

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 9, 2006, in Room 123-S of the Capitol.

All members were present except:

Senator Ruth Teichman- excused

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michelle Alishahi, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Matt Spurgin, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending:

See attached list.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2006 and FY 2007 were made available to the Committee.

Subcommittee budget reports on:

School for the Blind

School for the Deaf

State Historical Society

Kansas Arts Commission

State Library ([Attachment 1](#))

Subcommittee Chairman David Wysong reported that the budget subcommittee on the School for the Blind concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustment.

Senator Wysong moved, with a second by Senator Schodorf, to adopt the budget subcommittee report on the School for the Blind in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman David Wysong reported that the budget subcommittee on the School for the Deaf concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustment.

Senator Wysong moved, with a second by Senator Schodorf, to adopt the budget subcommittee report on the School for the Deaf in FY 2006 and FY 2007. Motion carried on a voice vote.

Subcommittee Chairman David Wysong reported that the budget subcommittee on the State Historical Society concurs with the Governor's recommendations in FY 2006 with observation and FY 2007.

Senator Wysong moved, with a second by Senator Kelly, to adopt the budget subcommittee report on the State Historical Society in FY 2006 and FY 2007. Motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 9, 2006, in Room 123-S of the Capitol.

Subcommittee Chairman David Wysong reported that the budget subcommittee on the Kansas Arts Commission concurs with the Governor's recommendations in FY 2006 and FY 2007 with adjustment.

Senator Barone moved, with a second by Senator Kelly, to amend the budget subcommittee report on the Kansas Arts Commission to add \$32,529 from the State General Fund to restore the agency's requested shrinkage rate in FY 2007 instead of the Governor's recommendation of 7.0 percent. Motion carried on a voice vote.

Senator Wysong moved, with a second by Senator Schodorf, to adopt the budget subcommittee report on the Kansas Arts Commission in FY 2006 and FY 2007 as amended. Motion carried on a voice vote.

Subcommittee Chairman David Wysong reported that the budget subcommittee on the State Library concurs with the Governor's recommendations in FY 2006 and FY 2007 with comment.

Senator Wysong moved, with a second by Senator Betts, to adopt the budget subcommittee report on the State Library in FY 2006 and FY 2007. Motion carried on a voice vote.

The meeting adjourned at 10:55 a.m. The next meeting was scheduled for March 10, 2006.

SENATE WAYS AND MEANS
GUEST LIST

Date March 9, 2006

NAME	REPRESENTING
Twila Drybread	Budget
Amy Salisbury	DOB
Nancy Baib	KSHS
Philip A. Hurvey	Pat Hurvey & Co.
Tim Knowles	Leadership SRS
Sharon Monroe	-
Cardace Cobb	Citizen
Dorothy Hunt	"
John Divine	KANSAS ARTS COMMISSION
Azita Wolgan	" " "
Christine Dooney	" " "
Chris Howell	" " "
Judy Langley	" " "
Sharon Huss	" " "
Joyanne Woodruff	" " "
Ann Evans	" " "
Max Gallwitz	State Library of Kansas
Christie Brandon	State Library of Kansas
Donnie Keim	State Library
Ken Lassman	KNI
Shannon Martinec	-
Jiffay Carson	Leadership SRS
	Michael Byington

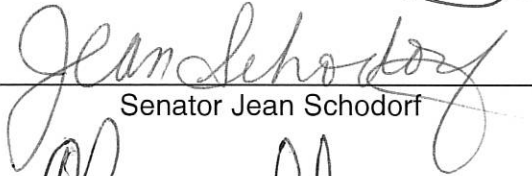
FY 2006 and FY 2007

SENATE WAYS AND MEANS SUBCOMMITTEE

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



Senator David Wysong, Chair



Senator Jean Schodorf



Senator Chris Steineger

Senate Ways and Means
03-09-06
Attachment 1

House Budget Committee Report

Agency: School for the Blind

Bill No. HB 2958

Bill Sec. 46

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	<u>\$ 5,458,330</u>	<u>\$ 5,391,185</u>	<u>\$ 0</u>
Capital Improvements	335,362	335,362	0
TOTAL	<u><u>\$ 5,793,692</u></u>	<u><u>\$ 5,726,547</u></u>	<u><u>\$ 0</u></u>
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	<u>\$ 4,995,288</u>	<u>\$ 4,928,143</u>	<u>\$ 0</u>
Capital Improvements	28,613	28,613	0
TOTAL	<u><u>\$ 5,023,901</u></u>	<u><u>\$ 4,956,756</u></u>	<u><u>\$ 0</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 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.

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 Committee Recommendation

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

1. **Vehicle Purchase.** Add \$32,800 from the State General Fund to replace a wheelchair accessible minivan in FY 2006.
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Senate Subcommittee Report

Agency: School for the Blind **Bill No.** SB 570 **Bill Sec.** 46
Analyst: Alishahi **Analysis Pg. No.** Vol. II-812 **Budget Page No.** 85

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee 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	<u>\$ 5,458,330</u>	<u>\$ 5,391,185</u>	<u>\$ 0</u>
Capital Improvements	335,362	335,362	0
TOTAL	<u><u>\$ 5,793,692</u></u>	<u><u>\$ 5,726,547</u></u>	<u><u>\$ 0</u></u>
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	<u>\$ 4,995,288</u>	<u>\$ 4,928,143</u>	<u>\$ 0</u>
Capital Improvements	28,613	28,613	0
TOTAL	<u><u>\$ 5,023,901</u></u>	<u><u>\$ 4,956,756</u></u>	<u><u>\$ 0</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 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.

Governor's Recommendation

The **Governor** recommends FY 2006 operating expenditures of \$4,391,185, 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.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: School for the Blind

Bill No. HB 2968

Bill Sec. 37

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:

- 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

Percent Difference

2.2%

2.0%

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 Committee Recommendation

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

Senate Subcommittee Report

Agency: School for the Blind **Bill No.** SB 573 **Bill Sec.** 37

Analyst: Alishahi **Analysis Pg. No.** Vol. II-812 **Budget Page No.** 85

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 5,527,575	\$ 5,474,325	\$ 150,071
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>\$ 150,071</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>\$ 150,071</u></u>
State General Fund:			
State Operations	\$ 5,096,009	\$ 5,039,755	\$ 150,071
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>\$ 150,071</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>\$ 150,071</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:

- 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 the reclassification of 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.

Senate Subcommittee Recommendation

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

1. **Teacher Salaries.** Add \$150,071 from the State General Fund for the agency's enhancement request to increase teacher salaries at the Kansas School for the Blind (KSSB) for FY 2007. It is the Subcommittee's understanding that the Olathe School Board will grant a 5.0 percent or higher pay raise for the 2006-2007 school year. The agency estimates that the additional funding from the State General Fund will bring teacher salaries at KSSB to the level of the Olathe School District for FY 2007.

House Budget Committee Report

Agency: School for the Deaf

Bill No. HB 2958

Bill Sec. 47

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	<u>\$ 8,736,642</u>	<u>\$ 8,507,067</u>	<u>\$ 0</u>
Capital Improvements	2,221,675	2,221,675	0
TOTAL	<u><u>\$ 10,958,317</u></u>	<u><u>\$ 10,728,742</u></u>	<u><u>\$ 0</u></u>
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	<u>\$ 8,230,022</u>	<u>\$ 8,000,447</u>	<u>\$ 0</u>
Capital Improvements	52,021	52,021	0
TOTAL	<u><u>\$ 8,282,043</u></u>	<u><u>\$ 8,052,468</u></u>	<u><u>\$ 0</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 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.

Governor'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 Committee Recommendation

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

Senate Subcommittee Report

Agency: School for the Deaf **Bill No.** SB 570 **Bill Sec.** 47

Analyst: Alishahi **Analysis Pg. No.** Vol. II-795 **Budget Page No.** 137

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee 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	<u>\$ 8,736,642</u>	<u>\$ 8,507,067</u>	<u>\$ 0</u>
Capital Improvements	2,221,675	2,221,675	0
TOTAL	<u><u>\$ 10,958,317</u></u>	<u><u>\$ 10,728,742</u></u>	<u><u>\$ 0</u></u>
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	<u>\$ 8,230,022</u>	<u>\$ 8,000,447</u>	<u>\$ 0</u>
Capital Improvements	52,021	52,021	0
TOTAL	<u><u>\$ 8,282,043</u></u>	<u><u>\$ 8,052,468</u></u>	<u><u>\$ 0</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 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.

Governor'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.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: School for the Deaf

Bill No. HB 2968

Bill Sec. 38

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:

- 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	\$ 169,742	\$ 214,056
<i>Percent Difference</i>	2.1%	2.4%

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

	<u>SGF</u>	<u>All Funds</u>
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 Committee Recommendation

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

1. **Enhancement Request.** Add \$70,000 from the State General Fund 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 House Committee also concurs with the Budget Committee's request that the remaining \$29,123 be found to completely fund the agency's enhancement request for FY 2007.

Senate Subcommittee Report

Agency: School for the Deaf **Bill No.** SB 573 **Bill Sec.** 38
Analyst: Alishahi **Analysis Pg. No.** Vol. II-795 **Budget Page No.** 137

Expenditure Summary	Agency Request FY 07	Governor's Recommendation FY 07	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 8,668,837	\$ 8,504,724	\$ 232,097
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>\$ 232,097</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>\$ 232,097</u></u>
State General Fund:			
State Operations	\$ 8,328,357	\$ 8,161,534	\$ 232,097
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>\$ 232,097</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>\$ 232,097</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:

- 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 the reclassification of 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.

Senate Subcommittee Recommendation

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

1. **Teacher Salaries.** Add \$232,097 from the State General Fund for the agency's enhancement request to increase teacher salaries at the Kansas School for the Deaf (KSSD) for FY 2007. It is the Subcommittee's understanding that the additional funding from the State General Fund will help keep teacher salaries at KSSB at the level of the Olathe School District for the 2005-2006 school year. However, it does not take into account a possible pay raise by the Olathe School Board for the 2006-2007 school year.

House Budget Committee Report

Agency: State Historical Society **Bill No.** HB 2958

Bill Sec. 48

Analyst: Spurgin

Analysis Pg. No. Vol. II-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 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 Committee Recommendation

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

1. Delete \$81,708 from special revenue funds for Capital Improvements. This removes the unnecessary expenditures included in the Governor's recommendation due to an oversight.
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Senate Subcommittee Report

Agency: State Historical Society **Bill No.** SB 570

Bill Sec. 48

Analyst: Spurgin

Analysis Pg. No. Vol. II-842

Budget Page No. 201

Expenditure Summary	Agency Estimate FY 2006	Governor's Recommendation FY 2006	Senate Subcommittee 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

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.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee notes that the recommendation includes \$184,420 from the State General Fund as capital improvement funds to replace the skylights at the State Historical Society Museum in Topeka.

House Budget Committee Report

Agency: State Historical Society **Bill No.** HB 2968

Bill Sec. 39

Analyst: Spurgin

Analysis Pg. No. Vol. II-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	1,027,930	877,930	(70,000)
Subtotal - Operating	\$ 8,586,896	\$ 8,540,189	\$ (70,000)
Capital Improvements	920,039	125,000	0
TOTAL	\$ 9,506,935	\$ 8,665,189	\$ (70,000)
State General Fund:			
State Operations	\$ 5,571,339	\$ 5,659,822	\$ 0
Aid to Local Units	151,830	151,830	0
Other Assistance	177,930	27,930	(70,000)
Subtotal - Operating	\$ 5,901,099	\$ 5,839,582	\$ (70,000)
Capital Improvements	920,039	125,000	0
TOTAL	\$ 6,821,138	\$ 5,964,582	\$ (70,000)
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 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.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following observations 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 \$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.

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	\$ 5,964,582	\$ 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>

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.

House Committee Recommendation

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

1. The Committee adds \$70,000 from the State General Fund to restore the Kansas Humanities Council project, "Kansans Tell Their Stories."

Senate Subcommittee Report

Agency: State Historical Society **Bill No.** SB 573 **Bill Sec.** 39

Analyst: Spurgin **Analysis Pg. No.** Vol. II-842 **Budget Page No.** 201

Expenditure Summary	Agency Request FY 2007	Governor's Recommendation FY 2007	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 6,877,136	\$ 6,980,429	\$ 0
Aid to Local Units	381,830	681,830	0
Other Assistance	1,027,930	877,930	0
Subtotal - Operating	\$ 8,586,896	\$ 8,540,189	\$ 0
Capital Improvements	920,039	125,000	0
TOTAL	\$ 9,506,935	\$ 8,665,189	\$ 0
State General Fund:			
State Operations	\$ 5,571,339	\$ 5,659,822	\$ 0
Aid to Local Units	151,830	151,830	0
Other Assistance	177,930	27,930	0
Subtotal - Operating	\$ 5,901,099	\$ 5,839,582	\$ 0
Capital Improvements	920,039	125,000	0
TOTAL	\$ 6,821,138	\$ 5,964,582	\$ 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 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.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Arts Commission **Bill No.** HB 2958 **Bill Sec.** 45

Analyst: Alishahi **Analysis Pg. No.** Vol. II-830 **Budget Page No.** 61

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	House Budget Committee Adjustments
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 Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Arts Commission **Bill No.** SB 570 **Bill Sec.** 45

Analyst: Alishahi **Analysis Pg. No.** Vol. II-830 **Budget Page No.** 61

Expenditure Summary	Agency Estimate FY 06	Governor's Recommendation FY 06	Senate Subcommittee Adjustments
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.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Arts Commission **Bill No.** 2968 **Bill Sec.** 36

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:

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	<u>\$ (28,416)</u>	<u>\$ (70,539)</u>
<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	<u>\$ (28,416)</u>	<u>\$ (70,539)</u>

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.

House Committee Recommendation

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

Senate Subcommittee Report

Agency: Kansas Arts Commission **Bill No.** SB 573 **Bill Sec.** 36

Analyst: Alishahi **Analysis Pg. No.** Vol. II-830 **Budget Page No.** 61

<u>Expenditure Summary</u>	<u>Agency Request FY 07</u>	<u>Governor's Recommendation FY 07</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,668,265	\$ 1,497,616	\$ 129,314
Other Funds	475,308	479,654	0
TOTAL	\$ 2,143,573	\$ 1,977,270	\$ 129,314
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.

Senate Subcommittee Recommendation

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

1. **Arts Grants and Economic Impact Study.** Add \$129,314 from the State General Fund for the agency's two enhancement requests, including \$115,314 to increase funding for arts grants and \$14,000 to research and publish an economic impact study of all sectors of the arts industry in Kansas.

House Budget Committee Report

Agency: State Library

Bill No. --

Bill Sec. --

Analyst: Dunkel

Analysis Pg. No. Vol. II, 859

Budget Page No. 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 House Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: State Library

Bill No. --

Bill Sec. --

Analyst: Dunkel

Analysis Pg. No. Vol. I-859

Budget Page No. 307

<u>Expenditure</u>	<u>Agency Req. FY 06</u>	<u>Governor Rec. FY 06</u>	<u>Senate Subcommittee Adjustments</u>
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 and reflects 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.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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House Budget Committee Report

Agency: State Library

Bill No. 2968

Bill Sec. 35

Analyst: Dunkel

Analysis Pg. No. Vol. II-859

Budget Page No. 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 Request

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

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 \$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 the addition of \$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.

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

Senate Subcommittee Report

Agency: State Library

Bill No. 573

Bill Sec. 35

Analyst: Dunkel

Analysis Pg. No. Vol. I-859

Budget Page No. 307

Expenditure	Agency Req. FY 07	Governor Rec. FY 07	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 6,048,158	\$ 5,284,397	\$ 0
Other Funds	1,784,839	1,784,839	0
TOTAL	<u>\$ 7,832,997</u>	<u>\$ 7,069,236</u>	<u>\$ 0</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 Request

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.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends review of the agency enhancement request for \$75,000 from the State General Fund for the Talking Books Service during Omnibus. The Talking Books Service provides information 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.