

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on February 10, 2006 in Room 514-S of the Capitol.

All members were present except:

Representative Lee Tafanelli- excused
Representative Shari Weber- excused
Representative Barbara Ballard- excused
Representative Bonnie Sharp- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Michele Alishahi, Legislative Research Department
Amy Deckard, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on Department of Revenue
- Attachment 2 Budget Committee Report on State Library, Kansas Arts Commission, School for the Blind, School for the Deaf and State Historical Society
- Attachment 3 Response to Committee questions, Doug Bowman, Coordinating Council on Early Childhood Development Services

The following bills were referred:

SB 275 to General Government and Commerce Budget Committee.
HB 2847 to Social Services Budget Committee.

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the Department of Revenue for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 1). The motion was seconded by Representative Gatewood. Motion carried.

Representative McCreary, Chair of the Revenue, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Department of Revenue for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Gatewood. Motion carried.

Representative McCreary stated that language in Item No. 3 relating to vehicle purchases which reads "replace two high mileage vehicles", should read "replace ten high mileage vehicles".

The Committee requested that the Revenue, Judicial, Transportation and Retirement Budget Committee have discussion in their meetings on the "change in the definition of residency".

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the State Library for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 10, 2006 in Room 514-S of the Capitol.

motion was seconded by Representative McLeland. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the State Library for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative McLeland. Motion carried.

Representative Hutchins noted that not all members of the Education Budget Committee signed the Budget Committee report because of issues with the School for the Blind budget recommendation. Responding to a question from the Committee, Representative Hutchins indicated that the Tutor.com program is a subscription program, provided through the State Library budget, to provide assistance and tutoring to those in need of extra help with homework or have questions. It is offered to all residents of Kansas who have a library card.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the Kansas Arts Commission for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Huy. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the Kansas Arts Commission for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative McLeland. Division requested. Motion carried on a 10-4 vote.

With regard to Item No. 3 and the transfer of funds, some members of the Budget Committee stated that they did not sign the Budget Committee report because they objected to the movement of money from one entity to another.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the School for the Blind for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Huy. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the School for the Blind for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative Huy. Motion carried.

The Committee expressed concern with the deletion of the vehicle purchase in Item No. 3. It was noted that this request is to replace a 1990 wheelchair accessible mini-van with over 108,000 miles which the School for the Blind staff state is not mechanically safe to drive. The mini-van is used to transport special-needs children.

Representative Feuerborn moved to amend the Budget Committee report by deleting Item No. 3 with regard to the mini-van vehicle, from the Budget Committee report. The motion was seconded by Representative Lane. With permission from the second, the motion was withdrawn.

It was stated by the Chairman that it is his intent to remove all vehicle purchases from the individual budget reports and address all vehicles purchases as a global issue before Omnibus.

Representative Feuerborn moved to reconsider action on the Budget Committee recommendation for the School of the Blind for FY 2006. The motion was seconded by Representative Lane. Motion carried.

Representative Feuerborn moved to amend the Budget Committee report for the School of the Blind for FY 2006 by adding funding of \$32,800 to replace a wheel-chair accessible minivan. The motion was seconded by Representative Lane. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 10, 2006 in Room 514-S of the Capitol.

Representative Feuerborn moved to approve the Budget Committee report on the School of the Blind for FY 2006 as amended. The motion was seconded by Representative Sawyer. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the School for the Deaf for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Huy. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the School for the Deaf for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative McLeland.

Responding to questions from the Committee with reference to Item No. 4, Matt Spurgin, Legislative Research Department, explained that the Humanities Council is not a state agency and receives pass-thru funding from the State Historical Society budget.

Representative Feuerborn moved to amend the Budget Committee report on the School for the Deaf for FY 2007 by striking Item No. 4 from the report and add funding of \$99,123 from the State General Fund to increase the funding for special needs students. The motion was seconded by Representative Lane. Motion failed on a 5-9 vote.

Representative Gatewood moved to amend the Budget Committee report on the School for the Deaf for FY 2007, Item No. 4 by striking the language to transfer \$70,000 from the Humanities Council portion of the Kansas State Historical Society Budget for FY 2007 and replace with language to add \$70,000 from the State General Fund. The motion was seconded by Representative Feuerborn. Motion carried on a 8-6 vote.

Representative Hutchins renewed the motion to adopt the Budget Committee report on the School for the Deaf for FY 2007 as amended. The motion was seconded by Representative McLeland. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the State Historical Society for FY 2006 and moved for the adoption of the Budget Committee recommendation for FY 2006 (Attachment 2). The motion was seconded by Representative Huy. Motion carried.

With reference to the \$81,708 in Item No. 1, Jenny Chinn, State Historical Society, stated that this was an error in reporting by the agency.

Representative Hutchins moved to delete language referring to the \$81,708 in Item No. 1 of the Budget Committee report. The motion was seconded by Representative Huy. Motion carried.

Representative Hutchins moved to adopt the Budget Committee Report on the State Historical Society for FY 2007 as amended. The motion was seconded by Representative Huy. Motion carried.

Representative Hutchins, Chair of the Education Budget Committee presented the Budget Committee report on the Governor's budget recommendation for the State Historical Society for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative Huy. Motion carried

Representative McCreary moved to approve the Committee minutes, as written, of February 1 and February 2. The motion was seconded by Representative Feuerborn. Motion carried.

A response to Committee questions concerning the Tiny-K program was received from Doug Bowman, Coordinating Council on Early Childhood Developmental Services (Attachment 3).

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 10, 2006 in Room 514-S of the Capitol.

Chairman Neufeld announced the withdrawn of his name from the Sub Committee on Medicare Part D issues and appointed Representative Tafanelli to this sub committee. Representative Henry will chair the Sub Committee on Medicare Part D.

The meeting was adjourned at 10:25 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 13, 2006.



Melvin Neufeld, Chairman

HOUSE APPROPRIATIONS COMMITTEE

February 10, 2006

9:00 a.m.

NAME	REPRESENTING
William Nelson	Budget
Amy Salisbury	Budget
Rick Medell	Kansas Humanities Council
Kathy Baker	Kansas Historical Society
Tennie Chapp	Ks. St. Historical Society
Bob Moile	Ks School for the Deaf
Robert Shaumeyer	Ks School for the Blind
Jim Conant	KDOR
Lanny McMurphy	KDOR

FY 2006 and FY 2007

Kansas Department of Revenue



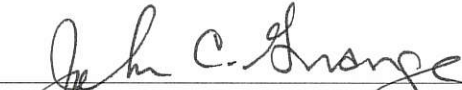
Representative Bill McCreary, Chair



Representative Eric Carter



Representative Doug Gatewood



Representative John Grange



Representative Mike O'Neal



Representative Tom Thull



Representative Shari Weber

HOUSE APPROPRIATIONS

DATE 2-10-2006

ATTACHMENT 1

House Budget Committee Report

Agency: Department of Revenue

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 1, p.708

Budget Page No. 337

<u>Expenditure Summary</u>	<u>Agency Estimate FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State Operations	\$ 78,320,150	\$ 78,388,346	\$ 0
Aid to Local Units	8,497,345	10,673,345	0
Other Assistance	3,500,000	3,500,000	0
TOTAL	\$ 90,317,495	\$ 92,561,691	\$ 0
Financing:			
State General Fund	\$ 20,571,834	\$ 20,571,834	\$ 0
Other Funds	69,745,661	71,989,857	0
TOTAL	\$ 90,317,495	\$ 92,561,691	\$ 0
 FTE Positions	 1,146.0	 1,146.0	 0.0

Agency Estimate

The **Department** estimates FY 2006 operating expenditures at \$90,317,495, including \$20,571,834 from the State General Fund. This is an increase of \$1,727,805 or 2.0 percent above the amount approved by the 2005 Legislature. The increase includes a \$84,737 or 0.4 percent increase in funding from the State General Fund. The increase in State General Fund is due to a reappropriation from FY 2005. Of the other funds increase totaling \$1,643,068, \$1,045,045 is attributable to KSIP expenditures planned for the current year. The remaining \$598,023 of the increase is due to the following: \$293,849 for increases in postage and other communication expenditures; \$167,196 for increases in rent; \$18,720 for increases in freight; \$73,207 for increases in travel and subsistence; and \$45,051 for increases in fees to other state agencies.

Staff Note: *The agency inadvertently failed to include \$135,626 in grant funds from the Department of Transportation in its budget submission.*

Governor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$92,561,691, including \$20,571,834 from the State General Fund. The recommendation is an increase of \$3,972,001 or 4.5 percent above the amount approved by the 2005 Legislature. The recommendation includes an increase of \$84,737 or 0.4 percent from the State General Fund. The recommendation includes increasing the transfer from the Sand Royalty Fund to the State Water Plan Fund by \$1,000, for a

total transfer of \$211,000 in FY 2006. Additionally, the Governor added \$2,176,000 in expenditures from the Special County Mineral Production Fund and added \$68,195 for a grant received by the Alcoholic Beverage Control Program from the Department of Transportation for an Underage Enforcement Project Agreement to use funds received by the Department of Transportation from the Federal Traffic Safety Grant Funds. In addition, the Governor shifted salaries and wages funding of \$67,431 from the Division of Vehicles Operating Fund to the Federal Commercial Motor Vehicle Safety Fund to reflect the remainder of the Department of Transportation grant funding.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: Department of Revenue

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 1, p.708

Budget Page No. 337

<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:			
State Operations	\$ 75,418,872	\$ 75,989,519	\$ (135,086)
Aid to Local Units	8,035,345	9,220,345	0
Other Assistance	3,500,000	3,500,000	0
TOTAL	<u>\$ 86,954,217</u>	<u>\$ 88,689,864</u>	<u>\$ (135,086)</u>
Financing:			
State General Fund	\$ 20,229,947	\$ 20,154,916	\$ (116,300)
Other Funds	66,724,270	68,534,948	(18,786)
TOTAL	<u>\$ 86,954,217</u>	<u>\$ 88,689,684</u>	<u>\$ (135,086)</u>
 FTE Positions	 1,146.0	 1,146.0	 0.0

Agency Request

The **Department** requests FY 2007 operating expenditures of \$86,954,217, including \$20,229,947 from the State General Fund. The request is a decrease of \$3,363,278 or 3.7 percent below the FY 2006 estimate. The request includes a State General Fund decrease of \$341,887 or 1.7 percent below the FY 2006 estimate. The request includes an enhancement package of \$356,277, including \$116,300 from the State General Fund, for the replacement of vehicles. Without the enhancement package, the request would be \$86,597,940, a decrease of \$3,719,555 or 4.1 percent below the FY 2006 estimate. The Department estimated KSIP expenditures of \$1,045,045 in FY 2006 that will not be repeated in FY 2007. Additionally, the FY 2006 estimate contains \$1,661,640, including \$506,906 from the State General Fund to account for the fact that there were 27 payroll periods in FY 2006, while there are only 26 payroll periods in FY 2007. The Department's FY 2007 request includes a reduction of \$462,000 in aid to local units, a reduction of \$257,476 in temporary salaries in the Tax Operations Division, and reductions in contractual services, the majority of which are in communications and repairs and servicing.

Staff Note: *The agency inadvertently failed to include \$132,349 in grant funds from the Department of Transportation in its budget submission.*

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$88,689,864, including \$20,154,916 from the State General Fund. The recommendation is a decrease of \$3,871,827 or 4.2 percent below the FY 2006 recommendation. The FY 2007 recommendation includes a State General Fund decrease of \$416,918 or 2.0 percent below the FY 2006 recommendation. The Governor's FY 2007 recommendation is an increase of \$1,735,647 or 2.0 percent above the

agency's request. The recommendation includes a State General Fund decrease of \$75,031 or 0.4 percent below the agency's request. The recommendation includes: the reduction of \$11,000 in the amount transferred from the Sand Royalty Fund to the State Water Plan Fund, for a total transfer in FY 2007 of \$199,000; an increase in shrinkage of \$350,000 from the State General Fund to increase the shrinkage rate from 10.3 percent to 10.9 percent; the addition of \$135,086, including \$11,630 from the State General Fund, for the purchase of eight cars and two trucks. The agency had requested \$356,277, including \$116,300 from the State General Fund to replace 28 vehicles; the addition of \$62,895 for a grant received by the Alcoholic Beverage Control Program from the Department of Transportation for an Underage Enforcement Project Agreement to use funds received by the Department of Transportation from the Federal Traffic Safety Grant Funds; the shift salaries and wages funding of \$69,454 from the Division of Vehicles Operating Fund to the Federal Commercial Motor Vehicle Safety Fund to reflect the remainder of the Department of Transportation grant funding; the addition of \$1,185,000 in expenditures from the Special County Mineral Production Tax Fund; and the addition of \$1,058,943, including \$379,639 from the State General Fund 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 comments and adjustments:

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$88,589,690, including \$20,487,097 from the State General Fund. The approved budget was reduced by a net total of \$979,922, including \$322,113 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$849,122 in salary adjustments and \$130,800 in one-time adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	20,154,916	88,689,864
Baseline Budget	20,164,984	87,609,768
Dollar Difference	(10,068)	1,080,096
<i>Percent Difference</i>	<i>0.0%</i>	<i>1.2%</i>

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The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	379,639	1,058,943
Vehicle Enhancement Package	116,300	135,086
Decrease Shrinkage	(251,973)	(833,442)
Special Co. Mineral Prod Transfer	0	2,728,295
KDOT Grant	0	62,895
Other Salary Adjustments	(139,296)	(2,082,453)
Net Other Adjustments	<u>(10,068)</u>	<u>10,772</u>
	<u>(10,068)</u>	<u>1,080,096</u>

- 3. Vehicle Purchase.** Delete \$135,086, including \$116,300 from the State General Fund, to remove funding recommended by the Governor to replace two high mileage vehicles. The Budget Committee recommends the agency's purchase of vehicles be reviewed at Omnibus.

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FY 2006 and FY 2007

HOUSE EDUCATION BUDGET COMMITTEE

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



Representative Becky Hutchins, Chair

Representative Bill Feuerborn



Representative Lana Gordon

Representative Bob Grant



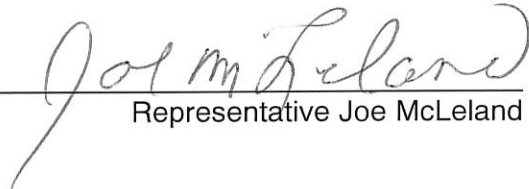
Representative Steve Huebert



Representative Bonnie Hay



Representative Carl Krehbiel



Representative Joe McLeland

Representative Tom Sawyer

HOUSE APPROPRIATIONS

DATE 2-10-2006
ATTACHMENT 2

House Budget Committee Report

Agency: State Library

Bill No.

Bill Sec.

Analyst: Dunkel

Analysis Pg. No. 353

Budget Page No. Vol. II, Pg 307

Expenditure	Agency Req. FY 06	Governor Rec. FY 06	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,014,996	\$ 5,014,996	\$ 0
Other Funds	2,174,883	2,174,883	0
TOTAL	<u>\$ 7,189,879</u>	<u>\$ 7,189,879</u>	<u>\$ 0</u>
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>

Agency Estimate

The **agency** estimates current year operating expenditures of \$7.2 million, including \$5.0 million State General Fund. The estimate is an increase of \$727,664 or 11.3 percent all funds and \$90,193 or 1.8 percent State General Fund above the FY 2005 actual expenditures. The increase reflects the 27th payroll period in FY 2006.

The estimate is an increase of \$441,724 or 6.5 percent all funds above the FY 2006 approved amount, reflecting carry forward amounts from FY 2005 to FY 2006 in the agency Federal Library Services and Technology Fund and Gifts and Grants Fund.

Governor's Recommendation

The **Governor** concurs with the agency estimate.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

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House Budget Committee Report

Agency: State Library

Bill No.

Bill Sec.

Analyst: Dunkel

Analysis Pg. No. 353

Budget Page No. Vol. II, Pg 307

Expenditure	Agency Req. FY 07	Governor Rec. FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,048,158	\$ 5,284,397	\$ (190,000)
Other Funds	1,784,839	1,784,839	0
TOTAL	<u>\$ 7,832,997</u>	<u>\$ 7,069,236</u>	<u>\$ (190,000)</u>
FTE Positions	29.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>29.0</u>	<u>27.0</u>	<u>0.0</u>

Agency Estimate

The **agency** requests FY 2007 operating expenditures of \$7.8 million, including \$6.0 million State General Fund. The request is an increase of \$643,118 or 8.9 percent all funds and \$1.0 million or 20.6 percent State General Fund above the revised current year estimate. The increase reflects enhancement requests totaling \$1.1 million from the State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$7.1 million, including \$5.3 million from the State General Fund. The recommendation is a decrease of \$120,643 or 1.7 percent all funds and an increase of \$269,401 or 5.4 percent State General Fund from the FY 2006 recommendation and reflects reductions in other assistance due to one-time grant funds in FY 2006.

The **Governor's** recommendation is a reduction of \$763,761 or 9.8 percent all funds and \$763,761 or 12.6 percent State General Fund below the agency request. The Governor's recommendation includes \$265,000 State General Fund for the Tutor.Com requested enhancement, as well as \$28,930 State General Fund for a 2.5 percent cost of living increase.

House Budget Committee Recommendation

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of

Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$6,748,155, including \$5,014,996 from the State General Fund. The approved budget was reduced by a net total of \$22,464, including \$23,288 from the State General Fund to establish a baseline budget for FY 2007. The reductions included \$23,288 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.**
The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 5,284,397	\$ 7,069,236
Baseline Budget	4,991,708	6,725,691
Dollar Difference	<u>\$ 292,689</u>	<u>\$ 343,545</u>
<i>Percent Difference</i>	5.5%	10.4%

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
<i>Base Salary Adjustment</i>	\$ 28,930	\$ 28,930
<i>Tutor.Com Enhancement</i>	265,000	265,000
<i>Other Miscellaneous Adjustments</i>	(1,241)	49,615
TOTAL	<u>\$ 292,689</u>	<u>\$ 343,545</u>

3. The Budget Committee recommends \$75,000 from the State General Fund for the agency Talking Books Service enhancement request. The Talking Books Service provides services to more than 7,000 Kansans who are unable to use standard print due to physical impairments, including vision loss, paralysis, or reading disabilities. This includes books and magazines in recorded and Braille formats. The recorded materials and playback equipment provided are delivered to the patron's home through the U.S. Postal Service. The enhancement was requested to maintain the current program.
4. The Budget Committee recommends a reduction of \$265,000 State General Fund from the Governor's recommendation for the Tutor.com enhancement. The Committee recommends review of this item at Omnibus and asks that the Department of Education study the enhancement to determine it's suitability, as well as the appropriateness of funding the item in the State Library budget, as opposed to the Department of Education budget.

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House Budget Committee Report

Agency: Kansas Arts Commission **Bill No. --** **Bill Sec. --**
Analyst: Alishahi **Analysis Pg. No.** Vol. II, 830 **Budget Page No.** 61

<u>Expenditure Summary</u>	<u>Agency Estimate FY 06</u>	<u>Governor's Recommendation FY 06</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,530,723	\$ 1,497,554	\$ 0
Other Funds	584,031	584,031	0
TOTAL	\$ 2,114,754	\$ 2,081,585	\$ 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

The **agency** estimates FY 2006 operating expenditures of \$2,114,754, an increase of \$59,130 or 2.9 percent above the approved budget. The agency estimates FY 2006 State General Fund expenditures of \$1,530,723, which is the approved amount. The difference between the approved amount and the agency's revised estimate for the current year are as follows:

- An additional \$56,924 from the National Endowment for the Arts federal funds; and
- An additional \$2,206 from the Special Gifts Fund that the agency carried forward from FY 2005 to FY 2006.

Governor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$2,081,585, an increase of \$25,961 or 1.3 percent above the approved amount. The Governor's FY 2006 recommendation includes State General Fund expenditures of \$1,497,554, a decrease of \$33,169 or 2.2 percent below the approved amount. The recommendation is \$33,169 or 1.6 percent less than the agency's revised FY 2006 estimate and includes:

- **Shrinkage Rate.** A reduction of \$33,169 from the State General Fund in salaries and wages, as a result of a set shrinkage rate of 7.0 percent.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: Kansas Arts Commission **Bill No. --** **Bill Sec. --**
Analyst: Alishahi **Analysis Pg. No.** Vol. II, 830 **Budget Page No.** 61

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,668,265	\$ 1,497,616	\$ (75,000)
Other Funds	475,308	479,654	0
TOTAL	\$ 2,143,573	\$ 1,977,270	\$ (75,000)
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

The **agency** requests FY 2007 operating expenditures of \$2,143,573, an increase of \$28,819 or 1.4 percent above the FY 2006 estimate. The agency requests FY 2007 State General Fund expenditures of \$1,668,265, an increase of \$137,542 or 9.0 percent above the revised FY 2006 estimate. The agency's request includes two enhancements totaling \$143,314 from the State General Fund. **Without the enhancements**, the agency's request is a decrease of \$114,495 or 5.4 percent below the revised current year estimate.

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$1,977,270, a decrease of \$104,315 or 5.0 percent below the current year recommendation. The Governor's FY 2007 recommendation includes State General Fund expenditures of \$1,497,616, an increase of \$62 above the FY 2006 recommendation. The recommendation is \$166,303 or 7.8 percent less than the agency's budget year request and includes:

- **Salary and Wage Adjustment.** An additional \$9,540, including \$5,194 from the State General Fund, for a 2.5 percent base salary increase for all state employees; and
- **Shrinkage Rate.** A reduction of \$32,529 from the State General Fund in salaries and wages, as a result of a set shrinkage rate of 7.0 percent.

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

House Budget Committee Recommendation

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

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1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERS) rates, KPERS death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$2,055,624, including \$1,530,723 from the State General Fund. The approved budget was reduced by a net total of \$7,815, including \$4,692 from the State General Fund, to establish a baseline budget for FY 2007. The reduction included \$7,815 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 1,497,616	\$ 1,977,270
Baseline Budget	1,526,032	2,047,809
Dollar Difference	\$ (28,416)	\$ (70,539)
<i>Percent Difference</i>	<i>(1.9)%</i>	<i>(3.6)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	SGF	All Funds
Base Salary Adjustment	\$ 5,194	\$ 9,540
Shrinkage - 7.0 Percent	(32,529)	(32,529)
Arts Grants Adjustment	(4,437)	(46,762)
Other Net Adjustments	3,356	(788)
TOTAL	\$ (28,416)	\$ (70,539)

3. **Transfer Funds.** Delete \$75,000 from the State General Fund for arts grants and transfer funds to the Kansas State Library to maintain the structure of the Talking Books Library Service. The additional funds will provide:

- \$10,000 each for the regional and five sub-regional libraries for increased costs of braille, outreach programs, and staff; and
- \$15,000 to the regional library for incorporation of the South Central Kansas Library System (SCKLS) sub-regional library services.

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House Budget Committee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. II, 812

Budget Page No. 85

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 5,458,330	\$ 5,391,185	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 5,458,330	\$ 5,391,185	\$ 0
Capital Improvements	335,362	335,362	0
TOTAL	\$ 5,793,692	\$ 5,726,547	\$ 0
State General Fund:			
State Operations	\$ 4,995,288	\$ 4,928,143	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 4,995,288	\$ 4,928,143	\$ 0
Capital Improvements	28,613	28,613	0
TOTAL	\$ 5,023,901	\$ 4,956,756	\$ 0
FTE Positions	93.5	93.5	0.0
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0
TOTAL	93.5	93.5	0.0

Agency Estimate

The **agency** estimates FY 2006 operating expenditures of \$5,458,330, an increase of \$117,309 or 2.2 percent above the approved amount. The agency estimates State General Fund expenditures of \$4,995,288, a decrease of \$30,093 or 0.6 percent below the approved amount. The difference between the approved amount and the agency's revised estimate is the result of:

- A **supplemental request** for an additional \$67,145 from the State General Fund for a pay plan increase to fund KSSB teacher salaries at the level of the Olathe Unified School District, in FY 2006, based on a pay increase approved by the Olathe School Board in July 2005. A pay gap of approximately 4.0 percent currently exists after the action taken by the Olathe School Board in July.
- A reduction of \$68,625 from the State General Fund that KSSB did not need for the 27th payroll period in FY 2006.
- A reduction of \$28,613 from the State General Fund that was shifted from capital outlay to capital improvements to pay for debt service principal.
- An increase of \$147,402 in other funds, including \$58,239 in federal funds.

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Governor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$5,391,185, an increase of \$50,164 or 0.9 percent above the approved amount. The Governor's FY 2006 recommendation includes State General Fund expenditures of \$4,928,143, a decrease of \$97,238 or 1.9 percent below the approved amount. The recommendation is \$67,145 or 1.2 percent less than the agency's revised estimate and does not include the supplemental request.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. II, 812

Budget Page No. 85

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 5,527,575	\$ 5,474,325	\$ (34,800)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,527,575</u>	<u>\$ 5,474,325</u>	<u>\$ (34,800)</u>
Capital Improvements	149,877	92,727	0
TOTAL	<u><u>\$ 5,677,452</u></u>	<u><u>\$ 5,567,052</u></u>	<u><u>\$ (34,800)</u></u>
State General Fund:			
State Operations	\$ 5,096,009	\$ 5,039,755	\$ (34,800)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 5,096,009</u>	<u>\$ 5,039,755</u>	<u>\$ (34,800)</u>
Capital Improvements	25,276	25,276	0
TOTAL	<u><u>\$ 5,121,285</u></u>	<u><u>\$ 5,065,031</u></u>	<u><u>\$ (34,800)</u></u>
FTE Positions	93.5	93.5	0.0
Non-FTE Unclass. 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

The **agency** requests FY 2007 operating expenditures of \$5,527,575, an increase of \$69,245 or 1.3 percent above the FY 2006 revised estimate. The agency requests FY 2007 State General Fund expenditures totaling \$5,096,009, an increase of \$100,721 or 2.0 percent above the current year revised estimate. The agency's request includes two enhancements totaling \$182,871 from the State General Fund. **Without the enhancements**, the agency's FY 2007 request is a decrease of \$113,626 or 2.1 percent below the FY 2006 revised estimate. The agency also requests that an official hospitality account be established in FY 2007 in the amount of \$2,000 from the State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$5,474,325, an increase of \$83,140 or 1.5 percent above the FY 2006 recommendation. The Governor's FY 2007 recommendation includes State General Fund expenditures of \$5,039,755, an increase of \$111,612 or 2.3 percent above the current year recommendation. The recommendation is \$53,250 or 1.0 percent less than the agency's FY 2007 request and includes:

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- An additional \$94,733, including \$91,729 from the State General Fund, for a 2.5 percent base salary increase for all state employees;
- An additional \$2,088 from the State General Fund for incentive bonuses for trade employees; and
- An additional \$32,800 from the State General Fund for the agency's enhancement request to replace a wheel-chair accessible minivan.

In addition, the Governor concurs with the agency's request to establish an official hospitality account in the amount of \$2,000 from the State General Fund. The Governor does not recommend the agency's other enhancement request.

House Budget Committee Recommendation

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$5,529,085, including \$5,025,381 from the State General Fund. The approved budget was reduced by a net total of \$73,592, including \$72,437 from the State General Fund, to establish a baseline budget for FY 2007. The reduction included \$73,592 in salary adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 5,065,031	\$ 5,567,052
Baseline Budget	4,952,944	5,455,493
Dollar Difference	\$ 112,087	\$ 111,559
<i>Percent Difference</i>	<i>2.2%</i>	<i>2.0%</i>

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The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 91,729	\$ 94,733
Incentive Bonuses for Trade Employees	2,008	2,008
Vehicle Purchase	32,800	32,800
Other Net Adjustments	<u>(14,450)</u>	<u>(17,982)</u>
TOTAL	<u>\$ 112,087</u>	<u>\$ 111,559</u>

3. **Vehicle Purchase.** Delete \$32,800 from the State General Fund to remove funding recommended by the Governor to replace a wheel-chair accessible minivan in FY 2007 and review at Omnibus.
4. **Official Hospitality Account.** Delete \$2,000 from the State General for the Official Hospitality Account and review at Omnibus.

House Budget Committee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. II, 795

Budget Page No. 137

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,736,642	\$ 8,507,067	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 8,736,642	\$ 8,507,067	\$ 0
Capital Improvements	2,221,675	2,221,675	0
TOTAL	\$ 10,958,317	\$ 10,728,742	\$ 0
State General Fund:			
State Operations	\$ 8,230,022	\$ 8,000,447	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	\$ 8,230,022	\$ 8,000,447	\$ 0
Capital Improvements	52,021	52,021	0
TOTAL	\$ 8,282,043	\$ 8,052,468	\$ 0
FTE Positions	173.5	173.5	0.0
Non-FTE Unclass. Perm. Pos.	0.0	0.0	0.0
TOTAL	173.5	173.5	0.0

Agency Estimate

The **agency** estimates FY 2006 operating expenditures of \$8,736,642, an increase of \$277,502 or 3.3 percent above the approved amount. The agency estimates current year State General Fund expenditures of \$8,230,022, a net increase of \$101,704 or 1.3 percent above the approved amount. The difference between the approved amount and the agency's revised estimate is the result of:

- A **supplemental request** for an additional \$229,575 from the State General Fund for a pay plan increase to fund KSSD teacher salaries at the level of the Olathe Unified School District in FY 2006, based on a pay increase approved by the Olathe School Board in July 2005. The new funding would close a pay gap of approximately 5.5 percent between the two groups of teachers.
- A reduction of \$127,871 from the State General Fund that KSSD did not need for the 27th payroll period in FY 2006.
- An increase of \$175,798 in other funds, including \$46,223 in federal funds.

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ernor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$8,507,067, an increase of \$47,927 or 0.6 percent above the approved amount. The Governor's FY 2006 recommendation includes State General Fund expenditures of \$8,000,447, a decrease of \$127,871 or 1.6 percent below the approved amount. The recommendation is \$229,575 or 2.6 percent less than the agency's revised estimate and does not include the supplemental request.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Alishahi

Analysis Pg. No. Vol. II, 795

Budget Page No. 137

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,668,837	\$ 8,504,724	\$ 37,200
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 8,668,837</u>	<u>\$ 8,504,724</u>	<u>\$ 37,200</u>
Capital Improvements	409,197	264,197	0
TOTAL	<u><u>\$ 9,078,034</u></u>	<u><u>\$ 8,768,921</u></u>	<u><u>\$ 37,200</u></u>
State General Fund:			
State Operations	\$ 8,328,357	\$ 8,161,534	\$ 37,200
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal-Operating	<u>\$ 8,328,357</u>	<u>\$ 8,161,534</u>	<u>\$ 37,200</u>
Capital Improvements	54,197	54,197	0
TOTAL	<u><u>\$ 8,382,554</u></u>	<u><u>\$ 8,215,731</u></u>	<u><u>\$ 37,200</u></u>
FTE Positions	173.5	173.5	0.0
Non-FTE Unclass. 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

The **agency** requests FY 2007 operating expenditures of \$8,668,837, a decrease of \$67,805 or 0.8 percent below the FY 2006 revised estimate. The agency requests FY 2007 State General Fund expenditures totaling \$8,328,357, an increase of \$98,335 or 1.2 percent above the current year revised estimate. The agency's request includes three enhancements totaling \$364,020 from the State General Fund. **Without the enhancements**, the agency's FY 2007 request is a decrease of \$431,825 or 4.9 percent below the FY 2006 revised estimate.

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$8,504,724, a decrease of \$2,343 below the FY 2006 recommendation. The Governor's FY 2007 recommendation includes State General Fund expenditures of \$8,161,534, an increase of \$161,087 or 2.0 percent above the current year recommendation. The recommendation is \$164,113 or 1.9 percent less than the agency's FY 2007 request and includes:

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- An additional \$159,076, including \$156,366 from the State General Fund, for a 2.5 percent base salary increase for all state employees;
- An additional \$8,031 from the State General Fund for incentive bonuses for trade employees; and
- An additional \$32,800 from the State General Fund for the agency's enhancement request to replace two minivans.

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

House Budget Committee Recommendation

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

1. **FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$9,604,351, including \$8,180,339 from the State General Fund. The approved budget was reduced by a net total of \$1,049,486, including \$134,349 from the State General Fund, to establish a baseline budget for FY 2007. The reductions included \$117,046 in salary adjustments and \$932,440 in one-time adjustments.

2. **Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	SGF	All Funds
Governor's Recommendation	\$ 8,215,731	\$ 8,768,921
Baseline Budget	8,045,989	8,554,865
Dollar Difference	<u>\$ 169,742</u>	<u>\$ 214,056</u>
<i>Percent Difference</i>	<i>2.1%</i>	<i>2.4%</i>

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The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 156,366	\$ 159,076
Incentive Bonuses for Trade Employees	8,031	8,031
Vehicle Purchase	32,800	32,800
Roth Dorm Renovation Study	0	25,000
Rehabilitation and Repair Adjustment	0	5,000
Shrinkage Adjustment	(22,580)	(22,580)
Other Net Adjustments	(4,875)	6,729
TOTAL	<u>\$ 169,742</u>	<u>\$ 214,056</u>

3. **Vehicle Purchase.** Delete \$32,800 from the State General Fund to remove funding recommended by the Governor to replace two minivans in FY 2007 and review at Omnibus.

4. **Enhancement Request.** Shift \$70,000 from the State General Fund from the Humanities Council portion of the Kansas State Historical Society budget for FY 2007 to fund a portion of the agency's enhancement request for an additional \$99,123 from the State General Fund to increase funding for special needs students. The Budget Committee also requests the Appropriations Committee to find the remaining \$29,123 to completely fund the agency's enhancement request for FY 2007.

House Budget Committee Report

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

Bill Sec.

Analyst: Spurgin

Analysis Pg. No. Vol. 2, 842

Budget Page No. 201

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 6,970,821	\$ 7,030,413	\$ 0
Aid to Local Units	661,830	706,021	0
Other Assistance	1,027,930	1,027,930	0
Subtotal - Operating	\$ 8,660,584	\$ 8,764,364	\$ 0
Capital Improvements	689,019	689,019	0
TOTAL	\$ 9,349,600	\$ 9,453,383	\$ 0
State General Fund:			
State Operations	\$ 5,657,408	\$ 5,657,408	\$ 0
Aid to Local Units	131,830	131,830	0
Other Assistance	177,930	177,930	0
Subtotal - Operating	\$ 5,967,168	\$ 5,937,168	\$ 0
Capital Improvements	340,619	340,619	0
TOTAL	\$ 6,307,787	\$ 6,307,787	\$ 0
FTE Positions	134.0	134.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	138.0	138.0	0.0

Agency Estimate

The **agency's** current year estimate for operating expenditures of \$8,660,581 is a decrease of \$102,671 (1.2 percent) below the approved budget. Included in this amount, the agency estimates FY 2006 State General Fund operating expenditures of \$5,967,168, an increase of \$1,112 (0.0 percent) above from the approved State General Fund amount. This increase in State General Fund expenditures represents a reappropriation of funds approved for operating expenditures in FY 2005, but not spent, which carried forward to FY 2006.

Governor's Recommendation

The **Governor** recommends a current year operating budget of \$8,764,364, an increase of \$1,112 (0.0 percent) above the approved amount, all of which is accounted for by a reappropriation of funds approved for operating expenditures in FY 2005, but not spent, which carried forward to FY 2006. The Governor's recommendation adds \$103,783 from special revenue funds to the agency's

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request. This expenditure of special revenue funds was omitted from the agency's budget request due to technical errors; however, including the expenditure from special revenue funds brings the recommended special revenue funds expenditures to the level approved by the 2005 Legislature. The recommendation for FY 2006 includes funding for 27 payroll periods.

House Budget Committee Recommendation

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

1. The Budget Committee notes that the recommendation includes \$689,019 for capital improvements, of which \$340,619 is from the State General Fund and \$348,400 is from special revenue funds. The Budget Committee notes that of the \$348,400 of special revenue funds, \$81,708 cannot be explained with the agency's planned projects and that actual projects and funding from special revenue funds total \$267,891 for total capital improvements of \$608,510.

House Budget Committee Report

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

Bill Sec.

Analyst: Spurgin

Analysis Pg. No. Vol. 2, 842

Budget Page No. 201

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 6,877,136	\$ 6,980,429	\$ 0
Aid to Local Units	381,830	681,830	0
Other Assistance	<u>1,027,930</u>	<u>877,930</u>	<u>(70,000)</u>
Subtotal - Operating	\$ 8,586,896	\$ 8,540,189	\$ (70,000)
Capital Improvements	<u>920,039</u>	<u>125,000</u>	<u>0</u>
TOTAL	<u><u>\$ 9,506,935</u></u>	<u><u>\$ 8,665,189</u></u>	<u><u>\$ (70,000)</u></u>
State General Fund:			
State Operations	\$ 5,571,339	\$ 5,659,822	\$ 0
Aid to Local Units	151,830	151,830	0
Other Assistance	<u>177,930</u>	<u>27,930</u>	<u>(70,000)</u>
Subtotal - Operating	\$ 5,901,099	\$ 5,839,582	\$ (70,000)
Capital Improvements	<u>920,039</u>	<u>125,000</u>	<u>0</u>
TOTAL	<u><u>\$ 6,821,138</u></u>	<u><u>\$ 5,964,582</u></u>	<u><u>\$ (70,000)</u></u>
FTE Positions	134.0	134.0	0.0
Non FTE Uncl. Perm. Pos.	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
TOTAL	<u><u>138.0</u></u>	<u><u>138.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2007 operating expenditures of \$8,586,896, a decrease of \$73,685 (0.9 percent) below the revised current year estimate. The agency request includes \$5,901,099 in State General Fund expenditures, a decrease of \$66,069 (1.1 percent) below the revised current year estimate. The agency submitted a reduced resources package of \$224,445 in State General Fund reductions, which included an increase in the shrinkage rate, reductions in funding for the Kansas Humanities Council, and the Kansas Heritage Center.

Governor's Recommendation

The **Governor** recommends FY 2007 operating expenditures of \$8,540,189, a decrease of \$224,175 (2.6 percent) below the current year recommendation. The recommendation for FY 2007 includes funding for 26 payroll periods, which partially explains the reduction in expenditures from FY 2006.

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House Budget Committee Recommendation

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

- FY 2007 Baseline Budget.** To establish a baseline FY 2007 budget, the FY 2006 budget, as approved by the 2005 Legislature, was adjusted to reflect salary adjustments (removal of the 27th payroll period funding included in FY 2006, annualization of the FY 2006 phased in 2.5 percent base salary adjustment and statutorily required adjustments for Kansas Public Employees Retirement System (KPERs) rates, KPERs death and disability insurance, and longevity). In addition, adjustments were made for required debt service payments, revenue transfers, and consensus items including school finance funding and caseload estimates for the Department of Social and Rehabilitation Services, the Department of Administration, the Department on Aging, and the Board of Indigents' Defense Services. Finally, adjustments were made for one-time items which impact specific agency budgets.

For this agency, the FY 2006 approved budget totaled \$9,266,652, including \$6,121,056 from the State General Fund. The approved budget was reduced by a net total of \$335,270, including \$319,917 from the State General Fund, to establish a baseline budget for FY 2007. The reductions included \$95,270 in salary adjustments, and \$240,000 in one-time adjustments.

- Comparison of FY 2007 Baseline Budget to Governor's Recommendation.** The table below reflects the difference between the Governor's recommendation and the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Governor's Recommendation	\$ 5,964,582	\$ 8,665,189
Baseline Budget	5,801,139	8,931,382
Dollar Difference	<u>\$ 163,443</u>	<u>\$ (266,193)</u>
<i>Percent Difference</i>	<i>0.6%</i>	<i>(3.0)%</i>

The following table reflects items included in the Governor's recommendation which differ from the baseline budget.

	<u>SGF</u>	<u>All Funds</u>
Base Salary Adjustment	\$ 93,854	\$ 108,664
Kansas Humanities Council enhancement	70,000	70,000
Other Net Adjustments	(411)	(444,857)
TOTAL	<u>\$ 163,443</u>	<u>\$ (266,193)</u>

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3. Delete \$70,000 from the State General Fund recommended by the Governor to fund the Kansas Humanities Council enhancement for the "Kansans Tell Their Stories" project.
4. The Budget Committee notes that the recommended budget did not include any capital improvements projects financed through special revenue funds, which accounts for some of the difference between the all funds baseline budget and the Governor's recommendation. The Committee notes that due to a technical oversight this funding was not requested by the agency or included in the Governor's recommendation, but notes that the agency would fund two capital improvements projects in FY 2007 through special revenue funds: The Shawnee Indian Mission, \$200,000; and the Fort Hays Guardhouse, \$194,400.

• MAKE A • Difference

DATE: February 9, 2006
MEMO TO: Rep. Sharon Schwartz
FROM: Doug Bowman, Coordinator
RE: Question from today's Appropriations Comm. Meeting

Dear Rep. Schwartz:

You asked if I could provide details on any General Education Funds (Base State Aid Per Pupil) that may be supporting services to children aged birth to three with special needs (through the *tiny-k* networks). Currently, there are 12 of the 36 total local networks that utilize a special education cooperative or local school district as the lead agency for *tiny-k*. Six out of those twelve reported to KDHE in the annual, autumn survey that they ended FY 2005 with a deficit.

We now list those deficits. These deficits may have been covered by either General Education Funds or Special Education Funds that were in reserve. We have no way of knowing exactly.

Local Network - USD	deficit
Harvey County	86,671
Marion County	6,735
NW Ks Educ Svc. Ctr.	9,547
Ottawa-Wellsville	1,726
Pottawatomie-Wabaunsee	12,938
Wyandotte County	<u>87,626</u>
total	205,243

It is worth noting that each of these 12 networks reports receiving extensive support of in-kind resources, ie. telephones, space, support staff, and consulting.

Many of the other 24 local networks also report deficits. These were generally covered by their own local lead agencies or other community resources.

HOUSE APPROPRIATIONS

DATE 2-10-2006
ATTACHMENT 3