439,943)	(4.4)
Emporia State University	31,006,452	(1,365,618)	(4.4)
Pittsburg State University	33,570,974	(1,466,060)	(4.4)
University of Kansas	136,646,183	(5,951,662)	(4.4)
University of Kansas Medical Center	104,414,508	(4,598,733)	(4.4)
Wichita State University	68,810,586	(2,972,997)	(4.3)
Board of Regents	178,153,972	(7,846,443)	(4.4)
<i>Subtotal - Regents</i>	<i>747,799,496</i>	<i>(32,790,231)</i>	<i>(4.4)</i>
Subtotal - Education	\$ 3,211,783,936	\$ (33,925,626)	(1.1) %

Senate Ways and Means
2005 Special Session
6-25-05
Attachment 10

	FY 2006 Approved	8.8 Percent for 6 Months	
		Reduction	Change From Approved
Department of Corrections	\$ 100,308,147	\$ (4,198,528)	(4.2) %
Topeka Correctional Facility	11,034,013	(485,971)	(4.4)
Hutchinson Correctional Facility	25,967,928	(1,129,145)	(4.3)
Lansing Correctional Facility	34,255,570	(1,489,638)	(4.3)
Ellsworth Correctional Facility	11,235,979	(494,867)	(4.4)
Larned Correctional Mental Health Facility	8,695,027	(382,955)	(4.4)
Winfield Correctional Facility	10,617,672	(460,117)	(4.3)
Norton Correctional Facility	13,020,893	(564,501)	(4.3)
El Dorado Correctional Facility	21,994,267	(957,251)	(4.4)
<i>Subtotal - Corrections</i>	<i>237,129,496</i>	<i>(10,162,974)</i>	<i>(4.3)</i>
Juvenile Justice Authority	29,788,792	(1,311,989)	(4.4)
Atchison Juvenile Correctional Facility	6,031,363	(265,640)	(4.4)
Beloit Juvenile Correctional Facility	4,570,242	(201,287)	(4.4)
Larned Juvenile Correctional Facility	7,943,219	(349,844)	(4.4)
Kansas Juvenile Correctional Complex	15,395,739	(678,075)	(4.4)
<i>Subtotal - Juvenile Justice</i>	<i>63,729,355</i>	<i>(2,806,835)</i>	<i>(4.4)</i>
Adjutant General	10,090,756	(378,615)	(3.8)
Kansas Parole Board	452,988	(19,951)	(4.4)
Highway Patrol	35,294,183	(1,554,463)	(4.4)
Kansas Bureau of Investigation	14,288,995	(615,415)	(4.3)
Sentencing Commission	6,601,104	(290,733)	(4.4)
Subtotal - Public Safety	\$ 367,586,877	\$ (15,828,985)	(4.3) %
Dept. of Health and Environment - Environment	\$ 9,818,618	\$ (432,442)	(4.4) %
Department of Agriculture	10,399,625	(458,031)	(4.4)
Animal Health Department	774,801	(34,125)	(4.4)
Kansas State Fair Board	1,550,044	-	-
State Conservation Commission	634,112	(27,928)	(4.4)
Kansas Water Office	1,433,384	(63,131)	(4.4)
Department of Wildlife and Parks	3,562,447	(156,901)	(4.4)
Subtotal - Agriculture and Natural Resources	\$ 28,173,031	\$ (1,172,557)	(4.2) %
FY 2006 Total	\$ 5,001,043,707	\$ (80,390,500)	(1.6) %

Exempts K-12 expenditures, debt service, and SRS/Aging caseloads

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**STATE GENERAL FUND RECEIPTS, EXPENDITURES AND BALANCES
AS PROJECTED FY 2005-FY 2008**

In Millions

**(Reflects FY 2005 and FY 2006 Expenditure Action by Legislature and April Consensus Revenue Estimates
and June Updated Consensus Revenue Estimates, Plus Education Spending in SB 3)
(8.8 Percent Across-the-Board Reduction - 9 Months)**

	Actual FY 2004	Revised FY 2005	Revised FY 2006	Projected FY 2007	Projected FY 2008
Beginning Balance	\$ 122.7	\$ 327.5	\$ 396.4	\$ 295.4	\$ 88.4
Released Encumbrances	2.4	0.0	0.0	0.0	0.0
Receipts (April 2005 Consensus, Adjusted for Legislation)	4,518.9	4,707.8	4,854.2	4,868.3	4,947.6
Informal Consensus Revenue Update - June 14, 2005	0.0	86.0	86.0	89.4	93.0
Additional SGF Revenue Receipts	0.0	0.0	0.0	0.0	0.0
Adjusted Receipts	4,518.9	4,793.8	4,940.2	4,957.7	5,040.6
Total Available	\$ 4,644.0	\$ 5,121.3	\$ 5,336.6	\$ 5,253.1	\$ 5,129.0
Less Additional Expenditures for School Finance - HB 2247	-	-	140.2	195.3	272.9
Less Additional Expenditures for School Finance - SB 3	-	-	160.8	160.8	160.8
Less Across-the-Board Reductions (8.8 percent - 9 Months)	-	-	(120.6)	(120.6)	(120.6)
Less All Other Expenditures	4,316.5	4,724.9	4,860.8	4,929.2	5,017.8
Total Expenditures	4,316.5	4,724.9	5,041.2	5,164.7	5,330.9
Ending Balance	\$ 327.5	\$ 396.4	\$ 295.4	\$ 88.4	\$ (201.9)
Ending Balance as a Percentage of Expenditures	7.6%	8.4%	5.7%	1.7%	-3.7%

- 1) FY 2005 and FY 2006 expenditures as approved by the 2005 Legislature, including \$140.2 million for school finance and \$160.8 million in SB 3, minus an 8.8 percent across-the-board reduction for 9 months.
- 2) FY 2007 and FY 2008 base receipts assume a four percent growth; and expenditures include out-year significant obligations (i.e., SRS and Aging caseloads).
- 3) Additional school finance expenditures - HB 2247; FY 2006 - \$140.2 million; FY 2007 - \$195.3 million; and FY 2008 - \$272.9 million (excludes Skills for Success, but including special education, local option budget and the CPI-U adjustments.) Plus \$160.8 million as provided in SB 3.
- 4) SGF receipts based on State General Fund Consensus Revenue Estimating Group estimate as of April, 2005, adjusted for legislation, and the June 14, 2005 informal update.

IMPACT BY AGENCY OF POTENTIAL ACROSS THE BOARD REDUCTIONS TO APPROVED FY 2006 STATE GENERAL FUND EXPENDITURES

	FY 2006 Approved	8.8 Percent for 9 Months	
		Reduction	Change From Approved
Governmental Ethics Commission	\$ 492,430	\$ (32,532)	(6.6) %
Legislative Coordinating Council	750,032	(49,551)	(6.6)
Legislative Research Department	3,039,683	(200,815)	(6.6)
Revisor of Statutes	2,694,885	(178,036)	(6.6)
Legislature	15,535,830	(1,026,368)	(6.6)
Division of Post Audit	2,540,146	(167,814)	(6.6)
Office of the Governor	2,303,136	(152,156)	(6.6)
Lieutenant Governor	174,008	(11,496)	(6.6)
Attorney General	5,615,123	(370,961)	(6.6)
Board of Indigents' Defense Services	17,963,617	(1,186,759)	(6.6)
Judicial Branch	97,384,189	(6,433,644)	(6.6)
Kansas Public Employers Retirement System	3,211,692	(190,927)	(5.9)
Commission on Human Rights	1,647,800	(108,861)	(6.6)
Department of Administration	458,430,256	(2,754,676)	(0.6)
Board of Tax Appeals	1,355,563	(89,555)	(6.6)
Department of Revenue	20,487,097	(1,353,471)	(6.6)
Department of Commerce	229,602	(15,169)	(6.6)
Subtotal - General Government	\$ 633,855,089	\$ (14,322,789)	(2.3) %
Department of Labor	\$ 342,448	\$ (22,624)	(6.6) %
Commission on Veterans Affairs	7,511,078	(496,216)	(6.6)
Dept. of Health and Environment - Health	18,506,241	(1,222,607)	(6.6)
Department on Aging	171,096,825	(2,496,555)	(1.5)
Social and Rehabilitation Services	492,285,287	(21,016,103)	(4.3)
Kansas Neurological Institute	12,089,114	(798,662)	(6.6)
Larned State Hospital	34,171,938	(2,257,554)	(6.6)
Osawatomie State Hospital	8,916,789	(589,084)	(6.6)
Parsons State Hospital	8,403,787	(555,193)	(6.6)
Rainbow Mental Health Facility	3,825,760	(252,747)	(6.6)
<i>Subtotal - SRS and Hospitals</i>	<i>559,692,675</i>	<i>(25,469,343)</i>	<i>(4.6)</i>
Kansas Guardianship Program	1,045,507	(69,071)	(6.6)
Health Care Policy Authority	1,450,000	(95,794)	(6.6)
Subtotal - Human Resources	\$ 759,644,774	\$ (29,872,209)	(3.9) %
Department of Education	\$ 2,438,111,945	\$ -	- %
State Library	5,014,996	(331,314)	(6.6)
Kansas Arts Commission	1,530,723	(101,127)	(6.6)
School for the Blind	5,025,381	(332,000)	(6.6)
School for the Deaf	8,180,339	(534,269)	(6.5)
State Historical Society	6,121,056	(404,385)	(6.6)
Fort Hays State University	31,879,264	(2,106,090)	(6.6)
Kansas State University	104,668,061	(6,902,334)	(6.6)
KSU - Ext. Systems and Ag. Research Programs	48,660,568	(3,214,739)	(6.6)
KSU - Veterinary Medical Center	9,988,928	(659,914)	(6.6)
Emporia State University	31,006,452	(2,048,428)	(6.6)
Pittsburg State University	33,570,974	(2,199,089)	(6.6)
University of Kansas	136,646,183	(8,927,493)	(6.5)
University of Kansas Medical Center	104,414,508	(6,898,099)	(6.6)
Wichita State University	68,810,586	(4,459,496)	(6.5)
Board of Regents	178,153,972	(11,769,664)	(6.6)
<i>Subtotal - Regents</i>	<i>747,799,496</i>	<i>(49,185,346)</i>	<i>(6.6)</i>
Subtotal - Education	\$ 3,211,783,936	\$ (50,888,439)	(1.6) %

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	FY 2006 Approved	8.8 Percent for 9 Months	
		Reduction	Change From Approved
Department of Corrections	\$ 100,308,147	\$ (6,297,792)	(6.3) %
Topeka Correctional Facility	11,034,013	(728,957)	(6.6)
Hutchinson Correctional Facility	25,967,928	(1,693,717)	(6.5)
Lansing Correctional Facility	34,255,570	(2,234,457)	(6.5)
Ellsworth Correctional Facility	11,235,979	(742,300)	(6.6)
Larned Correctional Mental Health Facility	8,695,027	(574,433)	(6.6)
Winfield Correctional Facility	10,617,672	(690,175)	(6.5)
Norton Correctional Facility	13,020,893	(846,751)	(6.5)
El Dorado Correctional Facility	21,994,267	(1,435,877)	(6.5)
<i>Subtotal - Corrections</i>	237,129,496	(15,244,460)	(6.4)
Juvenile Justice Authority	29,788,792	(1,967,984)	(6.6)
Atchison Juvenile Correctional Facility	6,031,363	(398,459)	(6.6)
Beloit Juvenile Correctional Facility	4,570,242	(301,931)	(6.6)
Larned Juvenile Correctional Facility	7,943,219	(524,765)	(6.6)
Kansas Juvenile Correctional Complex	15,395,739	(1,017,113)	(6.6)
<i>Subtotal - Juvenile Justice</i>	63,729,355	(4,210,252)	(6.6)
Adjutant General	10,090,756	(567,922)	(5.6)
Kansas Parole Board	452,988	(29,926)	(6.6)
Highway Patrol	35,294,183	(2,331,695)	(6.6)
Kansas Bureau of Investigation	14,288,995	(923,123)	(6.5)
Sentencing Commission	6,601,104	(436,099)	(6.6)
Subtotal - Public Safety	\$ 367,586,877	\$ (23,743,477)	(6.5) %
Dept. of Health and Environment - Environment	\$ 9,818,618	\$ (648,663)	(6.6) %
Department of Agriculture	10,399,625	(687,047)	(6.6)
Animal Health Department	774,801	(51,187)	(6.6)
Kansas State Fair Board	1,550,044	-	-
State Conservation Commission	634,112	(41,892)	(6.6)
Kansas Water Office	1,433,384	(94,696)	(6.6)
Department of Wildlife and Parks	3,562,447	(235,352)	(6.6)
Subtotal - Agriculture and Natural Resources	\$ 28,173,031	\$ (1,758,836)	(6.2) %
FY 2006 Total	\$ 5,001,043,707	\$ (120,585,750)	(2.4) %

Exempts K-12 expenditures, debt service, and SRS/Aging caseloads